

No. 20-1700

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**In the Supreme Court of the United States**

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ULTRATEC, INC., PETITIONER

*v.*

CAPTIONCALL, LLC, ET AL.

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

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**BRIEF FOR THE FEDERAL RESPONDENT  
IN OPPOSITION**

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BRIAN H. FLETCHER  
*Acting Solicitor General  
Counsel of Record*

BRIAN M. BOYNTON  
*Acting Assistant Attorney  
General*

SCOTT R. MCINTOSH

SEAN JANDA  
*Attorneys*

*Department of Justice  
Washington, D.C. 20530-0001  
SupremeCtBriefs@usdoj.gov  
(202) 514-2217*

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## QUESTIONS PRESENTED

For more than four decades, the United States Patent and Trademark Office (USPTO) has “possessed the authority to reexamine—and perhaps cancel—a patent claim that it had previously allowed.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress replaced one of the existing mechanisms for administrative reconsideration of issued patents with a new administrative reconsideration proceeding known as inter partes review. Congress directed that inter partes review “shall apply to any patent issued before, on, or after th[e] effective date” of the AIA. § 6(c)(2)(A), 125 Stat. 304. The questions presented are as follows:

1. Whether Congress’s decision to authorize the USPTO to conduct inter partes review of patents issued before the AIA’s effective date is irrational and thus violates the Due Process Clause.

2. Whether 35 U.S.C. 144 prohibits the Federal Circuit from summarily affirming decisions of the Patent Trial and Appeal Board without issuing a reasoned opinion.

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**OPINIONS BELOW**

The judgments of the court of appeals (Pet. App. 1-6) are reported at 825 Fed. Appx. 925, 825 Fed. Appx. 925, and 825 Fed. Appx. 926. The opinion of the court of appeals that preceded an administrative remand in this case (Pet. App. 69-86) is reported at 872 F.3d 1267. The decision of the United States Patent and Trademark Office (USPTO) after remand (Pet. App. 7-68) is unreported. The decisions of the USPTO that preceded remand are unreported and are not included in the appendix to the petition, but the decisions in No. IPR 2013-00540 are available at 2015 WL 1263028 and 2015 WL 9599187; the decision denying rehearing in No. IPR 2013-00541 is available at 2015 WL 9599188; the decisions in No. IPR 2013-00542 are available at 2015 WL

1263003 and 2015 WL 9599189; the final written decision in No. IPR 2013-00543 is available at 2015 WL 981641; the decisions in No. IPR 2013-00544 are available at 2015 WL 1263004 and 2015 WL 9599190; the decisions in No. IPR 2013-00545 are available at 2015 WL 1263005 and 2015 WL 9599191; the decisions in No. IPR 2013-00549 are available at 2015 WL 1263006 and 2015 WL 9599192; the decisions in No. IPR 2013-00550 are available at 2015 WL 1263007 and 2015 WL 9599193; and the final written decision in No. IPR 2014-780 is available at 2015 WL 7888897.

#### JURISDICTION

The judgments of the court of appeals were entered on October 14, 2020. Petitions for rehearing were denied on January 5, 2021 (Pet. App. 87-88, 89-90, 91-92). The petition for a writ of certiorari was filed on June 4, 2021. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

#### STATEMENT

1. a. The Intellectual Property Clause of the Constitution authorizes Congress to “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. Pursuant to that authorization, Congress has enacted and periodically amended the Patent Act of 1952 (Patent Act), 35 U.S.C. 1 *et seq.*, which assigns to the USPTO responsibility “for the granting and issuing of patents.” 35 U.S.C. 2(a)(1). To determine whether patents should issue, USPTO personnel review applications to assess their compliance with the Act’s subject-matter requirements and conditions of patentability, such as utility, novelty, and non-obviousness in light of prior art. See 35 U.S.C. 101 (patent-eligible

subject matter and utility), 102 (novelty), 103 (non-obviousness). If an application satisfies all of those criteria, the Director of the USPTO “shall issue a patent.” 35 U.S.C. 131.

The USPTO reviews more than 650,000 patent applications each year. See USPTO, *FY 2020 Performance and Accountability Report* 188 tbl.1 (2020). Occasionally, the USPTO issues a patent for a putative invention that does not actually satisfy the statutory criteria. The Patent Act accordingly provides “several avenues by which [a patent’s] validity can be revisited.” *Return Mail, Inc. v. United States Postal Serv.*, 139 S. Ct. 1853, 1859 (2019).

