

No. 21-118

In the Supreme Court of the United States

APPLE INC., PETITIONER

v.

OPTIS CELLULAR TECHNOLOGY, LLC, ET AL.

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

**BRIEF FOR THE FEDERAL RESPONDENT
IN OPPOSITION**

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

BRIAN M. BOYNTON
*Acting Assistant Attorney
General*

SCOTT R. MCINTOSH

WEILI J. SHAW
Attorneys

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

QUESTIONS PRESENTED

In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress authorized the United States Patent and Trademark Office (USPTO) to reconsider the patentability of an issued patent at the request of a third party through an administrative process called inter partes review. Under procedures established by the AIA, the USPTO first decides whether to institute review of the challenged patent claims. If it grants review, the USPTO conducts a trial and ordinarily issues a final written decision regarding patentability. The AIA authorizes a party to the inter partes review to appeal the agency's "final written decision with respect to the patentability" of the challenged patent claims, which is issued "[i]f an inter partes review is instituted and not dismissed." 35 U.S.C. 318(a), 319. The Act provides that the agency's determination whether to institute an inter partes review is "final and nonappealable." 35 U.S.C. 314(d).

The questions presented are as follows:

1. Whether petitioner may appeal the USPTO's denial of its petitions for inter partes review on the grounds that, in determining whether to institute inter partes review, the agency considered factors that are inconsistent with the AIA, arbitrary and capricious, and adopted in a procedurally flawed manner.
2. Whether the court of appeals erred in declining to grant a writ of mandamus to review the same challenges to the USPTO's decisions declining to institute inter partes review.

TABLE OF CONTENTS

	Page
Opinions below	1
Jurisdiction.....	1
Statement	2
Argument.....	9
Conclusion	21

TABLE OF AUTHORITIES

Cases:

<i>Apple Inc. v. Fintiv, Inc.</i> , No. IPR2020-19, 2020 WL 2126495 (PTAB Mar. 20, 2020).....	5, 6
<i>Apple Inc. v. Maxell, Ltd.</i> , No. 20-2132 (Fed. Cir. Oct. 30, 2020)	7
<i>Arris Int’l Ltd. v. Chanbond, LLC</i> , 140 S. Ct. 2716 (2020)	10
<i>Cheney v. United States Dist. Ct.</i> , 542 U.S. 367 (2004).....	17, 18
<i>Cisco Sys. Inc., In re</i> , 834 Fed. Appx. 571 (Fed. Cir. 2020)	7, 8, 16, 18
<i>City of Arlington v. FCC</i> , 569 U.S. 290 (2013).....	19
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S. Ct. 2131 (2016)	<i>passim</i>
<i>GTNX, Inc. v. INTTRA, Inc.</i> , 789 F.3d 1309 (Fed. Cir. 2015).....	14
<i>Heckler v. Chaney</i> , 470 U.S. 821 (1985).....	13
<i>Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.</i> , 989 F.3d 1375 (Fed. Cir. 2021), petition for cert. pending, No. 21-202 (filed Aug. 9, 2021).....	10, 17, 18, 20
<i>NHK Spring Co. v. Intri-Plex Techs., Inc.</i> , No. IPR2018-752, 2018 WL 4373643 (PTAB Sept. 12, 2018).....	5

IV

Cases—Continued:	Page
<i>Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC</i> , 138 S. Ct. 1365 (2018).....	2
<i>SAS Inst. Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018)	3, 8, 17
<i>St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.</i> , 749 F.3d 1373 (Fed. Cir. 2014)	11, 14
<i>Thryv, Inc. v. Click-to-Call Techs., LP</i> , 140 S. Ct. 1367 (2020)	8, 15, 16, 17
<i>United States v. Arthrex, Inc.</i> , 141 S. Ct. 1970 (2021)	4, 13

Statutes and regulations:

Administrative Procedure Act, 5 U.S.C. 701 <i>et seq.</i>	19
Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284	2
Patent Act of 1952, 35 U.S.C. 1 <i>et seq.</i>	2
35 U.S.C. 3(a)(2)(A)	4
35 U.S.C. 131.....	2
35 U.S.C. 141-144.....	10
35 U.S.C. 141(c)	4, 11, 14
35 U.S.C. 311-319.....	3
35 U.S.C. 311(b).....	3
35 U.S.C. 311(c)	3
35 U.S.C. 314.....	3
35 U.S.C. 314(a)	3
35 U.S.C. 314(b)(2)	3
35 U.S.C. 314(d)..... <i>passim</i>	
35 U.S.C. 315(a)(1).....	3
35 U.S.C. 315(b).....	3
35 U.S.C. 315(e)	12
35 U.S.C. 316.....	4
35 U.S.C. 316(a)(5).....	4

