

No. 18-999

IN THE
Supreme Court of the United States

ATLANTA GAS LIGHT CO.,
Petitioner,

v.

BENNETT REGULATOR GUARDS, INC.,
Respondent.

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

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

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES.....	ii
INTEREST OF AMICUS CURIAE.....	1
INTRODUCTION AND SUMMARY OF THE ARGUMENT	2
I. This Court should review the Federal Circuit’s conclusion that the Board’s timeliness rulings are judicially reviewable.....	5
A. The Federal Circuit erred in holding that the Board’s timeliness deter- minations are reviewable.....	6
B. Appellate review of institution decisions based on timeliness will undermine the effectiveness of inter partes review.....	10
II. This Court should also grant certiorari with respect to the Federal Circuit’s erroneous construction of Section 315(b).....	13
A. The Federal Circuit erred in holding that a complaint that is dismissed without prejudice triggers Section 315(b)’s limitations period	14
B. The Federal Circuit’s construction of Section 315(b) will adversely affect companies like Intel.....	18
CONCLUSION	22

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>In re Affinity Labs of Tex., LLC</i> , 856 F.3d 883 (Fed. Cir. 2017)	11
<i>Applications in Internet Time, LLC v.</i> <i>RPX Corp.</i> , 897 F.3d 1336 (Fed. Cir. 2018)	21
<i>Bay Area Laundry & Dry Cleaning</i> <i>Pension Tr. Fund v. Ferbar Corp.</i> , 522 U.S. 192 (1997)	15
<i>Bonneville Assocs., Ltd. P’ship v.</i> <i>Barram</i> , 165 F.3d 1360 (Fed. Cir. 1999)	16
<i>Click-To-Call Techs., LP v. Ingenio, Inc.</i> , 899 F.3d 1321 (Fed. Cir. 2018)	4, 14, 15
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S. Ct. 2131 (2016)	passim
<i>FTC v. Minneapolis-Honeywell</i> <i>Regulator Co.</i> , 344 U.S. 206 (1952)	15, 16
<i>FTC v. Standard Oil Co.</i> , 449 U.S. 232 (1980)	6

<i>Gerhardson v. Gopher News Co.</i> , 698 F.3d 1052 (8th Cir. 2012).....	16
<i>Jorge v. Rumsfeld</i> , 404 F.3d 556 (1st Cir. 2005)	16
<i>Kasten v. Saint-Gobain Performance Plastics Corp.</i> , 563 U.S. 1 (2011).....	15
<i>Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC</i> , 138 S. Ct. 1365 (2018).....	12
<i>United States v. Ibarra</i> , 502 U.S. 1 (1991).....	15, 16
<i>WesternGeco LLC v. ION Geophysical Corp.</i> , 889 F.3d 1308 (Fed. Cir. 2018).....	21
<i>Wi-Fi One, LLC v. Broadcom Corporation</i> , 878 F.3d 1364 (Fed. Cir. 2018).....	3, 5, 9
STATUTES	
5 U.S.C. § 706	11
18 U.S.C. § 3731	15
35 U.S.C. § 141(c)	6
35 U.S.C. § 311(a).....	12
35 U.S.C. § 312	8

35 U.S.C. § 314	7
35 U.S.C. § 314(a).....	7, 9
35 U.S.C. § 314(d).....	passim
35 U.S.C. § 315	7, 9, 17
35 U.S.C. § 315(a)(2)	17
35 U.S.C. § 315(b).....	passim
35 U.S.C. § 315(e).....	20
35 U.S.C. § 317	12
35 U.S.C. § 317(a).....	12
35 U.S.C. § 318	2
35 U.S.C. § 318(a).....	6
35 U.S.C. § 319	2, 3
America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).....	2

LEGISLATIVE MATERIALS

157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011)	17, 18
157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011)	11

H.R. Rep. No. 112-98 (2011)..... passim

RULES

Sup. Ct. R. 13.1..... 16

Sup. Ct. R. 37.6..... 1

TREATISES

9 Charles Alan Wright & Arthur R.
Miller, *Federal Practice & Procedure*
§ 2367 (3d ed. 2018) 17

OTHER AUTHORITIES

Am. Intellectual Prop. Law Assoc.,
Report of the Economic Survey (2017)..... 10

Julie E. Cohen & Mark A. Lemley,
*Patent Scope and Innovation in the
Software Industry*,
89 Cal. L. Rev. 1 (2001)..... 19

