No. 19-_____

In The Supreme Court of the United States

CHARLES T. FOTE,

Petitioner,

v.

ANDREI IANCU, Director,
United States Patent and Trademark Office,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether a court of appeals must provide an opinion explaining its reasoning in an appeal that involves a complex and unsettled area of the law and in which a written opinion would likely provide the appellant with a viable basis for seeking rehearing, rehearing en banc, or certiorari.

PARTIES TO THE PROCEEDINGS

The petitioner is Charles T. Fote, who is listed on the cover. The real party in interest is Fotec Group, LLC. No parent corporation or publicly held company owns 10% or more of Fotec Group, LLC's equity interests.

The respondent is Andrei Iancu, Director, United States Patent and Trademark Office ("Patent Office"), the appellee below.

RELATED PROCEEDINGS

- *Ex parte Charles T. Fote*, Appeal 2017-003210, Application 14/455,526, United States Patent and Trademark Office, Patent Trial and Appeal Board. Decision on Appeal entered June 29, 2018.
- *In re: Charles T. Fote*, No. 2018-2311, United States Court of Appeals for the Federal Circuit. Judgment entered November 12, 2019.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner Charles T. Fote respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS AND ORDERS BELOW

The order disposing of the case without opinion (Pet. App. 1-2) is unreported and available at 784 F. App'x 781 (Fed. Cir. Nov. 12, 2019). The opinion and order of the Patent Office's Patent Trial and Appeal Board (the "Board") (Pet. App. 3-24) is unreported.

STATEMENT OF JURISDICTION

The court of appeals filed its opinion on November 12, 2019. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

RULE PROVISION INVOLVED

Federal Rule of Civil Procedure 36 provides in pertinent part:

> Rule 36. Entry of Judgment; Notice
>
> (a) Entry. A judgment is entered when it is noted on the docket. The clerk must prepare, sign, and enter the judgment:
>
> * * *

> (2) if a judgment is rendered without an opinion, as the court instructs.
>
> Federal Circuit Rule 36 provides in pertinent part:
>
> Entry of Judgment—Judgment of Affirmance Without Opinion
>
> The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following conditions exist and an opinion would have no precedential value:
>
> * * *
>
> (d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or
>
> (e) a judgment or decision has been entered without an error of law.

INTRODUCTION

Mr. Fote acknowledges that courts of appeals "should have wide latitude in their decisions of whether or how to write opinions." *Taylor* v. *McKeithen*, 407 U.S. 191, 194 n.4 (1972). But beyond this passing mention, this Court has never addressed whether or when courts of appeals must issue reasoned opinions.

This Court should grant certiorari to settle an open issue that arises frequently: Is the latitude of courts of appeals as to whether to write opinions

limitless? Or are there any circumstances—such as those of this case—in which courts of appeals must issue reasoned opinions?

Practices vary among the courts of appeals, and the Federal Circuit frequently affirms without opinion, particularly when adjudicating challenges to decisions of the Patent Trial and Appeal Board. The Federal Circuit has issued a "judgment without opinion" under Federal Circuit Rule 36 in roughly half of all appeals from the Board. See Matthew Bultman, *Has Rule 36 Peaked At The Federal Circuit?*, Law360, https://www.law360.com/articles/1013664 (Feb. 20, 2018).

The Federal Circuit's use of its Rule 36 has been widely criticized. For example, former Federal Circuit Chief Judge Paul Michel has characterized the court's failure "to explain [its] reasoning" in Section 101 cases (such as this one) as "a dereliction of duty." Eileen McDermott, *Chief Judge Paul Michel: Patent Reform Progress is Likely, But We Must Stay Focused On the Big Picture*, IP Watchdog, https://www.ipwatchdog.com/2019/09/15/chief-judge-paul-michel-patent-reform-progress-likely-must-stay-focused-big-picture/id=113326/ (Sept. 15, 2019); see also *ibid.* (suggesting that the practice should be limited to "pro se personnel cases of no merit at all" and "plainly frivolous cases").

Not only does the practice of affirmance without opinion deprive the legal system of further development of the law, but it also deprives parties—such as Mr. Fote—of the opportunity to seek further review of

the merits through rehearing, rehearing en banc, or a petition for certiorari.