First, in an infringement action brought by the patent holder, the person accused of infringement may assert as a defense the “[i]nvalidity of the patent or any claim in suit” based on a failure to satisfy a “condition for patentability.” 35 U.S.C. 282(b)(2). In that setting, a court may declare the patent invalid if the defendant proves by clear and convincing evidence “that the patent never should have issued in the first place.” *Microsoft Corp. v. i4i Ltd. P’ship*, 564 U.S. 91, 96 (2011); see 35 U.S.C. 282(a) (providing that in infringement actions “[a] patent shall be presumed valid”). A final judicial determination of invalidity renders the patent unenforceable against all others. See *Blonder-Tongue Labs., Inc. v. University of Illinois Found.*, 402 U.S. 313 (1971).

Second, for more than four decades, the USPTO has “possessed the authority to reexamine—and perhaps cancel—a patent claim that it had previously allowed.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). In 1980, Congress first established an administrative reconsideration procedure known as *ex parte*

reexamination, which 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)(1), 302; see Act of Dec. 12, 1980 (1980 Act), Pub. L. No. 96-517, 94 Stat. 3015 (35 U.S.C. 301 *et seq.*). The Director 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). If the USPTO concludes that the challenged patent claims are unpatentable, the Director—following the opportunity for review by the Federal Circuit—cancels those claims. 35 U.S.C. 306, 307(a).

The statute that created the *ex parte* reexamination mechanism authorized the USPTO to reexamine all “patents in force as of th[e] [effective] date or issued thereafter.” 1980 Act § 8(b), 94 Stat. 3027 (effective date of July 1, 1981). The Federal Circuit subsequently held that neither the Due Process Clause nor the Just Compensation Clause barred *ex parte* reexamination of patents issued before the reexamination statute was enacted. See *Joy Techs., Inc. v. Manbeck*, 959 F.2d 226, 228 (Fed. Cir.), cert. denied, 506 U.S. 829 (1992); *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 602-603 (Fed. Cir.), modified on other grounds, 771 F.2d 480 (Fed. Cir. 1985).

In 1999 and 2002, Congress established an additional reconsideration procedure known as *inter partes* reexamination. See Optional Inter Partes Reexamination Procedure Act of 1999, Pub. L. No. 106-113, Div. B, § 1000(a)(9) [Tit. IV, Subtit. F, §§ 4601 *et seq.*], 113 Stat. 1536, 1501A-567 (35 U.S.C. 311 *et seq.*); Patent and Trademark Office Authorization Act of 2002, Pub. L. No. 107-273, Div. C, Tit. III, Subtit. A, §§ 13105-13106,

116 Stat. 1900. Inter partes reexamination similarly permitted third parties to request that the Director institute USPTO reexamination proceedings based on prior art, and authorized him to cancel unpatentable claims following an opportunity for judicial review. See 35 U.S.C. 316(a) (2006). Inter partes reexamination, however, “granted third parties greater opportunities to participate in the [USPTO’s] reexamination proceedings as well as in any appeal.” *Cuozzo*, 136 S. Ct. at 2137.

b. In 2011, Congress enacted the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284. As relevant here, the AIA “modifies ‘inter partes *reexamination*,’” and “now calls [it] ‘inter partes *review*.’” *Cuozzo*, 136 S. Ct. at 2137; see AIA § 6(a), 125 Stat. 299-304. Congress authorized inter partes review to provide “a more efficient system for challenging patents that should not have issued.” H.R. Rep. No. 98, 112th Cong., 1st Sess. 39-40 (2011).

Any person other than the patent owner may petition for inter partes review of an issued patent on the ground that the invention was not novel or was obvious under Section 102 or 103 of the Patent Act in light of “prior art consisting of patents or printed publications.” 35 U.S.C. 311(b); see 35 U.S.C. 102, 103, 312. If the Director finds a “reasonable likelihood” that the petitioner can establish the unpatentability of “at least 1 of the claims challenged in the petition,” he may institute review proceedings. 35 U.S.C. 314(a).

The Patent Trial and Appeal Board (Board) of the USPTO then conducts inter partes review proceedings to determine the patentability of the challenged claims. 35 U.S.C. 316(c). The petitioner and patent owner may conduct limited discovery, submit briefs and evidence,

and obtain an oral hearing. See 35 U.S.C. 316(a)(5), (8), and (10). The petitioner must prove unpatentability by a preponderance of the evidence. 35 U.S.C. 316(e). The patent owner may seek to amend the patent by “propos[ing] a reasonable number of substitute claims,” and the Board may permit “[a]dditional motions to amend \* \* \* upon the joint request of the petitioner and a patent owner to materially advance the settlement of the proceeding \* \* \* or as permitted by regulations prescribed by the Director.” 35 U.S.C. 316(d)(1)(B) and (2). If the Board ultimately issues a final written decision determining the patentability of each challenged claim, a dissatisfied party may appeal to the Federal Circuit. 35 U.S.C. 318(a), 319. When judicial review is complete or the time for appeal has expired, the Director cancels any patent claims determined to be unpatentable. 35 U.S.C. 318(b).