Michael D. Frakes & Melissa F. Wasser-
man, *Does Agency Funding Affect
Decisionmaking?: An Empirical As-
sessment of the PTO's Granting Pat-
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Mark A. Lemley & Carl Shapiro, *Patent
Holdup and Royalty Stacking*, 85
Tex. L. Rev. 1991, 2009 (2007) 18

Brian J. Love et al., <i>Determinants of Patent Quality: Evidence from Inter Partes Review Proceedings</i> , 90 U. Colo. L. Rev. 67 (2019)	11, 12
Brian J. Love & James Yoon, <i>Predictably Expensive: A Critical Look at Patent Litigation in the Eastern District of Texas</i> , 20 Stan. Tech. L. Rev. 1 (2017).....	20
FTC, <i>To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy</i> (2003).....	18
Eugene Gressman et al., <i>Supreme Court Practice</i> (9th ed. 2007)	16
U.S. Patent & Trademark Office, <i>U.S. Patent Statistics Chart, Calendar Years 1963–2015</i>	10

INTEREST OF AMICUS CURIAE¹

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

¹ 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

In the America Invents Act, 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,” 35 U.S.C. § 314(d). In *Cuozzo*, this Court construed Section 314(d) to bar review of the Board’s decision to institute inter partes review and its subsidiary construction of statutes relating to the institution decision. 136 S. Ct. at 2139. Notwithstanding that direction, the 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. And the court has exercised that newfound au-

thority to overturn the Board’s long-standing and correct construction of the limitations period for seeking inter partes review. Both rulings are wrong, and both warrant this Court’s review.

I. In *Wi-Fi One, LLC v. Broadcom Corporation*, 878 F.3d 1364 (2018), the en banc Federal Circuit held that when the Board institutes inter partes review after determining that the petition has been timely filed under 35 U.S.C. § 315(b), that subsidiary timeliness determination is subject to judicial review. The court applied that holding in this case, reviewing the Board’s conclusion that the petition was timely filed and holding that the Board should not have instituted the proceeding. The court therefore vacated the Board’s ultimate determination that the patent claims at issue were invalid.

The Federal Circuit’s decision cannot be reconciled with the statutory text, *Cuozzo*, and Congress’s purpose of providing an efficient means of canceling invalid patents. Congress expressly provided that only the Board’s final determination of patentability, and not its decision to institute inter partes review, would be reviewable. 35 U.S.C. § 319, 314(d). That framework reflects 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, which provides that “inter partes review may not be instituted” more than one year after the petitioner or related party has been served with an infringement complaint, is just such a technicality.

Permitting appellate review of the Board's timeliness determinations will undermine Congress's purposes in creating inter partes review for the very same reasons this Court identified in *Cuozzo*. 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 simply enable the Federal Circuit to overturn the Board's invalidation of a patent for reasons having nothing to do with patentability. Reinstating patents that the expert agency has held to be invalid will undermine the public interest in promoting innovation by clearing away invalid patents. That perverse result cannot be justified by any other policy reflected in the statutory framework.

II. Having held that the Board's timeliness determinations are subject to appellate review, the Federal Circuit erroneously overturned the Board's established understanding of when the limitations period starts to run. *Click-To-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1330 (Fed. Cir. 2018). The Federal Circuit held that Section 315(b)'s one-year limitations period, which runs from the date on which the petitioner is "served with a complaint," 35 U.S.C. § 315(b), is triggered by service of *any* complaint, including complaints that are dismissed without prejudice. That hypertechnical interpretation disregards the background principles that (1) the triggering occurrence defined in a limitations provision is generally construed to be limited to events that actually alter the parties' rights, and (2) a complaint that is dismissed without prejudice does *not* alter the parties' rights, because dismissal leaves the parties as though the complaint had never been filed.

The Federal Circuit’s decision unmoors Section 315(b) from its purpose of ensuring that inter partes review proceedings do not interfere with *ongoing* infringement litigation concerning the same patent. H.R. Rep. No. 112-98, at 47 (2011) (*House Report*). By holding that a complaint filed and quickly dismissed years in the past can prevent a petitioner from seeking inter partes review, the Federal Circuit has transformed Section 315(b) into a trap for the unwary. Any time a company is served with a complaint alleging infringement, it will face a dilemma: prepare and file an inter partes review petition even though the complaint may be quickly dismissed and the dispute might never recur, or forever lose the ability to invoke inter partes review with respect to the patents involved in the suit. Moreover, because Section 315(b)’s time bar is also triggered by service on “real part[ies] in interest”—a term that the Federal Circuit has construed in a highly fact-dependent and unpredictable manner—companies will be forced to monitor complaints filed and dismissed against a wide range of affiliates in order to protect their ability to seek inter partes review. Congress could not have intended Section 315(b)’s narrow limitations provision to obstruct access to inter partes review in this manner.