Statutes and regulations—Continued:	Page
35 U.S.C. 316(a)(8).....	4
35 U.S.C. 316(a)(10).....	4
35 U.S.C. 316(a)(13).....	4
35 U.S.C. 318(a)	4, 9, 11, 12
35 U.S.C. 318(b).....	11
35 U.S.C. 319.....	4, 9, 10, 11, 14
35 U.S.C. 321-329	2
35 U.S.C. 321(b)	2
35 U.S.C. 321(c).....	2
28 U.S.C. 1295	13
28 U.S.C. 1295(a)(4)(A)	13, 14
37 C.F.R. Pt. 42, Subpt. A.....	4
Section 42.4(a).....	4
 Miscellaneous:	
85 Fed. Reg. 66,502 (Oct. 20, 2020)	20, 21
H.R. Rep. No. 98, 112th Cong., 1st Sess. Pt. 1 (2011).....	2
Patent Trial and Appeal Board, <i>Standard Operating Procedure 2 (Revision)</i> (Sept. 20, 2018), https://go.usa.gov/xwXem	5

In the Supreme Court of the United States

No. 21-118

APPLE INC., PETITIONER

v.

OPTIS CELLULAR TECHNOLOGY, LLC, ET AL.

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

**BRIEF FOR THE FEDERAL RESPONDENT
IN OPPOSITION**

OPINIONS BELOW

The order of the court of appeals (Pet. App. 1a-4a) is not published in the Federal Reporter but is available at 2020 WL 7753630. The decisions of the Patent Trial and Appeal Board (Pet. App. 5a-30a, 31a-47a, 49a-64a) are not published but are available at 2020 WL 5580473, 2020 WL 5539827, and 2020 WL 5413619, respectively.

JURISDICTION

The judgment of the court of appeals was entered on December 21, 2020. A petition for rehearing was denied on February 26, 2021 (Pet. App. 66a-67a). By orders dated March 19, 2020, and July 19, 2021, this Court extended the time within which to file any petition for a writ of certiorari due on or after March 19, 2020, to 150 days from the date of the lower-court judgment, order denying discretionary review, or order denying a timely

petition for rehearing, as long as that judgment or order was issued before July 19, 2021. The petition for a writ of certiorari was filed on July 26, 2021. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. a. 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 statutory criteria are satisfied. 35 U.S.C. 131. Federal law has long authorized the USPTO to reconsider the patentability of the inventions claimed in issued patents. In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress substantially expanded those procedures, in an effort to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” H.R. Rep. No. 98, 112th Cong., 1st Sess. Pt. 1, at 39-40 (2011); see *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137-2138 (2016).

The AIA established several new procedures, to be conducted before the USPTO’s Patent Trial and Appeal Board (Board), through which third parties may challenge the patentability of claims in issued patents. For challenges to patentability brought within nine months after the disputed patent was issued, the AIA established a procedure known as post-grant review, which allows challenges to patentability on any ground that could be asserted as a defense to a claim of infringement. 35 U.S.C. 321(b) and (c); see 35 U.S.C. 321-329. For challenges brought after that nine-month period,

the AIA established inter partes review, which is limited to challenges “that could be raised under section 102 or 103” (*i.e.*, anticipation or obviousness challenges) and that are based on “prior art consisting of patents or printed publications.” 35 U.S.C. 311(b) and (c); see 35 U.S.C. 311-319. This case concerns inter partes review.

b. Under the AIA, inter partes review proceeds in two phases. When a petition for inter partes review is filed, the Director of the USPTO first must determine whether to institute a review. 35 U.S.C. 314. The institution decision is made on the basis of the petition and any response that the patent owner files. The decision must be made within three months after the agency receives the patent owner’s response or, if no response is filed, “the last date on which such response may be filed.” 35 U.S.C. 314(b)(2).

The AIA imposes several prerequisites for instituting an inter partes review. The Director may not institute review unless he finds “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. 314(a). Inter partes review also “may not be instituted” if (1) “before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent”; or (2) “the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” 35 U.S.C. 315(a)(1) and (b).