The AIA’s inter partes review provisions took effect on September 16, 2012. See AIA § 6(c)(2)(A), 125 Stat. 304. As the 1980 Act did with ex parte reexamination, the AIA specifies that inter partes review “shall apply to any patent issued before, on, or after that effective date.” *Ibid.*

2. a. Between 1997 and 2007, petitioner Ultratec, Inc., filed (as relevant here) eight patent applications, and between 1999 and 2012, the USPTO issued eight patents. See U.S. Patent No. 5,909,482 (filed Sept. 8, 1997 and issued June 1, 1999) (‘482 patent); U.S. Patent No. 6,233,314 (filed Apr. 8, 1999 and issued May 15, 2001) (‘314 patent); U.S. Patent No. 6,594,346 (filed Feb. 14, 2001 and issued July 15, 2003) (‘346 patent); U.S. Patent No. 6,603,835 (filed Aug. 23, 2001 and issued Aug. 5, 2003) (‘835 patent); U.S. Patent No. 7,003,082 (filed Aug. 5, 2003 and issued Feb. 21, 2006) (‘082 patent); U.S.

Patent No. 7,319,740 (filed Oct. 25, 2005 and issued Jan. 15, 2008) ('740 patent); U.S. Patent No. 7,555,104 (filed Feb. 24, 2006 and issued June 30, 2009) ('104 patent); U.S. Patent No. 8,213,578 (filed Dec. 13, 2007 and issued July 3, 2012) ('578 patent). At the time the '482 patent was issued and at the time the '314 patent application was filed, Congress had already authorized the Director to review and cancel patents through *ex parte* reexamination, and it had done so through legislation that applied to patents issued both before and after the creation of the *ex parte* reexamination process. See pp. 3-4, *supra*. By the time petitioner's remaining patent applications were filed (and by the time the '314 patent was issued), Congress had also authorized the Director to review and cancel patents through *inter partes* reexamination. See pp. 4-5, *supra*. And by the time the '578 patent was issued, Congress had enacted the *inter partes* review mechanism at issue here. See pp. 5-6, *supra*.

In 2013, petitioner sued respondent CaptionCall LLC, and its parent company, alleging infringement of the eight patents described above. See 13-cv-346 D. Ct. Doc. 1 (W.D. Wis. May 17, 2013). That suit proceeded to a jury trial, and the jury found in petitioner's favor. See Pet. App. 114-118. After the verdict, the district court stayed post-trial proceedings pending the outcome of the *inter partes* review proceedings at issue here; that stay remains in place. See 13-cv-346 D. Ct. Doc. 876 (W.D. Wis. May 13, 2015); Pet. 8.

b. While the infringement suit was pending, respondent filed nine petitions for *inter partes* review of various claims contained in the eight patents described above. The Director instituted review in each case, and in 2015, the Board issued nine separate decisions in

which it determined by a preponderance of the evidence that the challenged claims were unpatentable. See Pet. App. 8-9.

Petitioner appealed each of those decisions to the Federal Circuit, which vacated and remanded. See Pet. App. 69-86. The court concluded that the Board had improperly failed to admit into the record of the inter partes review proceeding certain testimony that respondent's expert witness had offered during the district-court trial, and had thus failed adequately to consider petitioner's contention that the expert witness had testified inconsistently in the two proceedings. See *id.* at 81, 86.

On remand, the Board admitted the expert witness's district-court testimony but rejected petitioner's argument that the expert had given inconsistent testimony. Pet. App. 7-68. The Board reaffirmed its prior view that the expert witness was credible and reinstated its previous final written decisions. See *id.* at 67.

c. Petitioner again appealed to the Federal Circuit. On appeal, petitioner challenged the constitutionality of the inter partes review process on due process and other grounds. See, *e.g.*, 19-1998 C.A. Opening Br. 82-90. By the time the Federal Circuit issued its decisions in these appeals, the court had already rejected the same constitutional challenges in other cases. See, *e.g.*, *Arthrex, Inc. v. Smith & Nephew, Inc.*, 935 F.3d 1319, 1331-1332 (2019), cert. denied, 141 S. Ct. 236 (2020); see also p. 9, *infra*. Petitioner also argued that the Board had erred in its claim construction, see, *e.g.*, 19-1998 C.A. Opening Br. 25-50, and in its conclusions of non-patentability, see, *e.g.*, *id.* at 64-81.