ARGUMENT

I. This Court should review the Federal Circuit’s conclusion that the Board’s timeliness rulings are judicially reviewable.

In *Wi-Fi One*, the Federal Circuit held that the Board’s decision to institute inter partes review is judicially reviewable to the extent it rests on a determination that the petition was timely filed. 878 F.3d at 1374.

That conclusion is irreconcilable with the plain text of Section 314(d) and this Court’s decision in *Cuozzo*. Permitting appellate review of the Board’s timeliness determinations will undermine Congress’s purpose in creating inter partes review, and provide a ready means for patent owners to have their patents reinstated even when the Board has concluded that the patents are invalid.

A. The Federal Circuit erred in holding that the Board’s timeliness determinations are reviewable.

1. In the inter partes review scheme, 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. § 141(c) (emphasis added); see *FTC v. Standard Oil Co.*, 449 U.S. 232, 239-242 (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(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). The Board must also interpret several other provisions of the Patent Act. In addition to the Act’s relevant substantive patentability provisions, the Board must apply Sections 311 through 315, which set forth various procedural prerequisites to institution of inter partes review. As particularly relevant here, in some cases the Board must determine whether the petition was timely filed within the meaning of Section 315(b), which provides that “an inter partes review may not be instituted” more than one year after a complaint alleging infringement of the patent was served on the petitioner or certain other parties. 35 U.S.C. § 315(b).

The plain language of Sections 314(d) and 315(b) disposes of the question whether the Board’s timeliness determinations are 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.” Section 314(d) therefore precludes review of a determination whether a petition was timely under Section 315(b).

Cuozzo confirms that conclusion. 136 S. Ct. at 2139. There, the patent owner wished 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." The Court held that the Board's ruling on that subsidiary issue was unreviewable. *Ibid.* Elaborating on Section 314(d)'s scope, the Court explained that the provision "applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review." *Id.* at 2141. Put another way, "where a patent holder grounds its claim in a statute closely related to th[e] decision to institute inter partes review, § 314(d) bars judicial review." *Id.* at 2142.

A challenge to the Board's institution decision on the ground that the Board misapplied Section 315(b) is "closely tied to the application and interpretation of statutes related to" the decision to institute inter partes review. *Cuozzo*, 136 S. Ct. at 2141. Section 315(b) is by definition "related to" the institution decision, as it supplies one of the requirements the Board must evaluate and find satisfied in order to institute inter partes review. In that respect, Section 315(b) is indistinguishable from Section 312, the provision at issue in *Cuozzo*. Both establish conditions precedent that the petition must satisfy, and the Board must adjudicate, in the course of deciding whether to institute inter partes review. Given that the Court found Section 312 to be

“closely related” to the institution decision, Section 315 must also be.²

2. The Federal Circuit, however, held in *Wi-Fi One* that Section 314(d)’s preclusion of judicial review is implicitly limited by its reference to “[t]he determination . . . whether to institute an inter partes review *under this section.*” 878 F.3d at 1372 (citing 35 U.S.C. § 314(d)). In the Federal Circuit’s view, the phrase “under this section” refers to the Board’s application of the “reasonable likelihood of prevailing” standard set forth in Section 314(a). Therefore, the Federal Circuit reasoned, only appeals raising issues that are “closely related to” the “patentability merits of particular claims” fall within the bar on appellate review. *Wi-Fi One*, 878 F.3d at 1372.

That conclusion rests on a misunderstanding of *Cuozzo* and Section 314(d). *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 institution decision. 136 S. Ct. at 2141. Thus, the Board’s application of a statute related to the institution decision is unreviewable—regardless of whether that

² *Cuozzo* stated that certain appeals—those that “implicate constitutional questions, that depend on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond” the institution decision—might fall outside section 314(d)’s bar on appellate review. 136 S. Ct. at 2141. But an appeal challenging a timeliness determination under Section 315(b) does not fall within either of those categories: it does not raise constitutional questions or have implications reaching well beyond the circumstances in which the Board may institute an inter partes review.

