

No. 18-916

In The
Supreme Court of the United States

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

—◆—
**BRIEF OF SUPERIOR COMMUNICATIONS, INC.
AS *AMICUS CURIAE*
IN SUPPORT OF PETITIONER**

—◆—
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INTEREST OF AMICUS CURIAE¹

Superior Communications, Inc. is one party in *Superior Communications, Inc. v. VoltStar Technologies, Inc.*, a case in which Superior recently filed a petition for a writ of certiorari. Petition for Writ of Certiorari, *Superior Communications, Inc. v. VoltStar Technologies, Inc.*, No. 18-1027 (S. Ct. Feb. 4, 2019) (“Superior Petition” or “Superior Pet.”). Superior has a keen interest in this case, because Superior’s Petition presents the same two questions presented in Dex Media’s petition (“Petition” or “Pet.”).

The facts leading to Superior’s Petition are nearly identical to the facts described in Dex Media’s Petition. Superior petitioned for inter partes review (“IPR”) in 2016, three years after VoltStar Technologies, Inc. voluntarily dismissed a patent infringement suit against Superior. Superior Pet. 6–7. In its decision to institute IPR (“the Institution Decision”), the Patent Trial and Appeal Board (“PTAB”) rejected VoltStar’s argument that Superior’s petition for IPR was time barred under 35 U.S.C. § 315(b). *Id.* 7. Although § 315(b) generally requires a defendant to petition for IPR within one year of being served with a patent infringement complaint, the PTAB had long held that § 315(b) does not apply when the complaint is voluntarily dismissed without prejudice. *See, e.g., Oracle v. Click-to-Call*

¹ Pursuant to Rule 37.2(a), counsel for the parties received notice of Superior’s intent to file this brief, all of whom timely consented in writing. No counsel for any party authored this brief in any part, and no one other than Superior or its counsel made a monetary contribution to fund its preparation or submission.

Technologies LP, IPR2013-00312, 2013 WL 11311788, at *7 (PTAB Oct. 30, 2013). After the PTAB instituted IPR, the parties and the PTAB then spent large amounts of time and money litigating the case, after which the PTAB issued its final written decision, again rejecting VoltStar’s time-bar argument under § 315(b). Superior Pet. 8, 34.

VoltStar then appealed to the Federal Circuit. *Id.* 8–9. Under the Federal Circuit’s *Achates* case, VoltStar would have been unable to appeal the PTAB’s decision that § 315(b)’s time bar did not apply, because that determination is part of the Institution Decision, which is “final and nonappealable” under 35 U.S.C. § 314(d). *Achates Reference Pub’g, Inc. v. Apple Inc.*, 803 F.3d 652, 658 (Fed. Cir. 2015), *overruled by Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1367 (Fed. Cir. 2018). But shortly before the PTAB issued its final written decision, a sharply divided en banc Federal Circuit overruled *Achates*. *Wi-Fi One, LLC*, 878 F.3d at 1367. VoltStar was thus able to raise as an issue on appeal whether § 315(b) time barred Superior’s petition for IPR.

Under the PTAB’s long-established interpretation of § 315(b), the answer was “no”—a voluntarily dismissed complaint does not trigger § 315(b)’s one-year time bar. But while VoltStar’s appeal was pending—and before any briefing—the en banc Federal Circuit overruled the PTAB’s interpretation of § 315(b), over a vigorous dissent. *Click-to-Call Technologies, LP v. Ingenio, Inc.*, 899 F.3d 1321, 1331 (Fed. Cir. 2018). Giving no deference at all to the PTAB’s interpretation, the

Click-to-Call majority held that § 315(b) is triggered any time a patent infringement complaint is served on the IPR petitioner, no matter what happens later. *Id.* at 1330–31. In light of *Click-to-Call*, VoltStar moved for summary disposition before the Federal Circuit, which found *Click-to-Call* dispositive and summarily vacated the PTAB’s final written decision accordingly. Superior Pet. 13.