Although this Court has denied petitions raising constitutional and statutory challenges to the practice of affirming without opinion, Matthew J. Dowd, *Rule 36 Decisions at the Federal Circuit: Statutory Authority*, 21 Vand. J. Ent. & Tech. L. 857, 875, n.90 (2019) (listing petitions concerning the Federal Circuit's Rule 36 in the October 1991–October 2010 Terms); Pet., *Franklin-Mason* v. *United States*, No. 17-1256, cert. denied, 138 S. Ct. 1703 (2018) (collecting past petitions at footnote 30), this petition raises a far narrower and far more modest question. Mr. Fote does not invoke a constitutional or statutory entitlement to a reasoned opinion. Nor does Mr. Fote generally challenge the practice of affirming without opinion.

Instead, Mr. Fote requests that this Court exercise its supervisory authority to provide guidance for the lower courts and ensure that decisions involving complex and unsettled areas of the law are explained—thereby providing the appellant with a viable basis for seeking rehearing, rehearing en banc, or certiorari.

The regular public commentary and the number of petitions this Court receives on the issue demonstrate its importance. Even if this Court declines to adopt the rule urged by Mr. Fote—and instead holds that courts of appeals have unbounded discretion to affirm without opinion—a decision on the merits of this petition

would provide important clarity on an unresolved and frequently recurring issue of procedure.

Certiorari is warranted.

STATEMENT

A. Legal Background

Although this petition concerns a question of appellate procedure, the question is framed by the underlying substantive law. In the Patent Act, Congress—exercising its power "[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," U.S. Const., art. I, § 8, cl. 8—provided that "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor." 35 U.S.C. § 101.

Section 101 contains an implicit exception: "Laws of nature, natural phenomena, and abstract ideas are not patentable." *Alice Corp. Pty. Ltd.* v. *CLS Bank Int'l*, 134 S. Ct. 2347, 2354 (2014). This Court developed the current law of patent eligibility and abstract ideas in *Alice*, which set forth a two-step test.

First, a court must "determine whether the claims at issue are directed to one of those patent-ineligible concepts." *Alice*, 134 S. Ct. at 2355. Second, if so, the court "must examine the elements of the claim to

determine whether it contains an 'inventive concept,'" an "element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the ineligible concept itself." *Id*. at 2355, 2357 (internal quotation marks omitted).

B. Mr. Fote's Proposed Claims

This case involves U.S. Patent Application No. 14/455,526, which is directed to an electronic payment system that overcomes problems arising when a conventional third-party intermediary is employed in an electronic payment transaction.

The conventional approach exposes payers to security risks because of the need for auditability in electronic financial transactions. Audibility favors inclusion of chain-of-transaction details at each step, but online malefactors—"hackers"—who gain access to these details may exploit them to invade the payer's bank account. Unlike a physical check, an electronic payment acquires and retains information at each step, so that the sequence of steps may be verified later; but the persistence of this information through the processing sequence creates security concerns for the payer. Electronic payment systems also create new points of vulnerability. For example, if a payer and payee both provide their financial information to a single intermediary (one to cause and one to receive an electronic payment), the intermediary represents a new, single point of vulnerability for both parties, as a hacker can

gain access to both parties' account information in one attack. Pet. App. 14.

The named inventor and petitioner is Charles T. Fote, the former Chairman and CEO of First Data Corporation, a Fortune 250 data processing and electronic payments company. Mr. Fote devised a novel payment system that is payer-controlled and that overcomes problems arising from the conventional use of a third-party intermediary in the context of modern electronic payment transactions. The invention divides conventional third-party responsibilities among multiple third parties. Pet. App. 4-8. A payment broker server receives information and instructions from the payer, but rather than make any payment itself, the payment broker server instructs the server of the payer's funding source to instruct a different third party to make the payment to the payee from a real account of a third party at the third party's financial institution. *Ibid.* Dividing responsibility in this way avoids the privacy and security vulnerabilities that would otherwise arise if a conventional third-party intermediary were employed in an electronic environment.

Despite recognizing that Mr. Fote's proposed claims are useful, novel, and nonobvious over the prior art, Pet. App. 8 n.2, and that they complied with all other statutory requirements for patentability, a Patent Office examiner rejected the claims under 35 U.S.C. § 101. Pet. App. 9. The examiner concluded that the proposed claims are directed to "the abstract idea of electronic fund transfer using a third party." *Ibid.*

Mr. Fote appealed this rejection to the Board. Pet. App. 3. His brief explained the distinction between the conventional use of a single third-party intermediary and the claimed invention, and it explained—in great detail—why his claims should pass the eligibility test set forth in *Alice*. The Board affirmed the examiner's rejection. Pet. App. 24.