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.

B. Appellate review of institution decisions based on timeliness will undermine the effectiveness of inter partes review.

Congress established inter partes review to “protect the public’s ‘paramount interest in seeing that patent monopolies [] are kept within their legitimate scope.’” *Cuozzo*, 136 S. Ct. at 2144 (citation omitted). Invalid patents impose real costs on third parties operating in the same technical domain, as those parties must expend resources to license the patent, design around it, or risk a costly and lengthy infringement suit. 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). Congress therefore determined that the PTO should be given “significant power to revisit and revise earlier patent grants.”³ *Cuozzo*, 136 S. Ct. at

³ 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 more than 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*

2139-2140 (citing *House Report* 45, 48); see 157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011) (Sen. Schumer).

Section 314(d)'s bar on appellate review of institution decisions performs a critical function in the inter partes review framework. The only situation in which a patent owner would challenge an institution decision (under Section 315(b), or otherwise) is one in which the Board has instituted inter partes review and 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. *Cuozzo*, 136 S. Ct. 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.⁴

Empirical Assessment of the PTO’s Granting Patterns, 66 Vand. L. Rev. 67, 72 n.16 (2013).

⁴ 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).

Conversely, permitting appellate review of the Board’s timeliness determinations would not serve any policy embodied in the inter partes review framework. 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. *Cuozzo*, 136 S. Ct. at 2139-2140; *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1374 (2018). Unlike traditional limitations periods, then, Section 315(b) is not intended to protect any private interest of the patentee. Specifically, Section 315(b) does not further any recognized interest in repose, 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. For the same reason, Section 315(b) does not protect any cognizable interest in the identity of the particular challenger. 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 2139-2140. 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. *House Report 47*; see pp. 17-18, *infra*. Appellate review of the Board's application of Section 315(b) would not help prevent that interference. Once the Board concludes that a petition is timely and institutes inter partes review notwithstanding a concurrent district-court action, appellate review of that decision will not take place until after the conclusion of the inter partes review proceeding anyway.

In sum, holding that the Board's invalidation of a patent may be vacated because the petition was untimely will simply prolong the life of a likely-invalid patent, thereby undermining the efficacy of inter partes review, without serving any other policy recognized in the inter partes review framework.

II. This Court should also grant certiorari with respect to the Federal Circuit's erroneous construction of Section 315(b).

If this Court grants certiorari with respect to the first question presented and holds that the Federal Circuit lacked jurisdiction to review the Board's timeliness determination, petitioner will be entitled to vacatur of the Federal Circuit's decision. Conversely, if this Court were to hold that the Federal Circuit did have jurisdiction to review the Board's timeliness determination, the question whether the Federal Circuit correctly construed Section 315(b) in the course of that

review will be squarely presented. That question also warrants review.

The Federal Circuit held that a complaint that is served on an accused infringer but then dismissed without prejudice triggers Section 315(b)'s one-year limitations period, notwithstanding the background principle that dismissal of a complaint without prejudice leaves the parties in the same position as though the complaint had never been filed. *Click-To-Call*, 899 F.3d at 1330-1331; Pet. App. 5-6. That erroneous construction rests on an unduly rigid interpretation of the statutory text, isolated from the statutory context and purpose, and it will give rise to a number of adverse consequences. This Court should therefore grant certiorari on that question as well, so that it may fully resolve the case in the event that it concludes that the Federal Circuit had jurisdiction to address Section 315(b).

A. The Federal Circuit erred in holding that a complaint that is dismissed without prejudice triggers Section 315(b)'s limitations period.

Section 315(b) provides that “[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” 35 U.S.C. § 315(b). The Federal Circuit held that Section 315(b)'s use of the phrase “is served with a complaint” unambiguously means that the one-year limitations period is triggered whenever the petitioner is served with a complaint, even if the complaint is dismissed without prejudice. *Click-To-*

Call, 899 F.3d at 1330. The Federal Circuit was able to reach that conclusion only by focusing on the literal meaning of the words “served with a complaint,” to the exclusion of Section 315(b)’s function as a limitations provision and the larger statutory context. See *Kasten v. Saint-Gobain Performance Plastics Corp.*, 563 U.S. 1, 7 (2011) (statutory construction “depends upon reading the whole statutory text, considering the purpose and context of the statute, and consulting any precedents or authorities that inform the analysis”).

