

No. 20-150

In the Supreme Court of the United States

THERMOLIFE INTERNATIONAL LLC, PETITIONER

v.

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR
INTELLECTUAL PROPERTY AND DIRECTOR, U.S. PATENT
AND TRADEMARK OFFICE

*ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT*

BRIEF FOR THE RESPONDENT IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether the court of appeals correctly affirmed a decision of the Patent Trial and Appeal Board (Board) on the basis of the Board's factual findings and legal reasoning.

2. Whether the Court in this case should consider a constitutional challenge, which petitioner raised for the first time in this Court, to the manner in which the Board judges who ruled in this matter were appointed.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a–17a) is not published in the Federal Reporter but is reprinted at 796 Fed. Appx. 726. The decision of the Patent Trial and Appeal Board (Pet. App. 18a-51a) is not published in the United States Patents Quarterly but is available at 2018 WL 2335128.

JURISDICTION

The judgment of the court of appeals was entered on January 10, 2020. A petition for rehearing was denied on March 13, 2020 (Pet. App. 52a-53a). On March 19, 2020, the Court extended the time within which to file any petition for a writ of certiorari due on or after that date to 150 days from the date of the lower-court judgment or order denying a timely petition for rehearing.

Under that extension order, the deadline for filing a petition for a writ of certiorari in this case was August 10, 2020, and the petition was filed on that date. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. The Patent Act of 1952 (Patent Act), 35 U.S.C. 1 *et seq.*, charges the U.S. Patent and Trademark Office (USPTO) with examining applications for patents, and it directs the USPTO to issue a patent if the relevant criteria are satisfied. 35 U.S.C. 131. Federal law has long permitted the USPTO to reconsider the patentability of the inventions claimed in issued patents. See *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018). The Patent Trial and Appeal Board (Board) is an administrative tribunal within the USPTO. 35 U.S.C. 6. The Board conducts several kinds of patent-related administrative adjudications, including appeals from adverse decisions of patent examiners on patent applications and in *ex parte* reexaminations, *inter partes* reviews, and post-grant reviews. *Ibid.* This case concerns an *ex parte* reexamination.

Ex parte reexamination permits “[a]ny person at any time” to “file a request for reexamination” of an issued patent in light of prior art “bearing on [its] patentability.” 35 U.S.C. 301(a), 302. The Director of the USPTO may institute reexamination proceedings based on that third-party request, or on his own initiative, if he finds “a substantial new question of patentability.” 35 U.S.C. 303(a). A patent examiner then conducts a reexamination “according to the procedures established for initial examination.” 35 U.S.C. 305; see 35 U.S.C. 132, 133 (describing procedures). During the reexamination process, the patent owner can “propose any amendment

to his patent,” or propose new claims, “in order to distinguish the invention as claimed from the prior art.” 35 U.S.C. 305.

If the examiner in an *ex parte* reexamination issues a final rejection of any claim, the patent owner may appeal that rejection to the Board. 35 U.S.C. 134, 306. The patent owner may also appeal an adverse Board decision to the Federal Circuit. 35 U.S.C. 141(b), 306. “[W]hen the time for appeal has expired or any appeal proceeding has terminated, the Director will issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claim determined to be patentable.” 35 U.S.C. 307(a).

2. In 2010, petitioner was issued U.S. Patent No. 7,777,074 (Aug. 17, 2010) ('074 patent), which disclosed certain amino-acid compounds. Pet. App. 1a, 3a. In 2010 and 2011, two separate requests for reexamination of the '074 patent were filed, and the requests were merged into a single *ex parte* reexamination proceeding. *Id.* at 3a, 20a.

a. During the reexamination, petitioner proposed a new Claim 6, which is directed in part to the nitrate of the amino acid creatine. Pet. App. 2a, 3a. Claim 6 discloses the chemical structure of creatine nitrate. *Id.* at 2a. The patent's specification further teaches that creatine nitrate may be prepared by “combining nitric acid and Creatine, mixing with water, and leaving to crystallize.” *Ibid.* (citation omitted). On reexamination, the patent examiner rejected Claim 6 as anticipated under 35 U.S.C. 102 (2006)¹—specifically, by a 1914 treatise

¹ Because Claim 6 was filed before the most recent amendment to Section 102, the previous version was applied. See Pet. App. 1a n.1.

written by G. Barger that identified creatine nitrate by name, listed its chemical formula, and disclosed certain of its physical properties. Pet. App. 3a & n.2.