Even if the petition meets these requirements, the AIA contains “no mandate to institute review.” *Cuozzo*, 136 S. Ct. at 2140; see *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018). Instead, “Congress has committed

the decision to institute inter partes review to the Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021). Consistent with that approach, the AIA provides that the determination “whether to institute an inter partes review” is “final and nonappealable.” 35 U.S.C. 314(d).

If the Director elects to institute an inter partes review, the Board conducts a trial-like proceeding to determine the patentability of the claims at issue. See 35 U.S.C. 316; 37 C.F.R. Pt. 42, Subpt. A. During this second phase, both parties are entitled to take limited discovery, 35 U.S.C. 316(a)(5); to file affidavits and declarations, 35 U.S.C. 316(a)(8); to request an oral hearing, 35 U.S.C. 316(a)(10); and to file written memoranda, 35 U.S.C. 316(a)(8) and (13). At the end of the proceeding (unless the matter has been dismissed), the Board must “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” 35 U.S.C. 318(a). A party aggrieved by the Board’s final written decision may appeal that decision to the Federal Circuit. 35 U.S.C. 141(c), 319.

c. The Director has delegated to the Board the responsibility to determine, when a petition for inter partes review is filed, whether a review should be instituted. 37 C.F.R. 42.4(a). The Director is “responsible for providing policy direction and management supervision for the Office,” 35 U.S.C. 3(a)(2)(A), and has used several mechanisms to guide the Board regarding the proper exercise of its delegated authority to institute inter partes reviews. *Inter alia*, the Director may designate as precedential particular Board opinions concerning whether to institute inter partes review, thus making those opinions “binding Board authority in subsequent matters involving similar facts or issues.”

Patent Trial and Appeal Board, *Standard Operating Procedure 2 (Revision 10)*, at 8-11 (Sept. 20, 2018), <https://go.usa.gov/xwXem>. At issue here is the Director’s designation as precedential of two Board decisions that identify criteria for determining whether to institute inter partes review when parallel proceedings involving the same patent and the same or similar issues are pending in district court. See *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-752, 2018 WL 4373643 (PTAB Sept. 12, 2018); and *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-19, 2020 WL 2126495 (PTAB Mar. 20, 2020).

In *NHK*, the Board noted that efficiency weighed in favor of denying review when a “district court proceeding will analyze the same issues and will be resolved before any trial on the [inter partes review p]etition concludes.” 2018 WL 4373643, at *7. The Board expanded on *NHK* in *Fintiv*, explaining that “an early trial date” is one “non-dispositive factor[]” that “should be weighed as part of a ‘balanced assessment of all relevant circumstances of the case, including the merits,’” in determining whether to institute review. 2020 WL 2126495, at *2. The Board in *Fintiv* identified six factors the Board had previously considered “relat[ing] to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding”:

1. whether the court granted a stay or evidence ex-lists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;

3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Id. at *2-*3. “[I]n evaluating the factors,” the decision in *Fintiv* explained, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at *3.

2. In February 2019, the private respondents in this case filed a patent-infringement suit against petitioner in the Eastern District of Texas. See *Optis Wireless Tech., LLC v. Apple Inc.*, No. 19-cv-66 (Feb. 5, 2019). The district court held a jury trial on five patents in August 2020, and the jury rendered its verdict on August 11, 2020. See 19-cv-66 D. Ct. Doc. 483. *Inter alia*, the jury found that petitioner had not proved that any asserted claims in the five patents were invalid. *Id.* at 5.

Meanwhile, in February 2020, petitioner filed three separate petitions seeking inter partes review of claims in three of the same patents that were at issue in the then-pending infringement suit. Pet. 11; see Pet. App. 6a, 25a, 32a, 43a, 50a-51a, 60a. Applying the *Fintiv* factors, the Board denied review on all three petitions in September 2020, the month after the jury trial had concluded. See Pet. App. 5a-30a, 31a-48a, 49a-64a.

The Board's analysis in *Apple Inc. v. Unwired Planet Int'l Ltd.* is illustrative of its approach in all three cases. Pet. App. 49a-64a. Among other considerations, the Board noted that the jury trial in the infringement suit

had “ended about one month before the statutory deadline for a decision whether to institute an inter partes review and about thirteen months before a final written decision would be due if [the Board] did institute an inter partes review.” *Id.* at 55a (emphasis omitted). It observed that “there [wa]s substantial overlap in the claimed subject matter challenged in the Petition and the parallel proceeding.” *Id.* at 59a. And the Board explained that, although it did not “take * * * lightly” other considerations raised by petitioner—including the public importance of the patent and the technical nature of the subject matter—it found that the “efficiency and integrity of the [patent] system [would be] best served by denying institution.” *Id.* at 62a-63a. The Board accordingly exercised the Director’s delegated “discretion under § 314(a) to deny institution of inter partes review.” *Id.* at 63a (emphasis omitted).