Mr. Fote appealed to the United States Court of Appeals for the Federal Circuit, explaining that the Board's reasoning was inconsistent with both evolving Federal Circuit precedent and the Patent Office's own guidance.

Mr. Fote argued that in the first step of the *Alice* inquiry, the Board incorrectly concluded that the proposed claims are directed to the abstract idea of electronic fund transfer "using a third party intermediary." Pet. App. 11. But far from being directed to this abstract idea, Mr. Fote's application criticizes it. The invention overcomes the problems that arise when the conventional use of a third-party intermediary is applied to electronic payments. The Board's abstraction did not merely overgeneralize the claims, it was inconsistent with them. See Pet. App. 4-8.

Even if the proposed claims were directed to an abstract idea, Mr. Fote explained in his briefing to the Federal Circuit how the Board erred in the second step of the *Alice* analysis by failing to support its conclusion that the combination of elements claimed was well understood, routine, and conventional. Pet. App. 8 n.2.

Finally, Mr. Fote argued that, at a minimum, the Federal Circuit should vacate the decision and remand to the Board because its decision failed to follow the Federal Circuit's decision in *Berkheimer* v. *HP Inc.*, 881 F.3d 1360 (Fed. Cir. 2018), and the Patent Office's own guidance based on it. See 2019 Revised Patent Subject Matter Eligibility Guidance, 84 Fed. Reg. 50 (Jan. 7, 2019).[1]

C. The Federal Circuit's Rule 36 Affirmance

Just three business days after oral argument, the Federal Circuit affirmed the Board's decision via Federal Circuit Rule 36 without issuing an opinion explaining its reasoning. The panel's decision reads in its entirety: "AFFIRMED. *See* Fed. Cir. R. 36." Pet. App. 2.

The Federal Circuit has explained that affirmance under its Rule 36 "does not endorse or reject any specific part of the trial court's reasoning." *Rates Tech., Inc.* v. *Mediatrix Telecom, Inc.*, 688 F.3d 742, 750 (Fed. Cir. 2012). "In addition, a judgment entered under

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[1] This guidance reiterates that an examiner must support his or her "conclusion that an additional element (or combination of elements) is well understood, routine, conventional activity" with facts. 84 Fed. Reg. at 56. It also directs examiners to take into consideration that "a claim that does not meaningfully integrate a judicial exception [of patent eligibility] into a practical application of the exception sufficient to pass muster * * * may nonetheless include additional subject matter that is unconventional and thus an 'inventive concept.'" *Ibid.*

Rule 36 has no precedential value and cannot establish 'applicable Federal Circuit law.'" *Ibid.*

Mr. Fote contends that the panel erred in affirming the Board. But in the absence of a reasoned opinion, Mr. Fote has no viable grounds to seek rehearing, rehearing en banc, or certiorari regarding the merits of the decision—notwithstanding the complex factual and legal issues raised. See Practice Notes to Federal Circuit Rule 35 ("A petition for rehearing en banc is rarely appropriate if the appeal was the subject of a nonprecedential opinion by the panel of judges that heard it."); Vincent J. Galluzo, Crowell & Moring, *Is the Federal Circuit's Use of Rule 36 Problematic?*, https://udayton.edu/law/_resources/documents/pilt_2019_seminar_materials/pilt_galluzzo_federal_circuit_rule361.pdf (2019) (describing it as "[n]early impossible to challenge [a Rule 36 summary affirmance] by rehearing" and "[n]early impossible to seek Supreme Court certiorari").

Mr. Fote thus seeks certiorari regarding whether a federal appellate court must provide an opinion explaining its reasoning in an appeal that involves a complex and unsettled area of the law and in which a written opinion would likely provide the appellant with a viable basis for seeking rehearing, rehearing en banc, or certiorari.

REASONS FOR GRANTING THE PETITION

I. This Court Should Grant Certiorari to Determine Under What Circumstances, If Any, a Court of Appeals Must Issue a Reasoned Opinion.

Although the Federal Rules of Appellate Procedure contemplate that the courts of appeals may issue judgments without opinion, Fed. R. App. P. 36(a)(2), the Rules do not set forth any standards for doing so. Nor has this Court ever provided meaningful guidance to the lower courts.