Superior then filed a petition for a writ of certiorari, and Superior’s petition presents precisely the same questions presented by Dex Media’s petition: *first*, whether a party may appeal the PTAB’s determination in an Institution Decision that § 315(b)’s time-bar provision does not apply, despite § 314(d)’s prohibition against appealing the PTAB’s Institution Decision, and *second*, whether § 315(b)’s time-bar provision applies when the patent infringement complaint that would otherwise trigger § 315(b) is voluntarily dismissed without prejudice. Superior Pet. i–ii.

Superior thus has an acute interest in this case—the fate of Superior’s case may largely or entirely be tied to the outcome of this case.



SUMMARY OF THE ARGUMENT

Dex Media’s petition presents two narrow, yet important issues: whether § 314(d) allows a party to appeal the PTAB’s application of § 315(b)’s time-bar provision made during its Institution Decision, and whether a defendant’s petition for IPR is timely under

§ 315(b) when the petition was filed more than a year after the defendant was served with a patent infringement complaint that was voluntarily dismissed without prejudice.

As the Petition correctly explains, the Federal Circuit’s en banc majority opinions in *Wi-Fi One* and *Click-to-Call* cannot be squared with the plain language or purposes of both § 314(d) and § 315(b). Pet. 13–29. The *Wi-Fi One* majority took an overly narrow view of § 314(d), which contradicts both § 314(d)’s language as interpreted by this Court in *Cuozzo*. Pet. 13–16. This restrictive view also defeats § 314(d)’s purpose by providing the means for litigants to undo a final written decision by challenging many aspects of the Institution Decision. Pet. 16–21. The *Click-to-Call* majority made matters worse by casting aside the well-settled law that a complaint dismissed without prejudice “leaves the situation as if the action had never been filed,” Pet. 21 (quoting 9 Charles Alan Wright, *et al.*, *Federal Practice and Procedure* § 2367, at 559–65 (3d ed. 1998)). Instead, the Federal Circuit looked only to the dictionary definitions of the words in § 315(b), and held that such a dismissed complaint still results in starting § 315(b)’s one-year clock to petition for IPR, contrary to this Court’s decision in *Kasten*, which required the Federal Circuit to “look further” than just the words in § 315(b) in isolation. Pet. 21–23.

The Petition therefore establishes strong grounds for this Court to grant review, and there are at least two other good reasons to grant review.

First, the impact of *Click-to-Call* is not limited to just Dex Media—the case will have a devastating and lasting impact on the patent world. Just months after IPR became effective in September 2012, the PTAB interpreted § 315(b) as not applying when a patent infringement complaint is voluntarily dismissed without prejudice. *Macauto U.S.A. v. BOS GMBH & KG*, IPR2012-00004, 2013 WL 5947694, at *7 (PTAB Jan. 24, 2013). Thus, for nearly six years between IPR’s creation and *Click-to-Call* in August 2018, any defendant agreeing to the voluntary dismissal of a patent infringement complaint without prejudice knew that § 315(b) would not later bar them from petitioning for IPR. *Click-to-Call* pulls the rug out from under these defendants, who are now time barred from petitioning for IPR. Their only other option will be costly, time-consuming federal litigation—the exact opposite of what Congress intended in creating IPR. Superior’s case is but one concrete example of this.

Second, *Wi-Fi One* encourages waste of significant time and money, defeating the purpose of § 314(d). These statutes, read in the context of the IPR process generally, reveal that Congress specifically sought to avoid the waste allowed by *Wi-Fi One*. Congress split IPR into two steps: the Institution Decision and the Final Written Decision. 35 U.S.C. §§ 314, 318. The Institution Decision comes early in the process and is expressly not appealable. *Id.* § 314(d). The Final Written Decision comes at the end of the process after the parties engage in “the usual trappings of litigation” like fact discovery, expert discovery and depositions,

extensive briefing, and a trial-like hearing. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). Final Written Decisions are expressly appealable. 35 U.S.C. § 319. Congress could have set up IPR to involve just a Final Written Decision, but its choice to bifurcate the process and forbid appeal only of the Institution Decision reflects that Congress wanted PTAB to have final say over the decisions bearing on whether to institute IPR, without those early decisions being used as a weapon to undo the result of all the resources expended *after* the Institution Decision. Superior’s case demonstrates the serious costs parties incur after the PTAB institutes IPR, and other cases further illustrate the point. Because *Wi-Fi One* opens the door to the very waste Congress designed IPR to prevent, this Court should grant review.