Petitioner appealed the examiner's rejection to the Board and argued, *inter alia*, that Barger did not anticipate Claim 6 because it did not enable the making of creatine nitrate. Pet. App. 3a. The Board disagreed, and further identified two additional prior-art references to creatine nitrate—an article from 1854 written by M. Dessaignes, and another from 1856 written by Leopold Gmelin. *Id.* at 3a-4a & nn.3-4. Dessaignes and Gmelin not only disclosed creatine nitrate, but also disclosed making creatine nitrate using a mixing method, in which crystalline creatine is dissolved in nitric acid and the solution is then evaporated at 86° F. *Id.* at 4a; see C.A. App. 4137-4138, 4150.

b. Because the Board had relied on additional references to support its affirmance, petitioner elected to reopen prosecution before the examiner, and introduced new evidence to attempt to establish that Barger, Dessaignes, and Gmelin did not anticipate creatine nitrate. Pet. App. 5a. The examiner was unpersuaded by petitioner's new evidence and again rejected Claim 6. *Ibid.*; see C.A. App. 4250-4251, 4255, 4261-4262.

Petitioner again appealed to the Board, which upheld the examiner's rejection. Pet. App. 18a-51a. The Board explained that “Barger, Dessaignes, and Gmelin expressly teach a ‘nitrate of creatine,’” and these “express teachings unambiguously anticipate the claimed composition, a nitrate of creatine, on their face.” *Id.* at 31a. In addition, the Board found that Dessaignes and Gmelin taught a method for making creatine nitrate that would have enabled a skilled artisan to make the compound without undue experimentation. *Id.* at 40a-

47a. The Board noted that Dessaignes's method of "mixing creatine and nitric acid and evaporating" at 86° F—which Gmelin had "repeated"—was "substantially identical" to the method described in the '074 patent. *Id.* at 34a, 40a, 41a.

Petitioner attempted to distinguish Dessaignes's mixing method from petitioner's own method, but the Board concluded that any purported differences were not material. Pet. App. 41a-42a. Petitioner argued that Dessaignes's mixing method could have formed only creatinine or creatinine nitrate, not creatine nitrate. *Id.* at 33a. The Board disagreed, concluding that the record suggested that "a much higher temperature is necessary to convert creatine to creatinine." *Id.* at 34a. Finally, petitioner made various arguments with respect to another method described by Dessaignes, a "bubbling" method, but the Board made clear that it "d[id] not rely on the bubbling method" to reach its conclusions. *Id.* at 36a; see *id.* at 40a n.15.

c. The court of appeals affirmed in a unanimous, nonprecedential decision. Pet. App. 1a-17a. The court explained that anticipation is a question of fact that the court would review for substantial evidence. *Id.* at 7a. It found that "[s]ubstantial evidence supports the Board's determination that claim 6 is anticipated by at least Barger as evidenced by Dessaignes and by Dessaignes alone." *Id.* at 8a.

The court of appeals agreed with the Board that "Barger and Dessaignes expressly disclose creatine nitrate as recited in claim 6," and that Barger and Dessaignes each taught the correct formula for creatine nitrate. Pet. App. 12a. The court "agree[d]" with the Board that petitioner was "attempt[ing] to 'undermine [the] express teaching [of the prior art] with no more

than conjecture.’” *Id.* at 11a (citation omitted; fourth set of brackets in original); see *id.* at 10a (“We credit the Board’s fact finding and determine that it is supported by substantial evidence.”). The court further held that Dessaignes would enable a person of ordinary skill in the art to prepare creatine nitrate, and that the Board had “correctly rejected” each of petitioner’s arguments to the contrary. *Id.* at 13a; see *id.* at 12a-17a. The court explained that, “[w]hen the Board’s findings of fact are taken together,” petitioner’s “speculation or conjecture fail[ed] to show that, by a preponderance of the evidence, the prior art is not enabling.” *Id.* at 17a.

d. Petitioner sought rehearing and rehearing en banc. Petitioner argued that the Board had “overlooked facts” demonstrating that Dessaignes’s method would not produce creatine nitrate, and that the Federal Circuit panel had made various legal errors in affirming the Board’s opinion. C.A. Pet. for Reh’g 12. The court of appeals denied the petition in a per curiam order, without any noted dissents. Pet. App. 52a-53a.