The only discussion of the issue is footnote 4 of the per curiam opinion in *Taylor* v. *McKeithen*:

> We, of course, agree that the courts of appeals should have wide latitude in their decisions of whether or how to write opinions. That is especially true with respect to summary affirmances. See Rule 21, Court of Appeals for the Fifth Circuit. But here the lower court summarily reversed without any opinion on a point that had been considered at length by the District Judge. Under the special circumstances of this case, we are loath to impute to the Court of Appeals reasoning that would raise a substantial federal question when it is plausible that its actual ground of decision was of more limited importance.

407 U.S. 191, 194 n.4 (1972).

This Court has never identified what, if any, limits exist to this latitude. This Court should grant certiorari

and clarify under what circumstances, if any, a court of appeals must issue a reasoned opinion.

A. The discretion of federal courts of appeals in deciding whether to write opinions is unquestionably important.

In the absence of guidance from the Federal Rules or from this Court, the courts of appeals have adopted different local rules and different practices regarding summary affirmances. See 1st Cir. R. 27.0(c), 36.0(a); 2d Cir. IOP 32.1.1(a); 3d Cir. IOP 10.6; 4th Cir. IOP 36.3; 5th Cir. R. 47.6; 6th Cir. R. 36; 8th Cir. R. 47B; 9th Cir. R. 36-1; 10th Cir. R. 36.1; Fed. Cir. R. 36; see also *Momo Enters., LLC* v. *Popular Bank*, 738 F. App'x 886, 887 (7th Cir. 2018) (stating when "[s]ummary affirmance may be in order"); *Rogers* v. *Am. Fed'n of Gov't Emps.*, 777 F. App'x 459, 460 (11th Cir. 2019) (per curiam) (detailing when "[s]ummary disposition is appropriate"); *Taxpayers Watchdog, Inc.* v. *Stanley*, 819 F.2d 294, 297-98 (D.C. Cir. 1987) (per curiam) (stating when "summary affirm[ance]" is permitted).

The Federal Circuit employs one-word affirmances liberally, particularly in cases appealing the Board's decisions. Professor Rebecca A. Lindhorst calculated that for "the first two quarters of 2018, over 50% of [Board] appeals were decided by Rule 36 affirmances (196 out of 389)." *Because I Said So: The Federal Circuit, the PTAB, and the Problem With Rule 36 Affirmances*, 69 Case W. Res. L. Rev. 247, 252 (2018); see also Peter Harter & Gene Quinn, *Rule 36: Unprecedented Abuse*

at the Federal Circuit, IP Watchdog, https://www.ipwatchdog.com/2017/01/12/rule-36-abuse-federal-circuit/id=76971/ (Jan. 12, 2017) ("Close to half of all cases" brought to the Federal Circuit were being decided with a one-word affirmance under Rule 36); *Franklin-Mason*, *supra*, at 27-28 (charts created by Georgetown Civil Rights clinic showing high usage of Rule 36 affirmances by Federal Circuit).

Although the courts of appeals may enjoy "wide latitude" in their decisions of whether and how to write opinions, there is an open question as to whether the courts of appeals' discretion is unbounded. Are courts of appeals free to issue one-word opinions in all cases, a majority of all cases, or even in a majority of a particular type of case? Regardless of the correct answer, the courts of appeals (and litigants) would benefit from guidance from this Court.

If there are circumstances in which a court of appeals must (or should) issue a written opinion, they should be uniform across the country and explained by this Court. If not, this Court should make clear to all courts of appeals that they are free to create their own procedures and have no obligation to issue a reasoned opinion in any case.

The issue arises frequently. At least in theory, every appeal requires the appellate panel to consider whether to write a reasoned opinion.

In particular, the propriety of Rule 36 one-word affirmances by the Federal Circuit is a recurring issue. The number of certiorari petitions this Court receives

on the issue confirms the interest of the bar. See, *e.g.*, Dowd, *supra*, n.90 (2019) (listing petitions concerning the Federal Circuit's Rule 36 in the October 1991–October 2010 Terms); *Franklin-Mason*, *supra* (collecting past petitions at footnote 30); Pet., *SPIP Litig. Grp.* v. *Apple, Inc*., No. 19-253, cert. denied, 2019 WL 6107778, at *1 (2019) (arguing the Federal Circuit's Rule 36 practice violates the Fifth Amendment); Pet., *Chestnut Hill Sound, Inc.* v. *Apple*, 19-591, cert. denied, 2020 WL 129624 (Jan. 13, 2020) (arguing the Federal Circuit's Rule 36 practice violates the First Amendment's right of access to the courts and the due process and equal protection clauses).