3. Petitioner appealed all three non-institution decisions to the Federal Circuit and sought, in the alternative “a writ of mandamus to review those decisions.” Pet. App. 3a. In an unpublished summary order, the court dismissed the appeals and denied mandamus relief “[f]or the same reasons” it had set forth in *In re Cisco Systems Inc.*, 834 Fed. Appx. 571 (Fed. Cir. 2020). Pet. App. 3a; see *id.* at 69a-73a (reproducing the court of appeals’ opinion in *Cisco Systems*).¹

In *Cisco Systems*, as here, the Board had relied on the *Fintiv* factors in declining to institute inter partes reviews. As in this case, the petitioner in *Cisco Systems* appealed to the Federal Circuit from the USPTO’s denials of institution and sought, in the alternative, relief

¹ The court of appeals also cited its decision in *Apple Inc. v. Maxwell, Ltd.*, No. 20-2132 (Fed. Cir. Oct. 30, 2020), slip op. 2, which relied on *Cisco Systems*. Pet. App. 3a.

by way of mandamus. Pet. App. 69a. The court held that it lacked jurisdiction over the petitioner’s appeals from the non-institution decisions because “Section 314(d) * * * specifically provides that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” *Id.* at 71a (brackets in original).

The Federal Circuit in *Cisco Systems* found support for its conclusion in this Court’s decisions in *Thryv, Inc. v. Click-to-Call Technologies, LP*, 140 S. Ct. 1367 (2020); *SAS Inst., supra*; and *Cuozzo, supra*, decisions which “all involved appeals from a final written decision after a decision to institute.” Pet. App. 72a. The court of appeals explained that, even after the Board has issued an appealable final written decision in an inter partes review, Section 314(d) “bars review of matters ‘closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.’” *Ibid.* (quoting *Cuozzo*, 136 S. Ct. at 2141). The court reasoned that, “[a]t bottom,” the inter partes petitioner in *Cisco Systems* was “challenging whether the Board has authority to consider the status of parallel district court proceedings as part of its decision under § 314(a) in deciding whether to deny institution.” *Ibid.* The court concluded that “[s]uch challenges, both procedural and substantive, rank as questions closely tied to the application and interpretation of statutes relating to the Patent Office’s decision whether to initiate review, and hence are outside of our jurisdiction.” *Ibid.*

The court of appeals in *Cisco Systems* further held that the inter partes review petitioner had “not met the high standard for mandamus relief.” Pet. App. 73a.

“Without drawing any definitive conclusions on the issue,” the court determined that the petitioner had not “established a ‘clear and indisputable right that precludes’ the Board’s exercise of discretion to decline review” in reliance on the *Fintiv* factors. *Ibid.* (citation omitted). The *Cisco Systems* court further observed that, in parallel proceedings that were then pending before a district court, the inter partes review petitioner “clearly ha[d] a readily available alternative legal channel to raise its arguments concerning the validity of the asserted patents.” *Ibid.*

After dismissing the appeals and denying mandamus relief in this case, the court of appeals denied rehearing and rehearing en banc without noted dissent. Pet. App. 66a-67a.

ARGUMENT

Petitioner argues (Pet. 16-26) that the court of appeals should have exercised jurisdiction over petitioner’s appeals from the USPTO’s decisions declining to institute inter partes review. Under the AIA, however, it is “the final written decision of the [Board] under section 318(a)” that is subject to appeal. 35 U.S.C. 319. And under Section 318(a), the Board issues a “final written decision” only “[i]f an inter partes review is instituted and not dismissed.” 35 U.S.C. 318(a). By contrast, “[t]he determination by the Director whether to institute an inter partes review” is “final and nonappealable.” 35 U.S.C. 314(d). The court thus correctly dismissed petitioner’s appeals of the Board’s determinations not to institute inter partes review in this case. This

Court has previously denied review of a similar question, see *Arris Int’l Ltd. v. Chanbond, LLC*, 140 S. Ct. 2716 (2020), and the same result is warranted here.²

Petitioner further contends (Pet. 26-30) that the court of appeals should have issued a writ of mandamus to review the USPTO’s decisions not to institute inter partes review. The court correctly held that petitioner was not entitled to mandamus relief here. The USPTO reasonably declined to institute inter partes review after a jury verdict on the same patent claims, and petitioner cannot establish the “clear and indisputable right” to a different outcome that the mandamus standard requires. *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021), petition for cert. pending, No. 21-202 (filed Aug. 9, 2021). In any event, this case would be a poor vehicle to consider the questions presented, given that the agency has sought public input on and is currently considering whether to modify the *Fintiv* factors, which petitioner seeks to challenge. The petition for a writ of certiorari should be denied.