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ARGUMENT

I. THIS COURT SHOULD REVIEW *CLICK-TO-CALL*, WHICH ROBBS MANY DEFENDANTS OF THEIR ABILITY TO PETITION FOR IPR AND THUS FOSTERS LITIGATION, FRUSTRATING THE VERY PURPOSE OF IPR.

This Court should grant review because the issues raised in the Petition are not unique to Dex Media—they are common to many defendants who once counted on their being able to later petition for IPR after agreeing to voluntarily dismiss a complaint without prejudice, and who no longer can. The result is that

these numerous defendants must now flock to federal court, spending all the time and money litigating patent challenges that Congress intended for IPR to resolve.

A. Many Defendants Are In Dex Media's And Superior's Position.

IPR became effective in September 2012. Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 35, 125 Stat. 284, 341 (2011) (stating that “the provisions of this Act shall take effect upon the expiration of the 1-year period beginning on the date of . . . enactment. . .”). Almost immediately thereafter, the PTAB interpreted § 315(b) as not applying when the relevant complaint was voluntarily dismissed without prejudice. *Macauto U.S.A. v. BOS GMBH & KG*, IPR2012-00004, 2013 WL 5947694, at *7 (PTAB Jan. 24, 2013) (finding § 315(b) inapplicable because “the dismissal of the earlier action . . . nullifies the effect of the alleged service of the complaint on Petitioner”). Thus, for the nearly six years leading up to *Click-to-Call* in August 2018, defendants agreeing to early voluntary dismissals of patent infringement complaints did so with the understanding that they would still be available to petition for IPR later.

That all changed when (1) *Wi-Fi One* allowed parties to appeal the PTAB's determination in an Institution Decision that a petition for IPR is timely under § 315(b), *Wi-Fi One*, 878 F.3d at 1374–75, and (2) *Click-to-Call* overruled the PTAB's interpretation in such an

appeal and held instead that § 315(b) applies even when the complaint is later dismissed, *Click-to-Call*, 899 F.3d at 1330–31. These cases apply retroactively, *DIRECTV, Inc. v. Imburgia*, 136 S. Ct. 463, 469 (2015), which means that these two cases pull the rug out from under countless defendants now time barred from petitioning for IPR.

Superior is but one example. When Superior agreed to voluntarily dismiss the patent infringement complaint filed against it, the law was clear—a voluntary dismissal without prejudice would not trigger § 315(b)’s time-bar provision, and thus Superior knew it could agree to the dismissal without fear of a § 315(b) barring a petition for IPR. *See, e.g., Oracle*, 2013 WL 11311788, at *7; *Macauto U.S.A.*, 2013 WL 5947694, at *7. Parties like Superior also knew that, under *Achates*, once IPR was instituted, the Institution Decision could not be appealed, and thus there was no chance of spending all the time and money after the Institution Decision just to later discover on appeal that IPR should not have been instituted at all. *Achates*, 803 F.3d at 658, *overruled by Wi-Fi One*, 878 F.3d at 1367.

Indeed, when Superior petitioned for IPR three years after the dismissal, the PTAB relied on its longstanding interpretation of § 315(b) in rejecting the argument that Superior’s petition was time barred. It was only shortly before the PTAB’s Final Written Decision that the Federal Circuit decided *Wi-Fi One*, which opened the door to the appeal that Superior counted on not occurring. The Federal Circuit then decided *Click-to-Call* while Superior was waiting to brief

the appeal, which further frustrated Superior's expectation that all the time and money it spent after the Institution Decision would not be wasted by a challenge to that decision. In the end, Superior, like Dex Media, was blindsided by two sharply divided en banc Federal Circuit decisions. And, if those decisions are let to stand, Superior's only recourse will be to spend all that time and money again by having the federal courts redo the work the PTAB already completed.