The practice has attracted public commentary and academic interest. See, *e.g.*, David Johnson, *You Can't Handle the Truth!—Appellate Courts' Authority To Dispose of Cases Without Written Opinions*, 22 App. Advoc. 419 (2010). Decades ago, an article in the Columbia Law Review described the practice of issuing decisions without opinions as "uniformly condemned":

> A key characteristic of decisions without opinions is their failure to provide the parties or the court below with any hint as to the court's reasoning. Accordingly, the practice under these rules has been uniformly condemned by commentators, lawyers, and judges.

William Reynolds & William Richman, *The Non-Precedential Precedent—Limited Publication and No-Citation Rules in the United States Courts of Appeals*, 78 Colum. L. Rev. 1167, 1174 (1978).

Others who have criticized the practice have also noted the benefits to the decision maker of requiring reasoned opinions. "[T]here is accountability in the giving of reasons." Harold Leventhal, *Appellate Procedures: Design, Patchwork, and Managed Flexibility*, 23 UCLA L. Rev. 432, 438 (1976). "The discipline of writing even a few sentences or paragraphs explaining the basis for the judgment insures a level of thought and scrutiny by the court that a bare signal of affirmance, dismissal or reversal does not." Patricia M. Wald, *The Problem with the Courts: Black-Robed Bureaucracy or Collegiality Under Challenge?*, 42 Univ. of Md. L. Rev. 766, 782 (1983). See also *Balt. & Annapolis R. Co.* v. *Wash. Metro. Area Transit Comm'n*, 642 F.2d 1365, 1370 (D.C. Cir. 1980) ("[T]he requirement of reasons imposes a measure of discipline * * * , discouraging arbitrary or capricious action by demanding a rational and considered discussion."); Mathilde Cohen, *When Judges Have Reasons Not To Give Reasons: A Comparative Law Approach*, 72 Wash. & Lee L. Rev. 483, 496-513 (2015) ("Reasons for Reason-Giving").

Providing the requested guidance would harmonize the practice among the circuits, benefit both litigants and the judiciary, and reduce the number of certiorari petitions this Court receives on this issue.

B. This Court should exercise its supervisory authority to require a court of appeals to provide a reasoned opinion in the narrow circumstances of this case.

This Court should exercise its supervisory authority to provide guidance on the practice of affirming without an opinion. "This Court has supervisory authority over the federal courts, and [it] may use that authority to prescribe rules of evidence and procedure that are binding in those tribunals." *Dickerson* v. *United States*, 530 U.S. 428, 437 (2000) (citing *Carlisle* v. *United States*, 517 U.S. 416, 426 (1996)).

By deciding the issue as a matter of supervisory authority, this Court would avoid constitutional questions often presented by petitioners challenging an affirmance without opinion. *SPIP Litig.*, *supra* (Fifth Amendment challenge); *Chestnut Hill*, *supra* (First, Fifth, and Fourteenth Amendment challenge); *Franklin-Mason*, *supra* (Fifth and Fourteenth Amendment challenge).

Mr. Fote does not contend that opinions are required in all cases. Nor does he contend that the Federal Circuit's use of Rule 36 is always—or even often—inappropriate. Mr. Fote argues only that where the law is uncertain and the reasoning behind the affirmance entirely opaque, a reasoned opinion should be required so that a litigant may exercise the right to seek rehearing, rehearing en banc, or certiorari.

In this case, the appeal concerned 35 U.S.C. § 101, a hotly litigated and notably uncertain area of the law.

Federal Circuit judges have repeatedly commented on the uncertainty of Section 101 jurisprudence. See, *e.g.*, *Interval Licensing LLC* v. *AOL, Inc.*, 896 F.3d 1335, 1348, 1351-54, 1356 (Fed. Cir. 2018) (Plager, J., concurring in part and dissenting in part) (describing the law of patent eligibility as "incoherent," a "real problem," and a "conundrum"); *Berkheimer* v. *HP, Inc.*, 890 F.3d 1369, 1374 (Fed. Cir. 2018) (Lourie and Newman, J.J., concurring in denial of rehearing en banc) ("the law needs clarification"); *Athena Diagnostics, Inc.* v. *Mayo Collaborative Servs., LLC*, 927 F.3d 1333, 1371 (Fed. Cir. 2019) (O'Malley, J., dissenting from denial of rehearing en banc) (acknowledging "confusion and disagreements over patent eligibility").