1. a. The court of appeals correctly dismissed petitioner’s appeals of the USPTO’s decisions declining to institute inter partes review. As explained, inter partes review proceeds in two phases—institution and trial. “A party dissatisfied with the final written decision of the [Board] * * * may appeal the decision pursuant to sections 141 through 144.” 35 U.S.C. 319. Sections 141 through 144 establish the procedures for appeals from the USPTO to the Federal Circuit. 35 U.S.C. 141-144.

² Another petition for a writ of certiorari presenting a similar question is currently pending before this Court in *Mylan Laboratories. Ltd. v. Janssen Pharmaceutica, N.V.*, No. 21-202 (filed Aug. 9, 2021).

Section 141(c) states that “[a] party to an inter partes review * * * who is dissatisfied with the final written decision of the [Board] under section 318(a) * * * may appeal the Board’s decision only to the United States Court of Appeals for the Federal Circuit.” 35 U.S.C. 141(c).

Section 318(a) in turn provides that, “[i]f an inter partes review is instituted and not dismissed[,] * * * the [Board] shall issue a final written decision with respect to the patentability” of the challenged patent claims. 35 U.S.C. 318(a). A USPTO decision *not* to institute an inter partes review at the initial stage of the process is not a “final written decision * * * under section 318(a),” 35 U.S.C. 319, and therefore is not appealable under Sections 319 and 141(c). “[T]he statutory provisions addressing *inter partes* review contain no authorization to appeal a non-institution decision” to the Federal Circuit or to any other court. *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1375 (Fed. Cir. 2014). Section 314(d) reinforces that conclusion, providing that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” 35 U.S.C. 314(d).

b. Congress’s decision not to authorize appeals from non-institution decisions reflects the role of such decisions in the statutory scheme. The inter partes review process gives the USPTO “significant power to revisit and revise earlier patent grants.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2139-2140 (2016). A final written decision regarding patentability can invalidate a patent owner’s claims or estop a petitioner from challenging those claims in future proceedings. See 35 U.S.C.

318(b) (authorizing the USPTO to amend or cancel patent claims “[i]f * * * [the Board] issues a final written decision” under Section 318(a)); 35 U.S.C. 315(e) (providing that a “petitioner in an inter partes review * * * that results in a final written decision under section 318(a)” is estopped from raising certain issues in future USPTO or judicial proceedings). By contrast, if the USPTO declines to institute an inter partes review, its decision does not alter the rights of any private party. Instead, a non-institution decision leaves the patent owner’s claims undisturbed and leaves the petitioner free to challenge the validity of a patent through the same mechanisms—such as petitioning for ex parte reexamination by the agency, seeking a declaratory judgment from a district court, or asserting unpatentability as an affirmative defense in a patent-infringement suit—that it could have invoked before the non-institution decision was made. See *Cuozzo*, 136 S. Ct. at 2153 (Alito, J., concurring in part and dissenting in part).³

Congress had sound reasons for distinguishing, for purposes of appeal rights, between the Board’s final written decisions on questions of patentability and its decisions not to institute inter partes review. “[W]hen an agency refuses to act it generally does not exercise its coercive power over an individual’s liberty or property rights, and thus does not infringe upon areas that

³ Indeed, following the USPTO’s non-institution decisions in this case, petitioner sought ex parte reexamination of the patents at issue. See Reexamination Control No. 90/019,006 (reexamination of U.S. Patent No. 8,102,833); Reexamination Control No. 90/019,005 (reexamination of U.S. Patent No. 8,411,557); Reexamination Control No. 90/014,613 (reexamination of U.S. Patent No. 9,001,774). One of those reexaminations has concluded, confirming the patentability of the claims. See Reexamination Control No. 90/019,006. The other two reexaminations are ongoing.