In each appeal, the Federal Circuit summarily affirmed the USPTO's decision. See Pet. App. 1-6. The



court relied on Federal Circuit Rule 36, which authorizes the court to “enter a judgment of affirmance without opinion” when “it determines that” certain specified conditions exist and that “an opinion would have no precedential value.” Fed. Cir. R. 36(a).

The court of appeals denied rehearing and rehearing en banc without recorded dissent. Pet. App. 87-92.

#### ARGUMENT

Petitioner contends (Pet. 11-26) that the use of inter partes review to reconsider the patents at issue here violated the Due Process Clause because petitioner applied for those patents before the AIA was enacted. Petitioner further contends (Pet. 27-39) that the court of appeals’ affirmance of the Board’s final written decisions in a summary order without an accompanying reasoned opinion, pursuant to Federal Circuit Rule 36, violated 35 U.S.C. 144. Petitioner’s arguments lack merit, and this Court has previously denied petitions raising materially similar challenges. See *Arthrex, Inc. v. Smith & Nephew, Inc.*, 141 S. Ct. 236 (2020) (No. 19-1204) (Due Process claim); *Enzo Life Scis. Inc. v. Becton, Dickinson & Co.*, 141 S. Ct. 150 (2020) (No. 19-1097) (same); *Collabo Innovations, Inc. v. Sony Corp.*, 141 S. Ct. 129 (2020) (No. 19-601) (same); *Chestnut Hill Sound Inc. v. Apple Inc.*, 140 S. Ct. 850 (2020) (No. 19-591) (Section 144 claim); *Straight Path IP Group, LLC v. Apple Inc.*, 140 S. Ct. 520 (2020) (No. 19-253) (same); *Specialty Fertilizer Prods., LLC v. Shell Oil Co.*, 138 S. Ct. 2678 (2018) (No. 17-1243) (same); *Celgard, LLC v. Iancu*, 138 S. Ct. 1714 (2018) (No. 16-1526) (same); *Shore v. Lee*, 137 S. Ct. 2197 (2017) (No. 16-1240) (same); *Concaten, Inc. v. AmeriTrak Fleet Solutions, LLC*, 137 S. Ct. 1604 (2017) (No. 16-1109) (same); *Cloud Satchel, LLC v. Barnes & Noble, Inc.*, 136 S. Ct. 1723

(2016) (No. 15-1161) (same). The same result is warranted here.

1. Petitioner contends (Pet. 11-26) that, by authorizing inter partes review of patents issued or applied for prior to the enactment of the AIA, Congress enacted unconstitutional “retroactive” legislation. That argument is mistaken in multiple ways.

a. The presumption against retroactivity on which petitioner relies (Pet. 13) is simply a “default rule,” which “ensure[s] that Congress itself has determined that the benefits of retroactivity outweigh the potential for disruption or unfairness.” *Landgraf v. USI Film Products*, 511 U.S. 244, 268, 272 (1994). “[T]he court’s first task is to determine whether Congress has expressly prescribed the statute’s proper reach,” and “[i]f Congress has done so, of course, there is no need to resort to judicial default rules.” *Id.* at 280. The presumption thus is not a constitutional limit on the laws Congress *may* enact, but instead is an interpretive principle used to determine a statute’s temporal scope when the statute’s text does not clearly resolve that issue. Here, “Congress was as clear as it could have been” in directing that inter partes review may be used for both pre- and post-AIA patents, so “interpretive presumptions” are unnecessary. *Opati v. Republic of Sudan*, 140 S. Ct. 1601, 1608 (2020); see AIA § 6(c)(2)(A), 125 Stat. 304.

When Congress directs that a law should apply retroactively, that choice is permissible under the Due Process Clause so long as retrospective application of the “legislation is itself justified by a rational legislative purpose.” *Pension Benefit Guar. Corp. v. R. A. Gray & Co.*, 467 U.S. 717, 730 (1984). Retroactive provisions “often serve entirely benign and legitimate purposes,”

such as “correct[ing] mistakes” and “giv[ing] comprehensive effect to a new law Congress considers salutary.” *Landgraf*, 511 U.S. at 267-268.

Congress’s decision to make the AIA’s inter partes review provisions applicable to all patents, including patents that were issued before the AIA’s enactment or effective date, fully accords with those principles. Extending inter partes review to pre-AIA patents was a rational means of furthering a legitimate objective. *Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-1362 (Fed. Cir. 2019), cert. denied, 141 S. Ct. 132 (2020). Once Congress had created a “more efficient system” for identifying “patents that should not have issued in the first place,” Congress reasonably chose to make that improved system applicable to both existing and future patents. *Id.* at 1361 (citations omitted).