Section 315(b) defines an event—“serv[ice] with a complaint”—whose occurrence starts the running of the limitations period. While the literal meaning of the words “served with a complaint” might encompass service of *any* complaint, regardless of whether the complaint was subsequently dismissed without prejudice, limitations provisions are generally construed more narrowly. Specifically, they are construed in light of the background principle that limitations periods ordinarily run from the date on which the party’s relevant legal rights are definitively altered with respect to the action governed by the limitations period. See *Bay Area Laundry & Dry Cleaning Pension Tr. Fund v. Ferbar Corp.*, 522 U.S. 192, 201 (1997). As a result, in determining whether a limitations period has been triggered, courts consider whether the assertedly triggering event had the *effect* of altering the parties’ legal position with respect to the action. *United States v. Ibarra*, 502 U.S. 1, 3 (1991); *FTC v. Minneapolis-Honeywell Regulator Co.*, 344 U.S. 206, 212 (1952).

For instance, this Court has construed 18 U.S.C. § 3731, which requires the government to file an appeal “within thirty days after the decision, judgment or order has been rendered,” more narrowly than its literal

sweep would suggest. *Ibarra*, 502 U.S. at 3, 7. Specifically, the Court held that a judgment that had been rendered but that was the subject of a reconsideration motion did not start the running of the appeal period, because the judgment did not definitively determine the parties' rights. *Ibid.* Similarly, this Court has long construed its Rule 13.1, which provides that a petition for certiorari must be filed "within 90 days of the entry of judgment," not to run from the entry of *any* judgment, but instead to run from entry of only those judgments that are not subsequently modified. *Minneapolis-Honeywell Regulator Co.*, 344 U.S. at 212-213. Put another way, subsequent modifications that materially alter the parties' rights prevent the initial judgment from triggering the limitations period. Eugene Gressman et al., *Supreme Court Practice* 396-397 (9th ed. 2007).

In the case of Section 315(b), then, the phrase "served with a complaint" should not be construed literally to encompass all complaints regardless of their legal effect. Instead, in determining whether a particular complaint should trigger the limitations period, the court should take into account subsequent events that determine the complaint's legal effect. It is well-established that a complaint that is subsequently dismissed without prejudice is treated as though it was never filed at all. See, e.g., *Gerhardson v. Gopher News Co.*, 698 F.3d 1052, 1056 (8th Cir. 2012); see also *Jorge v. Rumsfeld*, 404 F.3d 556, 563 (1st Cir. 2005); *Bonneville Assocs., Ltd. P'ship v. Barram*, 165 F.3d 1360, 1364 (Fed. Cir. 1999); 9 Charles Alan Wright & Arthur R. Miller, *Federal Practice & Procedure* § 2367 (3d ed. 2018). Because a subsequently-dismissed complaint leaves the parties in the same legal position as though the complaint were never filed, service of such

a complaint does not alter the parties' legal rights with respect to the inter partes review proceeding to which Section 315(b)'s limitations period pertains. Once the complaint has been dismissed, it does not threaten the defendant with liability for infringement, and it does not provide the defendant with a vehicle to challenge the patent's validity. Such a complaint therefore does not trigger Section 315(b)'s time bar.

That construction is reinforced by the statutory context and purpose. Section 315 is entitled, "relation to other proceedings or actions," indicating that its provisions govern the relationship between inter partes review and other actions, primarily district-court actions. See, e.g., 35 U.S.C. § 315(a)(2) (governing situations in which a district-court action should be stayed during a concurrent inter partes review proceeding); 157 Cong. Rec. S1375 (daily ed. Mar. 8, 2011) (Sen. Kyl) (Section 315 "impose[s] time limits and other restrictions when inter partes and post-grant review are sought in relation to litigation"). A complaint that has been dismissed is no longer an "action," and it has no relationship to the IPR proceeding.

Moreover, Section 315(b)'s purpose is to ensure that IPR proceedings do not interfere with *ongoing* district court litigation well after that litigation is underway. The House Report described Section 315(b) as a "[t]ime limit[] during litigation," and it stated that "[p]arties who want to use inter partes review during litigation are required to seek a proceeding within 12 months of being served with a complaint alleging infringement of the patent." H.R. Rep. No. 112-98, at 47; 157 Cong. Rec. S1375 (Mar. 8, 2011) (Sen. Kyl). Congress therefore contemplated that the limitations period would govern when a complaint is *not*

dismissed, but instead ripens into litigation. The Federal Circuit's decision completely divorces Section 315(b)'s scope from that limited purpose.