And Dex Media and Superior are not the only parties who now find themselves unable to petition for IPR after relying on the law that would have let them do so. Dismissals of complaints without prejudice are common in the patent world, and many such dismissals occurred before *Wi-Fi One* and *Click-to-Call*. See, e.g., *Mobile Tech, Inc. v. Sennco Sols., Inc.*, IPR2017-02199, 2018 WL 1891466, at *3 (PTAB Apr. 10, 2018); *ResMed Ltd. v. Fisher & Paykel Healthcare Ltd.*, IPR2016-01719, 2017 WL 1014404, at *2 (PTAB Mar. 13, 2017); *Microsoft Corp. v. Parallel Networks Licensing, LLC*, IPR2015-00483, 2015 WL 4760575, at *6–7 (PTAB July 15, 2015); *Jacobs Corp. v. Genesis III, Inc.*, IPR2014-01267, 2015 WL 331289, at *3 (PTAB Jan. 22, 2015); *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, 2014 WL 4381564, at *11–12 (PTAB Sept. 2, 2014); *Oracle*, 2013 WL 11311788, at *7; *Macauto U.S.A.*, 2013 WL 5947694, at *7.²

² These cases are only some of the PTAB decisions available on Westlaw that involve petitions for IPR filed over a year after service of a complaint that is later dismissed without prejudice. There are countless more PTAB decisions beyond those published

Also, in the short time since *Click-to-Call*, there are already four decisions published on Westlaw where PTAB applied *Click-to-Call* in circumstances similar to Dex Media and Superior. *Medtronic, Inc. v. Niazi Licensing Corp.*, IPR2018-01495, 2019 WL 262704, at *1–2 (PTAB Jan. 17, 2019); *VIZIO, Inc. v. Nichia Corp.*, IPR2018-00893, 2019 WL 148464, at *1–2 (PTAB Jan. 9, 2019); *FLIR Sys., Inc. v. Garmin Corp.*, IPR2018-01490, 2018 WL 5276319, at *1–2 (PTAB Oct. 22, 2018); *Shenzhen Liown Elecs. Co. v. Disney Enters., Inc.*, IPR2015-01656, 2018 WL 5099768, at *1–2 (PTAB Oct. 18, 2018).³

And these are just examples of cases in which a defendant *has* petitioned for IPR after agreeing to voluntarily dismiss a complaint without prejudice, resulting in a written decision. But there are certainly many more defendants similar to Dex Media and Superior, but who have not yet needed to petition for IPR. These potential IPR petitioners are also among those affected by *Wi-Fi One* and *Click-to-Call*.

From all this, it is abundantly clear that a host of defendants have agreed to voluntary dismissals because they were counting on the ability to petition for IPR in the future. Their justifiable reliance should

by Westlaw. *See, e.g., Jacobs Corp.*, 2015 WL 331289, at *3 (citing three unpublished PTAB slip opinions that involve petitions for IPR filed over a year after service of a complaint that was dismissed without prejudice).

³ Again, these cases only reflect what is available on Westlaw, as opposed to PTAB's slip opinions.

neither be punished, nor should it be unavailing. This Court should review *Click-to-Call*.

B. These Defendants Will Have No Choice But To Clog The Federal Courts With Patent Infringement Litigation That Congress Wanted Resolved By IPR.

Because of *Click-to-Call*, IPR is no longer an option for the many defendants who relied upon the future availability of IPR in agreeing to early dismissals of patent infringement suits without prejudice. Instead, these cases, as the *Click-to-Call* majority put it, “leave [defendants] to litigate the merits” of their patent claims in federal court. 899 F.3d at 1341.

That is cold comfort for the many defendants—like Dex Media and Superior—who have expended significant resources obtaining a Final Written Decision, only to be surprised by being forced to spend a great deal of precious time and money redoing the case in federal court. More to the point, such a result flies in the face of Congress’s intent in enacting § 314(d) and § 315(b) in the first place.

Congress designed IPR to be a “quick and cost effective alternative[] to litigation.” H.R. Rep. No. 112-98, pt. 1, at 45, 48 (2011). But *Click-to-Call* effectively *takes away* IPR as an alternative for defendants like Dex Media and Superior, leaving them no choice but to settle patent disputes in expensive federal court litigation. Congress could not have meant for § 315(b) to force *more* defendants into the federal courts as their

only avenue for challenging patents. This confirms that *Wi-Fi One* and *Click-to-Call* defeat the very cost-saving purposes of § 314(d) and § 315(b).

