

No. 21-746

IN THE
Supreme Court of the United States

APPLE INC.,

Petitioner,

v.

QUALCOMM INCORPORATED,

Respondent.

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

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Whether a licensee that offers no evidence linking a patent's invalidation to any concrete consequence for the licensee nevertheless has Article III standing to challenge the validity of the licensed patent.

CORPORATE DISCLOSURE STATEMENT

Qualcomm Incorporated has no parent company, and no publicly held corporation owns 10% or more of its stock.

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BRIEF IN OPPOSITION

INTRODUCTION

Apple's petition presents no important or unsettled legal issues. Nor does Apple allege a circuit split. Its petition involves only fact-bound questions arising from Apple's glaring failure to offer any evidence establishing its Article III standing. Apple purports to challenge two patents' validity, but it cannot identify a single concrete consequence that would follow from their invalidation. Apple offered no evidence that its royalty payments under its portfolio license would decrease upon the invalidation of either or both of the two patents. Nor did it include a declaration that it would have no need for the portfolio license agreement in the event of the patents' invalidation. Nor even did Apple provide evidence that it will be selling products that could likely infringe the patents when the license agreement expires years down the road. In short, Apple made no effort whatsoever to link the patents'

invalidation to any cognizable consequence, much less to the alleviation of an actual injury.

Apple instead purports to believe that the parties' disagreement over the abstract legal issue—that “Qualcomm believes its patents are valid and infringed, whereas Apple does not,” Pet. 17—suffices to establish standing. But without any concrete consequence flowing to Apple from the patents' invalidation, the parties' academic disagreement cannot support Article III standing. That is hornbook law needing no clarification by this Court.

The Federal Circuit correctly analyzed and resolved these fact-specific standing issues below. And that court routinely evaluates standing under bedrock Article III principles and this Court's decision in *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007). When a plaintiff submits evidence establishing that it would concretely benefit from an invalidity finding, the Federal Circuit upholds Article III standing. Indeed, a recent Federal Circuit decision re-emphasized that a patent portfolio licensee *can* have standing to challenge an individual patent in the portfolio, depending on the specific facts. See *Moder-naTx, Inc. v. Arbutus Biopharma Corp.*, 18 F.4th 1352, 1362 (Fed. Cir. 2021) (describing earlier decision in *Samsung Electronics Co., Ltd. v. Infobridge Pte. Ltd.*, 929 F.3d 1363 (Fed. Cir. 2019), as “h[olding] that the appellant had standing because, even though multiple patents were licensed, the appellant had provided evidence demonstrating that the express terms of the contract structured the patent pool in such a way that invalidation of the patent at issue in the underlying IPR would have changed the amount of royalties”). But where a plaintiff falls short of that showing—as here—the Federal Circuit correctly dismisses the appeal. Nothing about that mundane business of the federal courts warrants further review. Apple's mine-run failure to demonstrate factually its standing

drove the outcome in this case, not any conflict with *MedImmune* or other precedents of this Court. Certiorari should be denied.

STATEMENT

I. BACKGROUND

Qualcomm is one of the world's leading technology companies and a pioneer in the mobile phone industry. Through its own development and investment in technologies, Qualcomm owns more than 100,000 patents and patent applications. C.A. Rec. A2890.

In 2017, Qualcomm filed suit against Apple, alleging Apple's mobile devices infringed five of its patents, two of which are at issue in this case. See *Qualcomm Inc. v. Apple Inc.*, No. 17-cv-02403, ECF No. 1 (S.D. Cal. Nov. 29, 2017) ("*Qualcomm*"). Apple counterclaimed, arguing that those five patents were invalid and that Apple did not infringe them. See *id.*, ECF No. 51, at 36-39, 48-50.

Apple simultaneously challenged two of the disputed patents as invalid through inter partes reviews ("IPRs"). Pet. App. 2a. IPRs are conducted by the Patent Trial and Appeal Board ("Board"), an Article I tribunal, and may be brought by any person "who is not [the] owner of the patent." 35 U.S.C. § 311(a). Article III standing is not required before the Board. See *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 262, 279 (2016) (noting that parties initiating IPRs "need not have a concrete stake in the outcome; indeed, they may lack constitutional standing"). The Board's decisions are appealable to the U.S. Court of Appeals for the Federal Circuit. 35 U.S.C. § 319; *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1371 (2020).

In 2019, Qualcomm and Apple entered into a settlement agreement of all litigation worldwide between the parties and dismissed all the infringement claims with prejudice. Pet. App. 5a-6a; *Qualcomm*, ECF No. 183. As part of the

settlement, the parties executed a license agreement that covered a portfolio of tens of thousands of Qualcomm patents, including the two at issue in this case. Pet. App. 5a. That agreement requires Apple to pay a royalty in exchange for rights to the patents covered by the agreement. *Id.* at 7a. Apple's payments are not tied to any single patent. *Ibid.* Nor do they decrease if one or more patents in the portfolio are declared invalid. *Ibid.* In exchange for Apple's payment of royalties, Qualcomm agreed not to sue Apple for infringement of the covered patents during the term of the agreement. *Id.* at 5a. The agreement has a six-year term, expiring in 2025, with the option for a two-year renewal. *Id.* at 5a-6a.