In his briefing to the Federal Circuit, Mr. Fote explained how the Board erred in (1) determining at Step 1 of the *Alice* analysis that the claims were directed to an abstract idea that Mr. Fote expressly criticized; (2) failing to properly apply *Alice*'s Step 2 to the proposed claims, finding that they did not contain an inventive concept that was not well understood, routine, and conventional, despite recognizing that the claims are novel and nonobvious; and (3) failing to apply the Federal Circuit's *Berkheimer* decision and other recent Section 101 precedent.

Mr. Fote knows that these challenges to the Board's decision failed but does not know why. Thus, whether the Board was "affirmed for the right reason, the wrong reason, or based on an incomplete or even incorrect understanding of the technology will never be known." Gene Quinn & Steve Brachmann, *Is the*

Federal Circuit using Rule 36 to avoid difficult subject matter?, IP Watchdog, https://www.ipwatchdog.com/2018/07/30/federal-circuit-rule-36-avoid-difficult-subject-matter/id=99202/ (Jul. 30, 2018). The use of Rule 36 in this case "deprives the litigants of the Federal Circuit's reason and analysis." *Ibid.*

Particularly given the uncertainty surrounding Section 101 and the repeated expressions by Federal Circuit judges of the need for clarification, with a reasoned opinion from the panel, Mr. Fote would likely be able to present a viable petition for rehearing, rehearing en banc, or a petition for certiorari.

But without a reasoned opinion from the panel, Mr. Fote has no reasonable basis for seeking further review of the merits. Cf. *Dennison Mfg. Co.* v. *Panduit Corp.*, 475 U.S. 809, 811 (1986) (granting certiorari request, vacating the judgment, and remanding the case to the Federal Circuit where this Court "lack[ed] an adequate explanation of the basis for the Court of Appeals' judgment: most importantly, we lack the benefit of the Federal Circuit's informed opinion on the complex issue of the degree to which the obviousness determination is one of fact"); see also Quinn & Brachmann, *supra* ("This growing usage of one-word decisions from the Federal Circuit raises rather serious concerns, which justify many questions, including whether the Federal Circuit is simply using Rule 36 to avoid difficult subject matter, or to prevent meaningful review by a Supreme Court that has seemed keenly interested in second guessing so many important decisions reached by the Court in recent years.").

There is a particular concern with the use of Rule 36 affirmances in administrative appeals, in which a court of appeals cannot affirm on alternative grounds. *E.g.*, *Sec. & Exch. Comm'n* v. *Chenery Corp.*, 318 U.S. 80, 88 (1943). Mr. Fote questions whether in this case —where, at *Alice*'s Step 1, the Board identified the claims as directed to the very abstract idea whose shortcomings the invention overcomes—the panel could have affirmed for the same reasons as the Board. But the absence of an opinion precludes Mr. Fote from mounting a *Chenery*-based challenge to the panel, an en banc appellate court, or this Court.

Mr. Fote thus urges that this Court should, exercising its supervisory authority, direct the courts of appeals to issue reasoned opinions in cases involving unsettled areas of the law, where issuance of a reasoned opinion would provide the losing party with reasonable grounds for seeking rehearing, rehearing en banc, or certiorari.

The burdens imposed on the courts of appeals by such a rule would not be onerous. Few cases involve areas of the law as unsettled as Section 101. If anything, blessing of the practice (outside of these narrow circumstances) by this Court might encourage its use, allowing appellate courts to dispose of cases more efficiently.

Nor would any opinion need to be particularly long, merely sufficient to enable litigants and any reviewing court to understand the panel's reasoning.