ARGUMENT

Petitioner contends (Pet. 13-25) that the court of appeals affirmed the Board’s decision based on the court’s own factual findings, in violation of the rule announced in *SEC v. Chenery Corp.*, 332 U.S. 194 (1947). That argument rests on a mischaracterization of the decisions issued by the Board and the court of appeals, and it presents (at most) a factbound issue that does not warrant this Court’s review.

Petitioner further contends (Pet. 26-35) that this Court should consider an unrelated constitutional challenge that petitioner has raised for the first time in its petition for a writ of certiorari. Petitioner forfeited that claim by failing to raise it before the Board or the court

of appeals. The Court recently denied a petition for a writ of certiorari seeking to raise a materially identical constitutional challenge in similar circumstances. See *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 19-1204 (Oct. 5, 2020). The same result is warranted here.

1. Petitioner contends (Pet. 13-22) that the court of appeals' decision is inconsistent with this Court's decision in *Chenery*. That argument rests on petitioner's assertions that the Board failed to consider petitioner's evidence and that the court of appeals engaged in its own fact-finding. See Pet. 2-3, 22-23. Those assertions mischaracterize the decisions of the Board and the court of appeals.

The Board fully considered petitioner's evidence but found that evidence unpersuasive in light of the record as a whole. On appeal, the Federal Circuit credited the Board's factual findings and affirmed in accordance with the Board's reasoning. Petitioner's factbound challenge to those decisions does not warrant this Court's review.

At the time Claim 6 was filed, the Patent Act precluded the issuance of a patent for any claimed invention that was "patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." 35 U.S.C. 102(b) (2006). Where such a prior-art reference exists, the claimed invention is deemed "anticipated." The Federal Circuit has held, in decisions that petitioner does not challenge, that anticipation requires "a single reference [that] 'describe[s] the claimed invention with sufficient precision and detail to establish that the subject matter existed in the prior art.'" *Wasica Fin. GmbH v. Continental Auto. Sys., Inc.*, 853 F.3d

1272, 1284 (2017) (citation and emphasis omitted). As petitioner notes (Pet. 23), that court has further held that the Board's determination of anticipation is a finding of fact, which the court of appeals reviews for "substantial evidence." *Wasica Fin. GmbH*, 853 F.3d at 1278.

Here, the Board found that Claim 6 was anticipated by prior art because "Barger, Dessaignes, and Gmelin expressly" and unambiguously "teach a 'nitrate of creatine,'" that Dessaignes and Gmelin each teach a method that would have enabled a person skilled in the art to prepare creatine nitrate without undue experimentation. Pet. App. 31a; see *id.* at 37a-38a. Indeed, the Board found that the "mixing" method taught by Dessaignes was "substantially identical to th[e method] described in the '074 patent." *Id.* at 37a; see *id.* at 41a. The Board considered petitioner's contrary arguments, including petitioner's arguments (Pet. 23-26) that Dessaignes's "mixing" method could not produce creatine nitrate, but rejected them based on the evidence in the record before it. See Pet. App. 33a-34a, 39a-44a.

In affirming the Board's decision, the Federal Circuit "credit[ed] the Board's fact finding." Pet. App. 10a. The court held that substantial record evidence supported the Board's conclusions that Barger and Dessaignes unambiguously teach creatine nitrate, and that Dessaignes's "mixing" method "would have provided sufficient information to" enable a skilled artisan to prepare creatine nitrate without undue experimentation. *Id.* at 13a-14a. The court concluded, just "as the Board found," that Dessaignes's mixing method was "'substantially identical' to the method taught by the '074 patent." *Ibid.* While acknowledging petitioner's arguments that Dessaignes was not enabling, the court held that the Board had "correctly rejected each" of those arguments

and that its decision was supported by substantial evidence in the record. *Id.* at 13a; see *id.* at 13a-17a.