In short, the issues raised in the Petition go well beyond Dex Media—they are important issues having serious consequences for countless others, who now must turn to costly federal court litigation to resolve a patent dispute that Congress meant to be resolved more efficiently through IPR. This Court should review *Click-to-Call* and vindicate Congress’s intent in enacting § 314(d) and § 315(b).

II. CONGRESS PROHIBITED APPEALS OF INSTITUTION DECISIONS TO AVOID THE VERY WASTE OF RESOURCES ENCOURAGED BY *WI-FI ONE*.

Congress’s overall statutory scheme for IPR establishes that *Wi-Fi One* runs counter to § 314(d)’s plain language and purpose. Congress bifurcated IPR so parties can confidently obtain a swift, final, nonappealable Institution Decision before expending the vast resources necessary to obtain a Final Written Decision. By allowing appellate challenges to the Institution Decision, *Wi-Fi One* renders the Institution Decision largely redundant of the Final Written Decision, making parties uncertain whether the resources they spent *after* the Institution Decision will be wasted by a challenge to that decision. This increase in wasteful litigation is not what Congress intended.

A. Congress Prohibited Appeals Of The Institution Decision To Avoid Unnecessary Litigation Expense.

Courts must read statutes “in their context and with a view to their place in the overall statutory scheme.” *FDA v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 133 (2000) (quoting *Davis v. Michigan Dep’t of Treasury*, 489 U.S. 803, 809 (1989)). Section 314(d) prohibits appeals of Institution Decisions as part of IPR’s bifurcated system, in which the PTAB makes an early call whether to institute IPR, and then a final call on the challenged claims’ patentability. 35 U.S.C. §§ 314(a)–(b), 318(a).

The first step in IPR—the Institution Decision—occurs just three months after the patent owner’s initial response to the petition or the due date for such a response. *Id.* § 314(b). The early timing of this decision ensures that the parties receive an Institution Decision after only spending the time and money on two briefs—the petition itself and the response.⁴ *See id.* Congress expressly called out the Institution Decision as “final and nonappealable.” *Id.* § 314(d).

After IPR is instituted, the next step is the Final Written Decision. This process includes “many of the usual trappings of litigation,” like fact discovery, expert

⁴ That is not to say that a petition for IPR or the response to one is cheap—they can be very time-consuming and costly, but those costs pale in comparison to all of the fact discovery, expert discovery, and hearings that lead up to the Final Written Decision.

discovery, additional briefing, oral arguments, and trial-like hearings. *Iancu*, 138 S. Ct. at 1354. Rather than the quick three month period for an Institution Decision, the PTAB has up to eighteen months to issue the Final Written Decision, reflecting the time and money it takes to complete all the discovery, briefing, and hearings involved. 35 U.S.C. § 316(a)(11). This culminates in a Final Written Decision that decides the merits of the claims challenged in the patent. 35 U.S.C. § 318(a). Congress expressly called out the Final Written Decision as appealable. *Id.* § 319.

This two-part system, with an early call on whether to institute IPR before moving to the merits, combined with Congress expressly prohibiting review of the Institution Decision, shows Congress's concern to avoid waste. That waste occurs when the parties spend the time and money all the way through the Final Written Decision, only to find that it is for naught because of an error in the Institution Decision. See *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) ("We doubt that Congress would have granted the Patent Office this authority . . . 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."). Congress *could have* crafted IPR to involve only a Final Written Decision that would address all issues, including timeliness under § 315(b). But to avoid inefficient relitigation, Congress put the Institution Decision altogether beyond appellate review. This Court should

grant the writ here in furtherance of Congress's intent, for reasons explained below.