courts often are called upon to protect.” *Heckler v. Chaney*, 470 U.S. 821, 832 (1985) (emphasis omitted); see *ibid.* (“[A]n agency’s refusal to institute proceedings shares to some extent the characteristics of the decision of a prosecutor in the Executive Branch not to indict—a decision which has long been regarded as the special province of the Executive Branch.”). Accordingly, “Congress has committed the decision to institute inter partes review to the Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021); see *Cuozzo*, 136 S. Ct. at 2140 (“[T]he agency’s decision to deny a petition [for inter partes review] is a matter committed to [its] discretion.”).

c. Petitioner contends (Pet. 16-23) that 28 U.S.C. 1295(a)(4)(A) vests the Federal Circuit with jurisdiction to review the USPTO’s non-institution decisions and that Section 314(d) does not withdraw that jurisdiction. Petitioner construes this Court’s decisions in *Cuozzo* and *Thryv* as holding that Section 314(d) bars only those appeals that “consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” Pet. 17 (quoting *Cuozzo*, 136 S. Ct. 2141). Petitioner argues that its appeal depends on “other less closely related statutes” and therefore can proceed. *Ibid.* (citation omitted). That is wrong on several levels.

First, and most fundamentally, regardless of the scope of Section 314(d), Section 1295(a)(4)(A) does not provide petitioner a right to appeal the Board’s non-institution decisions. Section 1295 grants the Federal Circuit “exclusive jurisdiction” over an “appeal from a decision of * * * [the Board] with respect to a patent application, derivation proceeding, reexamination, post-

grant review, or inter partes review under title 35.” 28 U.S.C. 1295(a)(4)(A). That provision addresses jurisdiction but does not confer a right to appeal. It “is most naturally read” to grant the Federal Circuit exclusive jurisdiction over whatever appeals are separately authorized by the Patent Act, including appeals of the Board’s final written decisions in inter partes reviews as authorized by Sections 319 and 141(c). *St. Jude*, 749 F.3d at 1376; see *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1312 (Fed. Cir. 2015) (concluding that a Board decision vacating an institution decision was “outside 28 U.S.C. § 1295(a)(4)(A)”).

Because no provision of the Patent Act authorizes an appeal of the USPTO’s decision not to institute an inter partes review, Section 1295(a)(4)(A) does not grant the Federal Circuit jurisdiction over such an appeal. And because no statute vests the Federal Circuit with jurisdiction over petitioner’s appeal in the first instance, there is no jurisdiction for Section 314(d) to “withdraw” (Pet. 17). In *Cuozzo* and *Thryv*, the Court left open the possibility that in exceptional circumstances, challenges to the Board’s institution decisions might be cognizable in appeals from the Board’s final written decisions on patentability, notwithstanding Section 314(d)’s general bar. But the Court in *Cuozzo* explained that Section 314(d)’s preclusion of review is “superfluous” as applied to the USPTO’s decision “to deny a petition” for inter partes review. 136 S. Ct. at 2140; see *St. Jude*, 749 F.3d at 1376.

Second, this Court has never held that Section 314(d) applies only to challenges that are “closely tied to the application and interpretation of statutes” related to the USPTO’s institution decision. Pet. 17 (citation omitted). To the contrary, in *Cuozzo* and *Thryv*, the Court

strongly suggested that Section 314(d) is most naturally read to bar *any* contention that the USPTO erred in determining whether to institute inter partes review. In *Cuozzo*, the Court explained that “Cuozzo’s contention that the Patent Office unlawfully initiated” an inter partes review was “not appealable” because “that is what § 314(d) says”: “the ‘determination by the [Patent Office] whether to institute an inter partes review under this section shall be *final and nonappealable*.’” 136 S. Ct. at 2139 (brackets and emphasis in original). And in *Thryv Inc. v. Click-to-Call Technologies, LP*, 140 S. Ct. 1376 (2020), the Court likewise recognized that Section 314(d) “indicates that a party generally cannot contend on appeal that the agency should have refused ‘to institute an inter partes review.’” *Id.* at 1373.