B. The Federal Circuit's construction of Section 315(b) will adversely affect on companies like Intel.

Under the Federal Circuit's hypertechnical reading of Section 315(b), service of *any* complaint will start the limitations clock running. That will impose significant costs on companies that wish to preserve their ability to challenge a patent's validity through inter partes review.

1. Companies like Intel are frequent targets of patent infringement lawsuits, often by nonpracticing entities that assert that Intel's products infringe vague or potentially invalid patents. Microprocessors and other computer components may each implicate hundreds or thousands of patents. *See, e.g.,* FTC, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* 6 (2003) (hereafter "*FTC Report*") ("One industry representative from a computer hardware 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); Mark A. Lemley & Carl Shapiro, *Patent Holdup and Royalty Stacking*, 85 *Tex. L. Rev.* 1991, 2009 (2007). And there is a broad consensus among practitioners and policymakers that the PTO issues many patents of questionable validity, particularly in areas of emerging technology. *FTC Report* 5-7; Julie E. Cohen & Mark A. Lemley, *Patent Scope and Innovation in the Software Industry*, 89 *Cal. L. Rev.* 1, 42-45 (2001). Accordingly, when

Intel is served with a complaint alleging infringement, it often concludes that the asserted patent claims may be invalid on one or more grounds that could be raised in inter partes review.

Under the Federal Circuit's rule, any time a company is served with a complaint alleging infringement, it will face a dilemma: prepare and file an inter partes review petition even though the complaint may be quickly dismissed and the dispute might never recur, or forgo the petition and forever lose the ability to invoke inter partes review with respect to the patents involved in the suit. While forgoing inter partes review may be the most reasonable course if a complaint is dismissed and the defendant is relatively certain that the dispute will not recur, that course entails significant downside risks. A complaint that is dismissed without prejudice for procedural reasons could be refiled with its deficiencies corrected. And a complaint that appears to be insubstantial when asserted against particular products may present more of a concern if it is refiled with allegations running against different or additional products.⁵

Conversely, seeking inter partes review upon the filing of any and every subsequently-dismissed complaint would impose significant burdens. Although inter partes review is designed to be less costly than

⁵ Indeed, before the Federal Circuit's decision, parties could settle infringement actions by agreeing to dismiss without prejudice, an outcome that would preserve the accused infringer's right to seek inter partes review in the future, if the parties' dispute subsequently recurred or expanded to encompass different products. Now, however, accused infringers have no choice but to seek inter partes review within a year of service of the complaint.

litigation, such proceedings are still expensive. According to a 2015 survey, the median cost of pursuing inter partes review through hearing is \$275,000. Brian J. Love & James Yoon, *Predictably Expensive: A Critical Look at Patent Litigation in the Eastern District of Texas*, 20 Stan. Tech. L. Rev. 1, 30 n.90 (2017). In addition, an IPR petition must be rigorously researched and carefully prepared, as any ground that could have been, but was not, asserted in the IPR proceeding cannot be raised in any subsequent proceeding before the PTO or in any civil action. 35 U.S.C. § 315(e). Simply preparing the petition therefore may require a significant investment in attorney time and expert assistance. Under the Federal Circuit’s decision, then, any accused infringer served with a complaint will be forced to shoulder the substantial burden of preparing and filing an inter partes review petition if it wishes to preserve its ability to challenge the patents before the Board—even if the dispute between the parties is quickly obviated by dismissal of the complaint.

2. That burden is greatly exacerbated by the Federal Circuit’s expansive conception of the parties whose receipt of a complaint will trigger the limitations period. 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). As a result, 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.

To make matters worse, the Federal Circuit has adopted extremely fact-specific constructions of both terms, making it impossible to determine with any ex ante certainty whether an entity will satisfy one or both definitions. 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 “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).

A company therefore must monitor complaints filed against a broad range of affiliates in order to ensure that it does not lose its own opportunity to seek inter partes review because of litigation involving an affiliate or subsidiary. That burden is already heavy enough for companies that, like Intel, operate in fields in which infringement claims, and invalid patents, are prevalent. But that task will be nearly insurmountable in a regime in which even complaints that are quickly dismissed—and are therefore that much harder to detect—trigger the time bar.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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