B. *Wi-Fi One* Causes The Waste Congress Designed IPR To Avoid.

Superior's case demonstrates the serious costs parties incur after the PTAB institutes IPR, and the resulting waste of those resources made possible by *Wi-Fi One*. After the PTAB's Institution Decision, Superior and VoltStar both retained experts, which involved written expert reports and expert depositions. Superior Pet. 34. And the PTAB's Final Written Decision focused extensively on the expensive expert discovery. Superior Pet. App. 12–103 (referring throughout Final Written Decision to each parties' experts). The post-Institution Decision also involved additional, extensive briefing. Superior Pet. 6. *Wi-Fi One* therefore "squander[ed] the time and resources [the parties] spent adjudicating the actual merits of the petition," contrary to Congressional intent. *Wi-Fi One*, 878 F.3d at 1382 (Hughes, J., dissenting).

Other cases further demonstrate the parties' significant investments made after the Institution Decision that are later wasted due to *Wi-Fi One*. In *Shenzhen*, for example, the PTAB instituted IPR over the patent owner's argument that the petition was untimely under § 315(b), because the complaint allegedly triggering § 315(b) had been dismissed without prejudice. *Shenzhen Liown Elecs. Co. v. Disney Enters., Inc.*,

IPR2015-01656, slip op. at 6–9 (PTAB Feb. 8, 2016).⁵ After the PTAB’s Institution Decision, the parties submitted additional extensive briefing. *Shenzhen Liown Elecs. Co. v. Disney Enters., Inc.*, IPR2015-01656, 2017 WL 500153, at *1 (PTAB Feb. 6, 2017), *vacated by Luminara Worldwide, LLC v. Iancu*, 899 F.3d 1303, 1308 (Fed. Cir. 2018). The case indicates that the parties hired three experts to opine on the patent claims at issue. *Id.* at *4–12 (relying in part on the expert testimonies of “Dr. Delson,” “Dr. Brown,” and “Dr. Gorowsky”). And after all this briefing and expert discovery, the PTAB also held an “oral hearing” (i.e. trial) and issued its Final Written Decision four months later. *Id.* at *1. The Final Written Decision again rejected the patent owner’s argument that the petition for IPR was time barred under § 315(b). *Id.* at *2–3.

When the PTAB issued the Final Written Decision in *Shenzhen*, the PTAB’s Institution Decision determination that the petition for IPR was timely was not appealable. But while the *Shenzhen* patent owner’s appeal was pending, the Federal Circuit decided both *Wi-Fi One* and *Click-to-Call*, which paved the way for the Federal Circuit to summarily vacate the Final Written Decision. *Luminara Worldwide, LLC v. Iancu*, 899 F.3d 1303, 1306 (Fed. Cir. 2018). Thus, like Superior and Dex Media, the IPR petitioner in *Shenzhen* wasted significant recourses obtaining a Final Written

⁵ Slip opinions can be found at the PTAB’s website, <https://ptab.uspto.gov/#/login>, by searching for the patent number without commas or spaces (the patent number at issue in *Schenzhen* is 8,070,319).

Decision on the merits of its petition only to have that decision undone by an appellate challenge to the Institution Decision. And other cases are similar. *See, e.g., Baker Hughes Oilfield Operations, Inc. v. Smith Int'l, Inc.*, IPR2016-01440, 2018 WL 5262654, at *2 (PTAB Oct. 4, 2018) (vacating a Final Written Decision in light of *Wi-Fi One* and *Click-to-Call*, after extensive briefing by the parties, a trial, an appeal and subsequent remand, and more briefing).

If *Wi-Fi One* and *Click-to-Call* are left in place, many defendants, like Dex Media and Superior, will be forced into federal patent infringement litigation after already spending significant resources obtaining a Final Written Decision on the merits of their claims. And they will further have to spend copious amounts of time and money for a federal court to *redo* all the PTAB's work. This profound waste of the parties', the PTAB's, and the federal courts' resources is precisely what Congress meant to prevent when it placed the PTAB's Institution Decision beyond appellate review. This Court should issue the writ and reiterate that § 314(d) precludes appeals of the PTAB's timeliness determination in an Institution Decision, because, "[f]or one thing, that is what § 314(d) says." *Cuozzo*, 136 S. Ct. at 2139.



CONCLUSION

For the foregoing reasons, the Court should grant review.

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