To be sure, the particular challenges in *Cuozzo* and *Thryv* concerned statutory provisions closely related to the USPTO’s institution decision. The Court therefore found it unnecessary to decide whether Section 314(d) would also bar review of challenges premised “on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond” the statutes governing the institution decision. *Cuozzo*, 136 S. Ct. at 2141; see *Thryv*, 140 S. Ct. at 1373. Contrary to petitioner’s assertion, however, the Court’s holding in those cases was that Section 314(d) “bars review *at least* of matters ‘closely tied to the application and interpretation of statutes related to’ the institution decision,” *Thryv*, 140 S. Ct. at 1373 (quoting *Cuozzo*, 136 S. Ct. at 2141), not that it bars review *only* of those matters. As the Court put it in *Thryv*, it “reserved judgment in *Cuozzo* * * * on whether § 314(d) would bar appeals reaching well beyond the decision to

institute inter partes review,” and *Thryv* presented no need to “venture beyond [that] holding.” *Ibid.*

Third, petitioner’s own appeal would be precluded even if Section 314(d)’s bar were limited in the way that petitioner suggests. Petitioner’s appeal contends that the Director erred by considering the *Fintiv* factors in denying institution. See C.A. Doc. 12, at 1 (Nov. 12, 2020). The *Fintiv* factors merely represent the Director’s instruction to the Board to consider certain non-exclusive factors when exercising its delegated discretion to grant or deny institution. See pp. 5-6, *supra*. In arguing that the Board lacks authority to consider these factors, petitioner raises challenges “closely tied” to the statutory provisions that govern the Director’s institution decisions. This Court therefore “need not venture beyond” its holdings in *Cuozzo* and *Thryv* to conclude that Section 314(d) bars petitioner’s appeal here. *Thryv*, 140 S. Ct. at 1373.

Petitioner cannot evade this result by arguing (Pet. 18) that the *Fintiv* factors are arbitrary and capricious, or that the Director’s adoption of them was procedurally infirm. “At bottom, [petitioner] is challenging whether the Board has authority to consider the status of parallel district court proceedings as part of its decision under § 314(a) in deciding whether to deny institution.” *In re Cisco Sys. Inc.*, 834 Fed. Appx. 571, 573 (Fed. Cir. 2020). “Such challenges, both procedural and substantive, rank as questions closely tied to the application and interpretation of statutes relating to the Patent Office’s decision whether to initiate review.” *Ibid.*

Petitioner contends (Pet. 19-22) that such arguments are not barred by Section 314(d) even if they are “closely tied” to institution-related statutes. Petitioner cites (Pet. 19, 21-22) the Court’s statements in *Cuozzo*

and *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), that Section 314(d) neither prevents courts from setting aside USPTO decisions that are issued “in excess of statutory jurisdiction,” *Cuozzo*, 136 S. Ct. at 2142, nor “withdraws [the courts’] power to ensure that an inter partes review proceeds in accordance with the law’s demands,” *SAS Inst.*, 138 S. Ct. at 1359. Those statements, however, concerned the Federal Circuit’s authority, when reviewing the Board’s final written decision on patentability “in the context of § 319,” *Cuozzo*, 136 S. Ct. at 2142, to ensure that the inter partes review proceedings had been conducted within “statutory bounds,” *SAS Inst.*, 138 S. Ct. at 1359. Those holdings are “inapplicable here, for [petitioner’s] appeal challenges not the manner in which the agency’s review ‘proceed[ed]’ once instituted, but whether the agency should have instituted review at all.” *Thryv*, 140 S. Ct. at 1376. As to that question, the AIA contains “no mandate to institute review” under any circumstances. *Cuozzo*, 136 S. Ct. at 2140.

2. Petitioner also challenges the court of appeals’ decision not to grant a writ of mandamus in this case. Petitioner’s arguments lack merit and do not warrant further review.

This Court has left open the question whether mandamus relief is ever available to review the USPTO’s determination whether to institute inter partes review. See *Thryv*, 140 S. Ct. at 1374. The Federal Circuit has held that “judicial review” of a non-institution decision “is available in extraordinary circumstances by petition for mandamus” where, among other requirements, the petitioner can show that “it has a clear and indisputable legal right.” *Mylan*, 989 F.3d at 1379, 1382 (citing *Cheney v. United States Dist. Ct.*, 542 U.S., 367, 380

(2004)). The court in *Mylan* concluded that, while “the appeal bar in § 314(d) prevents any direct appeal” from a non-institution decision, Section 314(d) “is silent with respect to mandamus.” *Id.* at 1380; see *id.* at 1380 n.4 (“not[ing] that the government agrees that [the Federal Circuit] has jurisdiction to review a petition for writ of mandamus challenging the denial of institution in order to protect its jurisdiction”); 35 U.S.C. 314(d) (stating that the Director’s decision “whether to institute an inter partes review under this section shall be final and nonappealable”) (emphasis added).