Contrary to petitioner's repeated assertion (*e.g.*, Pet. 3, 14, 23), the court of appeals did not rely on its own fact-finding to reject petitioner's enablement arguments. Instead, the court concluded that "[t]he Board's fact finding establishes that the method taught by Desaignes would enable a person of ordinary skill in the art to prepare creatine nitrate," and that petitioner's "speculation [and] conjecture" failed to undermine that finding. Pet. App. 16a-17a (emphasis added). That determination was correct and consistent with settled principles of administrative law. Petitioner's factbound disagreement with the Board's assessment of the evidence and with the court's decision to credit that assessment does not warrant this Court's review.

2. Petitioner also raises an unrelated constitutional challenge to the Board's decision. Relying on the Federal Circuit's decision in *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (2019), cert. granted, No. 19-1434 (Oct. 13, 2020), petitioner argues (Pet. 26-35) that the administrative patent judges who decided his Board appeal were appointed in violation of the Appointments Clause. Petitioner urges (Pet. 26) the Court either to grant review in this case to address that question, or to hold this petition pending the Court's disposition of one of the other pending petitions that raise similar Appointments Clause challenges.

Since the petition for a writ of certiorari in this case was filed, the Court has granted the government's petition to review the Federal Circuit's decision in *Arthrex*. See *United States v. Arthrex, Inc.*, cert. granted, No. 19-1434 (Oct. 13, 2020). Petitioner forfeited its Appointments Clause challenge in this case, however, by failing

to raise that challenge before the Board or the court of appeals. Even if this Court affirms the Federal Circuit's decision in *Arthrex*, its ruling will provide no basis for disturbing the court of appeals' decision here.

Petitioner argues (Pet. 32-35) that the proper application of forfeiture principles independently warrants this Court's review because the Federal Circuit has repeatedly refused to apply its Appointments Clause holding in *Arthrex* to cases in which the issue was not raised in an opening brief to the court of appeals. In this case, however, petitioner did not assert an Appointments Clause challenge at *any* stage of the Federal Circuit proceedings, but instead first raised that argument in its certiorari petition. This case thus does not present any difficult or important forfeiture issue. And because petitioner never presented its Appointments Clause challenge to the court of appeals, that court had no occasion to discuss or apply any rule governing the timely presentation of claims. See *United States v. Williams*, 504 U.S. 36, 41 (1992) (reaffirming the Court's "traditional rule" against granting certiorari to review questions "not pressed or passed upon below") (citation omitted).

Petitioner contends (Pet. 32-34) that the court of appeals should have applied *Arthrex* to petitioner's "then-pending appeal" before it, even though petitioner never asked the court to take that step. Pet. 33. But Appointments Clause challenges can be forfeited, and courts should overlook such forfeitures only in "rare cases" and as a matter of "discretion." *Freytag v. Commissioner*, 501 U.S. 868, 879 (1991). Petitioner identifies no basis for concluding that the court of appeals was *required* to apply *Arthrex sua sponte* in a case where no party had raised the issue.

This Court recently denied a petition for a writ of certiorari in which the petitioner challenged the Federal Circuit's refusal to apply its Appointments Clause holding from *Arthrex* in a case where the patent owner had failed to raise that challenge in its opening brief before the court of appeals. See *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 19-1204 (Oct. 5, 2020)²; Pet. at 27-33, *Arthrex, supra* (No. 19-1204). In that case, the petitioner had raised its Appointments Clause challenge by submitting a letter under Federal Rule of Appellate Procedure 28(j) while its petition for rehearing was pending in the court of appeals. See Pet. at 13, *Arthrex, supra* (No. 19-1204). The Federal Circuit declined to address that forfeited claim, and this Court denied review. Because the petitioner in this case first raised its Appointments Clause challenge at an even later stage of the judicial proceedings, the same result follows *a fortiori* here.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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² Despite the matching caption, the petition for a writ of certiorari arose from a different dispute than the one currently under review in *Arthrex, supra* (No. 19-1434).