Congress’s decision was not only rational, but also consistent with the course it had chosen in 1980, when it made the newly created ex parte reexamination process applicable to all patents, including those applied for and issued at a time when no administrative reconsideration mechanism was in place. See 1980 Act § 8(b), 94 Stat. 3027. As the Federal Circuit explained in upholding that 1980 congressional choice against a Due Process Clause challenge similar to the one petitioner mounts here, the “curative” nature of the new provision—intended to alleviate the ill effect of issued but invalid patents—makes judicial deference to Congress’s choice especially appropriate. *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 603, modified on other grounds, 771 F.2d 480 (Fed. Cir. 1985).

b. Moreover, under the standards set forth in this Court’s decisions, inter partes review of a pre-AIA pa-

ment does not actually constitute a retroactive application of the AIA. “A statute does not operate ‘retrospectively’ merely because it is applied in a case arising from conduct antedating the statute’s enactment, \* \* \* or upsets expectations based in prior law.” *Landgraf*, 511 U.S. at 269 (citation omitted). The relevant question is instead “whether the new provision attaches new legal consequences to events completed before its enactment.” *Id.* at 270.

No new legal consequences attached here. The Board conducts inter partes review under the same substantive standards of patentability that applied before the AIA was enacted. While the *procedures* used to conduct inter partes review differ from the procedures previously used to reassess issued patents, “[c]hanges in procedural rules may often be applied in suits arising before their enactment without raising concerns about retroactivity.” *Landgraf*, 511 U.S. at 275; cf. *Eldred v. Ashcroft*, 537 U.S. 186, 203 (2003) (“[T]he legal regime governing a particular patent ‘depend[s] on the law as it stood at the emanation of the patent, together with such changes as have been since made.’”) (quoting *McClurg v. Kingsland*, 42 U.S. (1 How.) 202, 206 (1843)) (brackets in original). And here, “[p]atent owners have always had the expectation that the validity of patents could be challenged in district court” and, “[f]or forty years, \* \* \* have also had the expectation that the [USPTO] could reconsider the validity of issued patents on particular grounds, applying a preponderance of the evidence standard.” *Celgene*, 931 F.3d at 1362-1363.

The conclusion that the AIA’s inter partes review provisions are not retroactive in the relevant sense—and, relatedly, that inter partes review does not disrupt any relevant vested rights—is further confirmed by the

“significant similarities” between inter partes review and ex parte reexamination (as well as inter partes reexamination, which was already available when most of the patents here were issued). *Celgene*, 931 F.3d at 1360. In both inter partes review and ex parte reexamination, the USPTO is authorized to reconsider an issued patent at the request of a third party. 35 U.S.C. 302, 311(a). In both, the USPTO considers “prior art consisting of patents or printed publications” to determine patentability. 35 U.S.C. 301(a)(1), 311(b). In both, the patent owner has an opportunity to amend the patent to avoid the cancellation of otherwise invalid claims. 35 U.S.C. 305, 316(d). In both, the agency determines by a preponderance of the evidence whether the challenged claims were unpatentable at the time the patent issued. See *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016). In both, the final agency decisions are subject to judicial review. 35 U.S.C. 306, 319. And in both, the Director cancels claims finally determined to be unpatentable only after judicial review is exhausted. 35 U.S.C. 307(a), 318(b). These fundamental similarities make it particularly clear that the procedural changes reflected in the AIA are not retroactive in the relevant sense and do not deprive patent-holders of any vested property rights.\*

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\* In arguing that the AIA’s inter partes review provisions represented a stark departure from earlier procedures, petitioner asserts that “the value of patents has dropped by two-thirds since and because of the AIA.” Pet. 23 (quoting Gregory Dolin & Irina D. Manta, *Taking Patents*, 73 Wash. & Lee L. Rev. 719, 791 (2016)) (Dolin & Manta). That assertion is deeply flawed. The source for that claim was a single blog post that reported that, as of 2015, “[t]he lore of the US patent brokers \* \* \* is that the price of an average US patent has dropped about 66% since the institution of the AIA [inter

c. Finally, petitioner’s Due Process Clause claim should be rejected for the independent reason that, in light of the Board’s and Federal Circuit’s decisions in this case, petitioner never possessed a valid property interest in its patents.