And even in those cases potentially affected by this rule, courts of appeals would not necessarily need to write new opinions on their own. A court of appeals can, of course, adopt the decision below as its own opinion. See, *e.g.*, *Nat'l Athletic Sportswear, Inc.* v. *Westfield Ins. Co.*, 528 F.3d 508, 510 (7th Cir. 2008) ("Because the district court issued a thorough and well-reasoned opinion and order that does not contain any error, we adopt the district court's opinion and order dated November 5, 2007, as our own."). In this case, if the Federal Circuit panel believes that the Board's analysis was fully correct and is willing to adopt its decision as an opinion of the Federal Circuit, it can do so. Or it can adopt only portions of the Board's decision and briefly write on other issues. *E.g.*, *Crampton* v. *Kroger Co.*, 709 F. App'x 807, 810 (6th Cir. 2017) ("Accordingly, concluding that a full-length opinion reiterating the same analysis would be duplicative, we adopt the district court's opinion as our own and affirm its judgment on the basis of the reasoning in its opinion, as augmented above.").

Unlike a Rule 36 affirmance, adopting the Board's decision makes the reasoning of the court of appeals clear. Cf. *Rates Tech.*, 688 F.3d at 750 ("[The judgment] does not endorse or reject any specific part of the trial court's reasoning.").

This Court should exercise its supervisory authority to adopt such a rule. Such an approach would avoid difficult statutory and constitutional questions. *Bond* v. *United States*, 572 U.S. 844, 855 (2014) ("it is a well-established principle governing the prudent exercise of

this Court's jurisdiction that normally the Court will not decide a constitutional question if there is some other ground upon which to dispose of the case" (citation omitted)).

There is an open question as to whether the existence of Federal Circuit Rule 35, permitting rehearing, and 28 U.S.C. § 1254(1), permitting requests for certiorari, may imply some entitlement to a written opinion. Pet., *Cloud Satchel, LLC* v. *Barnes & Noble, Inc.*, No. 15-116, cert. denied, 136 S. Ct. 1723 (2016). Or the fact that some litigants receive opinions, while others do not, may give rise to equal protection concerns. *Chestnut Hill*, *supra*.

Exercising supervisory authority to determine when courts of appeals must issue opinions avoids difficult constitutional questions and provides important guidance for litigants and the lower courts.

II. This Case Is an Ideal Vehicle to Resolve the Important Question Presented.

Because the question presented in this petition is more limited than those presented in previous petitions concerning Rule 36 in which certiorari has been denied, this case is a more suitable vehicle for evaluating how wide a federal appellate court's latitude is in deciding whether to write opinions.

As explained above, see Section I.B, *supra*, Mr. Fote's appeal to the Federal Circuit raised complicated issues of Section 101 law, but he was given no opinion

and, therefore, has been effectively precluded from seeking further review.

Mr. Fote is not alone—indeed, Rule 36 summary affirmances disproportionately affect patent owners such as Mr. Fote that are facing patentability rejections.

In 2018, Professors Paul Gugliuzza and Mark Lemley examined the Federal Circuit's use of Rule 36 in cases dealing with Section 101 since *Alice*. They found the Federal Circuit had issued dozens of Rule 36 judgments finding patents invalid, yet had not issued a single summary affirmance when finding in favor of the patent owner. A survey of the court's written opinions, therefore, provides an inaccurate picture of how Section 101 disputes are resolved, the report concluded. The Professors recommend "[a] short, nonprecedential opinion making clear the arguments raised by the appellant (and rejected by the court) [that] would provide valuable information." Paul R. Gugliuzza and Mark A. Lemley, *Can a Court Change the Law by Saying Nothing?*, 71 Vanderbilt L. Rev. 765, 809 (2018).

Like many patent seekers, Mr. Fote also has other, related claims that are still pending before the Board. Patent applicants such as Mr. Fote cannot make proper decisions on pending claims without the benefit of decisions to understand the law and how it is being applied.

This case is also a good vehicle because, unlike many of the Rule 36 petitions this Court has received, this one casts the Patent Office as the respondent. The

Patent Office is the most frequent litigant before the Federal Circuit and the most frequent beneficiary of Rule 36 summary affirmances. It is best suited to defend the Federal Circuit's use of its wide latitude.

Although the Rule 36 issue has been frequently raised, previous petitioners have attempted to ground such a right in the Constitution or in the Federal Rules of Civil Procedure. Mr. Fote raises a different argument—he does not argue entitlement to an opinion but rather urges that this Court, in the exercise of its supervisory authority, provide more clarification of the bounds of the latitude that it recognized in *Taylor*.

To Mr. Fote's knowledge, this issue has not been squarely raised previously, and there are no other vehicle issues.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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