Mandamus, however, “is a ‘drastic and extraordinary’ remedy ‘reserved for really extraordinary causes.’” *Cheney*, 542 U.S. at 380 (citation omitted). In this case, the court of appeals denied mandamus on the ground that petitioner “ha[d] not met the high standard for [such] relief.” *Cisco Sys.*, 834 Fed. Appx. at 573; see Pet. App. 3a (denying petitioner’s request for mandamus “[f]or the same reasons set forth” in *Cisco Systems*). That factbound determination is correct and does not warrant this Court’s review.

Petitioner principally contends (Pet. 29) that it has “a clear and indisputable right” to prevent the USPTO from exercising “its discretion in ways that overstep statutory boundaries.” Such a contention cannot justify mandamus relief. “[O]nly exceptional circumstances amounting to a judicial ‘usurpation of power,’ or a ‘clear abuse of discretion,’ ‘will justify the invocation of th[at] extraordinary remedy.’” *Cheney*, 542 U.S. at 380 (citations omitted). If mandamus relief were available whenever a party could persuade a court that an agency action was unauthorized by statute—on the theory that agencies have a “clear and indisputable” duty to “com-

ply with the limits that Congress sets on their authority,” Pet. 29—mandamus review would hardly be reserved for “extraordinary causes.” Such allegations are commonplace. Cf. *City of Arlington v. FCC*, 569 U.S. 290, 297 (2013) (“No matter how it is framed, the question a court faces when confronted with an agency’s interpretation of a statute it administers is always, simply, whether the agency has stayed within the bounds of its statutory authority.”) (emphasis omitted).

Petitioner’s brief discussion (Pet. 30-31) of the substance of its challenge to the *Fintiv* factors is no more persuasive. The government has addressed the merits of petitioner’s arguments in some detail in petitioner’s pending suit under the Administrative Procedure Act, 5 U.S.C. 701 *et seq.*, challenging the adoption of the *Fintiv* factors. See Def.’s Opp’n to Pls.’ Mot. for Summ. J. at 6-24, *Apple, Inc. v. Hirshfeld*, No. 20-cv-6128 (N.D. Cal. Jan. 21, 2021). For present purposes, it is sufficient to observe that petitioner’s challenges to the lawfulness of the *Fintiv* factors are based predominately on (1) the fact that the AIA does not identify the same factors as prerequisites to inter partes review and (2) suppositions about congressional intent that petitioner bases on congressional floor statements and the results of individual cases in which those factors were applied. Those arguments fall far short of establishing a clear and indisputable right to inter partes review (or mandamus) in this case.

Petitioner asserts that the Federal Circuit’s approach to mandamus is “confused” because that court “has hypothesized that mandamus might be available to review egregious decisions whether to institute” inter partes review, but “[i]n practice * * * the court has invariably denied requests for such relief.” Pet. 27. But

the court of appeals' approach merely reflects the extraordinary nature of the mandamus remedy coupled with the discretionary nature of the determination whether to institute inter partes review. In that context, the court sensibly observed that, while Section 314(d) does not "divest[the court] of mandamus jurisdiction," "it is difficult to imagine a mandamus petition that challenges a denial of institution and identifies a clear and indisputable right to relief." *Mylan*, 989 F.3d at 1380, 1382. After all, "[t]he Director is permitted, but never compelled, to institute an [inter partes review]. And no petitioner has a right to such institution." *Id.* at 1382. In any event, there is nothing confusing or confused about the court's determination that mandamus relief is not warranted in this case.

3. Finally, even if the questions presented otherwise warranted this Court's review, this case would be a poor vehicle for considering them. Petitioner and its amici argue that the *Fintiv* factors were adopted without sufficient public notice and comment and have caused various adverse effects on the inter partes review process. See Pet. 30-33. The USPTO is currently soliciting and considering public comments on the *Fintiv* factors, however, and it will determine whether those factors should be modified based on public input and the agency's "broad experience as it relates to considerations for instituting" AIA proceedings. 85 Fed. Reg. 66,502, 66,503 (Oct. 20, 2020). In particular, the Director requested public comments on, *inter alia*, (1) whether the agency should "promulgate a rule with a case-specific analysis, such as generally outlined in *Fintiv* and its progeny, for deciding whether to institute" an inter partes review while parallel district court proceedings are pending; (2) whether the agency should instead adopt a bright-

line rule for dealing with such circumstances; and (3) whether there are “any other modifications [it] should make in its approach.” *Id.* at 66,506. Particularly in light of that pending agency process, petitioner’s and its amici’s disapproval of the Office’s current approach cannot justify this Court’s intervention 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
WEILI J. SHAW
Attorneys

OCTOBER 2021