“‘[E]xisting rules or understandings’ \* \* \* define the range of interests that qualify for protection as ‘property’ under the Fifth and Fourteenth Amendments.” *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1030 (1992) (citation omitted). Thus, in the Just Compensation Clause context, takings claims cannot be predicated on “restrictions” that “inhere in the title itself.” *Id.* at 1029. The Court in *Lucas* held that

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partes review] procedure.” Richard Baker, *Guest Post: America Invents Act Cost the US Economy over \$1 Trillion* (June 8, 2015), <https://patentlyo.com/patent/2015/06/america-invents-trillion.html>, cited in Dolin & Manta 792 n.437. The blog post did not actually compare data about post-AIA patent sales to data about pre-AIA patent sales, however, or attempt to control for other economic and legal factors that might have affected the type, value, and quantity of patents sold during the post-AIA period it examined. See *ibid.* The other source on which petitioner relies (Pet. 23) likewise does not support petitioner’s contention. The cited article reports that “Richardson Oliver Insights, a research firm, reckons that the average value of an American patent traded in the secondary market fell by 58% from 2013 to 2018.” *The Trouble With Troll-Hunting; Intellectual Property*, *The Economist* (Dec. 14, 2019). But that same research firm subsequently reported that “[t]he 2018 price drop appears to have been an anomaly” with “the average asking price per asset rebound[ing] significantly, shooting up 56%.” Richardson Oliver Insights, *Prices Have Rebounded In 2019—2019 Brokered Market Report Preview* (Oct. 16, 2019), <https://roipatents.com/2019/10/16/prices-have-rebounded-in-2019-2019-brokered-market-report-preview/>. Petitioner’s suggestion that the inter partes review process has decimated the value of American patents thus lacks meaningful real-world support.

it would not be a taking of private property for the government to appropriate a landowner's submerged lands where state law imposed "a pre-existing limitation upon [his] title," *id.* at 1028-1029 (citing *Scranton v. Wheeler*, 179 U.S. 141, 163 (1900)), that had already rendered it "a bare technical title," *Scranton*, 179 U.S. at 163.

Substantially the same principle applies here. Inter partes review enables the USPTO to take a "second look" at "the same basic matter as the grant of a patent." *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 138 S. Ct. 1365, 1374 (2018) (citation omitted). The Board's final written decisions in this case reflected the USPTO's determination that the challenged patent claims did not satisfy the statutory prerequisites for patenting at the time the patent was issued. See 35 U.S.C. 318(b). The import of the Board's decisions thus was not that validly issued patents should be rescinded based on events that postdated their issuance, but that petitioner's patents should never have been issued because they did not satisfy preexisting statutory requirements. The court of appeals upheld that determination, and petitioner does not seek this Court's review on the merits of any patentability issue. Thus, under the Board's and the court of appeals' currently unchallenged determinations, petitioner never possessed a valid property interest in the claims at issue, so that cancellation of those claims could not violate the Due Process Clause.

2. Petitioner does not substantively engage with many of the retroactivity and due process principles described above. Instead, petitioner's assertion that applying inter partes review to pre-AIA patents violates the Due Process Clause appears to rest on two premises: that petitioner's pre-AIA patents carried with

them “vested property rights,” including a “presumption of validity” and the opportunity to engage in the “robust amendment process of reexamination,” Pet. 18; see Pet. 13-15, 17-21; and that the Due Process Clause categorically prohibits Congress from “violat[ing]” those rights, Pet. 15-17. Each of those premises is incorrect.

a. Petitioner does not explain how it could hold a valid property interest in patents that the Board and the Federal Circuit—in aspects of the decisions below that petitioner does not challenge here—have held do not satisfy the Patent Act’s patentability requirements. At most, petitioner held “a bare technical title” in its invalid patents, *Scranton*, 179 U.S. at 163, and the result of the inter partes review proceedings did “no more than duplicate the result that could have been achieved in the courts” or through ex parte reexamination, *Lucas*, 505 U.S. at 1029.

b. Even if petitioner held some valid, vested property right in its patent, cf. *Horne v. Department of Agriculture*, 576 U.S. 351, 367 (2015) (recognizing that a valid patent is private property), “[n]o one has a vested right in any given mode of procedure,” *Celgene*, 931 F.3d at 1361 (quoting *Denver & Rio Grande W. R.R. v. Brotherhood of R.R. Trainmen*, 387 U.S. 556, 563 (1967)) (brackets in original). The federal government’s administrative procedures for reconsidering patents are not themselves the property of patent owners, and the Due Process Clause imposes no pertinent limitation on Congress’s authority to modify those procedures. For example, the fact that inter partes review is carried out under a preponderance-of-the-evidence standard, and subject to limitations on the number of motions a patent holder can file to amend its patent claims, see



Pet. 17-18, does not encumber any substantive property interest of a patent owner.

Citing this Court's decision in *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 571 U.S. 191 (2014), petitioner asserts (Pet. 17) that the clear-and-convincing-evidence standard applied to invalidity challenges in district court is a "rule[] of substantive law" that Congress may not modify retroactively. That assertion misreads *Medtronic*, which did not address any form of post-issuance administrative review or discuss the extent of vested rights conferred by patents. The Court held only that, as a "substantive aspect of a claim," the burden of proving patent invalidity in a judicial proceeding remains the same whether that issue is raised as an affirmative defense to a patent owner's infringement suit, or is instead asserted affirmatively by a potential infringer who files its own suit under the Declaratory Judgment Act, 28 U.S.C. 2201. 571 U.S. at 199 (internal quotation marks omitted). The Court did not suggest that Congress is precluded from establishing an administrative mechanism under which the validity of issued patents is reconsidered under a different standard of proof, or from authorizing the use of such a mechanism to reconsider preexisting patents. In any event, ex parte reexamination is also conducted using a preponderance standard, see *Cuozzo Speed Techs.*, 136 S. Ct. at 2144, which belies any claim that petitioner had a vested right in a clear-and-convincing-evidence standard at the time its patents were issued.

c. Even if petitioner possessed some valid, vested right that the retroactive use of inter partes review encumbered, such an encumbrance would not necessarily constitute a due-process violation. Instead, even true

retroactive application of legislation is permissible under the Due Process Clause so long as it is supported by a rational basis. See pp. 10-11, *supra*. Petitioner has not attempted to show that Congress lacked a rational basis for extending inter partes review to pre-AIA patents.

Petitioner relies (Pet. 15-16) on statements from three decisions this Court issued more than a century ago. None of those decisions supports petitioner's position here. Two involved the premature legislative revocation of substantive tax exemptions previously granted to individual Indians for a set term, see *Ward v. Board of Cnty. Comm'rs*, 253 U.S. 17, 19 (1920); *Choate v. Trapp*, 224 U.S. 665, 667-668 (1912), and thus have no bearing on the purely procedural changes that Congress made to the process by which the USPTO may reevaluate patents.

The third decision, in *McClurg v. Kingsland*, *supra*, affirmatively supports the constitutionality of Congress's actions here. Petitioner invokes (Pet. 15-16) the Court's statement in *McClurg* that subsequently enacted legislation "can have no effect to impair the right of property then existing in a patentee." 42 U.S. (1 How.) at 206. But like *Denver & Rio Grande*, *supra*, *McClurg* makes clear that the rule against impairment of existing property rights is not implicated when Congress simply alters the procedures by which rights under preexisting patents are adjudicated. The *McClurg* Court explained that patent disputes "must depend on the law as it stood at the emanation of the patent, together with such changes as have been since made"; and it observed that it "is not a sound objection to [the] validity" of subsequent procedural statutes that those statutes "may be retrospective in their operation." 42

U.S. (1 How.) at 206 (emphasis added). The Court accordingly concluded that provisions of a new statute that “prescribe[d] the rules which must govern on the trial of actions for the violation of patented rights” should apply, regardless of whether the patents were “granted before or after [the statute’s] passage.” *Id.* at 207. Similarly here, Congress simply revised the procedures that the agency may use to reconsider patent claims based on the same substantive conditions of patentability that had previously governed.

This Court has repeatedly denied review of Due Process Clause challenges to the application of inter partes review procedures to pre-AIA patents. See p. 9, *supra* (collecting cases). The same result is warranted here.

3. Petitioner contends (Pet. 29-33) that the court of appeals violated 35 U.S.C. 144 by issuing a summary order under Federal Circuit Rule 36. That Rule states that “[t]he court may enter a judgment of affirmance without opinion” if “an opinion would have no precedential value” and if, as relevant here, the decision below “is based on findings that are not clearly erroneous,” has been entered without an error of law, or warrants affirmance under the standard of review in the statute authorizing the petition for review. Fed. Cir. R. 36(a)(1). Petitioner’s challenge to the Federal Circuit’s use of Rule 36 affirmances here lacks merit.

a. Section 144 does not require the court of appeals to issue an opinion in every appeal from the Board. That provision addresses how the Federal Circuit should give notice of dispositions in Board appeals and directs that the court’s decision in a matter must govern any further agency proceedings. Section 144 specifies that, upon determination of an appeal from the USPTO,

the Federal Circuit “shall issue to the Director its mandate and opinion, which shall be entered of record in the Patent and Trademark Office and shall govern the future proceedings in the case.” 35 U.S.C 144. Although the statute thus requires that any mandate and opinion be sent to the agency and made part of the agency record, it does not direct the court to generate an opinion in every case.

Although the plain terms of Section 144 do not require the Federal Circuit to dispose of cases with opinions, petitioner contends (Pet. 30-31) that the history of the provision demonstrates that Congress intended that result. But to the extent that the history on which petitioner relies is helpful in discerning Section 144’s meaning, it points in the opposite direction.

Petitioner asserts (Pet. 30-31) that a different statutory provision, former 28 U.S.C. 216, required the Court of Customs and Patent Appeals (CCPA), the Federal Circuit’s predecessor, to issue written opinions in connection with appeals from the Patent Office. See 28 U.S.C. 216 (1976) (“The [CCPA], on each appeal from a Patent Office decision, shall file a written opinion as part of the record and send a certified copy to the Commissioner, who shall record it in the Patent Office.”). But when Congress abolished the CCPA and transferred its functions to the Federal Circuit in 1982, Congress repealed Section 216 without enacting any comparable provision for the Federal Circuit. See Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, § 106, 96 Stat. 28. Thus, even assuming that former Section 216 obligated the CCPA to issue written opinions in patent appeals, Congress eliminated that requirement when it replaced the CCPA with the Federal Circuit.

Petitioner suggests that the same requirement is now embodied in Section 144. But petitioner does not claim that Section 144 imposed any such obligation in or before 1982, when Congress created the Federal Circuit and repealed Section 216. Instead, petitioner argues (Pet. 30-31) that Congress imposed the requirement two years later, when it amended Section 144 to substitute “mandate and opinion” for “certificate of its proceedings and decision.” But petitioner cites no evidence supporting the counterintuitive proposition that Congress, having repealed a supposed opinion-writing requirement in 1982, chose to reinstate the same requirement just two years later by adding to Section 144 language different from (and more opaque than) that of prior Section 216.

Petitioner’s reading of Section 144 also contravenes longstanding principles concerning courts’ control over their internal operations. Congress has authorized the courts of appeals to “prescribe rules for the conduct of their business,” so long as those rules are consistent with statutory requirements and with the federal rules of procedure and evidence. 28 U.S.C. 2071(a). This Court has recognized that “the courts of appeals should have wide latitude in their decisions of whether or how to write opinions,” and that this principle is “especially true with respect to summary affirmances.” *Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972) (per curiam). Courts of appeals have often exercised that authority through rules that authorize unpublished summary dispositions, including dispositions without opinions. See, e.g., 1st Cir. Local R. 36.0(a); 2d Cir. Local R. 32.1.1; 5th Cir. R. 47.6 internal operating procedures; 8th Cir. Local R. 47A, 47B; 10th Cir. R. 36.1. The longstanding tra-

dition that appellate courts may establish their own procedures regarding when to issue opinions—and the longstanding use of summary-affirmance procedures by many federal courts of appeals—counsel strongly against reading Section 144 to contain an implicit prohibition on the use of summary affirmances.

b. Petitioner asserts that written opinions are necessary to achieve such objectives as “unifying and improving the administration of patent law,” Pet. 31; ensuring transparent and correct court decisions, *ibid.*; providing “meaningful appellate review” to patent owners, Pet. 34; and preserving the possibility of further review, *ibid.* But nothing about the Federal Circuit’s practices suggests that the court is breaching its duty to articulate the law, apply it properly, and promote uniformity. The Federal Circuit issues Rule 36 judgments only after giving cases “the full consideration of the court,” *United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1556 (Fed. Cir.), cert. denied, 522 U.S. 950 (1997), and only if it concludes that an opinion would not meaningfully serve the interests that petitioner highlights. In particular, the court issues a Rule 36 judgment without opinion only if it determines that an opinion would have no precedential value and that there is no ground to revisit the decision of the lower tribunal. See Fed. Cir. R. 36.

For similar reasons, the question presented has limited practical significance. Rule 36 authorizes summary affirmance only when the Federal Circuit determines that the decision under review contains no reversible error. Thus, for example, when a summary affirmance is used in a case involving a legal challenge reviewed de novo, the affirmance communicates the court’s judgment that the trial court or agency committed no legal

error. See Fed. Cir. R. 36(a)(4) and (5). When a summary affirmance is used to reject a factual challenge reviewed for clear error, the affirmance indicates that the court found no such clear error in the underlying factual finding. See Fed. Cir. R. 36(a). An opinion that simply stated those conclusions explicitly would add little to what is already implicit in the judgment.

This Court has repeatedly and recently denied challenges to the Federal Circuit's use of summary dispositions under Rule 36. See pp. 9-10, *supra* (collecting examples). The same result is warranted here.

#### CONCLUSION

The petition for a writ of certiorari should be denied.  
Respectfully submitted.

BRIAN H. FLETCHER  
*Acting Solicitor General*  
BRIAN M. BOYNTON  
*Acting Assistant Attorney  
General*  
SCOTT R. MCINTOSH  
SEAN JANDA  
*Attorneys*

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