The settlement did not prohibit Apple from continuing to pursue its IPRs before the Board on the patents covered by the license agreement, and Apple elected to do so for the two patents at issue here. C.A. Rec. A2931. The Board issued final written decisions in the IPRs determining that Apple did not prove either patent was invalid. Pet. App. 13a-79a.

II. PROCEEDINGS BELOW

Apple appealed the IPR rulings to the Federal Circuit. *Id.* at 2a. The Federal Circuit dismissed the appeal because Apple lacked Article III standing. *Ibid.* It rejected Apple's "broad[]" reading of *MedImmune*, which would grant a licensee standing to challenge any single licensed patent in a portfolio, "even if the validity of any one patent would not affect the licensee's payment obligations." *Id.* at 6a. The Federal Circuit correctly recognized that in *MedImmune* the invalidation of the patent at issue would have affected the amount of royalty payments owed. *Id.* at 7a. Here, by contrast, Apple had neither alleged nor provided any evidence that the validity of the patents at issue would affect its royalty obligations in any way. *Ibid.*

That evidentiary defect was “fatal to establishing standing under the reasoning of *MedImmune*.” *Ibid.*

The Federal Circuit also rejected Apple’s contention that it had standing based on the possibility that Qualcomm may sue Apple for infringing the patents years in the future after the license agreement expires. *Id.* at 8a. The court found that possibility “too speculative to confer standing” because Apple failed to offer any evidence that it would engage in conduct after expiration of the license agreement that could lead to an infringement suit. *Id.* at 8a-9a. Indeed, the court noted that Apple had “offer[ed] the sparsest of declarations in support of standing, which are devoid of any of the specificity necessary to establish an injury in fact” and did not “even mention the patents at issue.” *Id.* at 9a. The generic declarations, moreover, were recycled from a different case, involving other patents, to which Apple was not even a party. See C.A. Rec. A2929-A2932; see also *Apple Inc. v. Qualcomm Inc.*, 17 F.4th 1131, 1135 (Fed. Cir. 2021) (finding no standing where Apple submitted the “exact same declarations” it submitted in this case). And the court declined to take judicial notice of “products and product features Apple may be selling at the expiration of the license agreement years from now.” Pet. App. 9a-10a.

Lastly, Apple argued that its injury was compounded by the likelihood that 35 U.S.C. § 315 would estop it from arguing in future disputes that the patents were obvious. *Id.* at 11a. The Federal Circuit relied on its prior holdings to reject that argument as an independent basis for standing. *Ibid.* The court also noted that any alleged harm Apple would face from estoppel was “particularly suspect” because Apple had failed to offer any evidence showing that it was likely to be subject to an infringement suit on these patents in the future. *Ibid.*

Apple sought rehearing en banc, which was denied without recorded dissent. *Id.* at 81a-84a.

REASONS FOR DENYING THE PETITION

The Federal Circuit correctly applied *MedImmune* and this Court's other standing precedents to resolve this fact-bound case. *MedImmune* clarified that a licensee need not breach its license agreement to establish standing to challenge a licensed patent's validity, so long as the licensee can link the patent's invalidation to a concrete consequence for the licensee. The licensee in *MedImmune* made that showing by demonstrating that the patent's invalidation would reduce its royalty payments under the license agreement. Here, in contrast, Apple offered no evidence that either patent's invalidation would reduce its royalty payments under the license agreement or otherwise result in any kind of cognizable consequence. The Federal Circuit rightly rejected Apple's claim to standing on this barren evidentiary record and declined to interpret *MedImmune* as essentially eliminating the standing requirement for licensees.

Apple's non-*MedImmune* arguments likewise present no plausible conflict with this Court's precedents and fail on the merits. Apple contends that the possibility of Qualcomm suing it for infringement of these patents in 2025 or 2027 when the license agreement expires suffices to establish its standing and that such a future infringement suit would be influenced by the potential estoppel effects of the IPR rulings below. But Apple did not even attempt to show that it intends to engage in potentially infringing conduct in those future years. Instead, Apple relies solely on speculation that it might manufacture products that might infringe these patents years down the line. This Court has never permitted standing based on such a conjectural claim of future injury. The Federal Circuit thus properly rejected Apple's non-*MedImmune* arguments

by applying traditional standing principles to the facts before it.

Even if there were certworthy issues lurking in the area of licensee standing, it is impossible to imagine a poorer vehicle for addressing them. Apple’s wholesale evidentiary failures make it difficult for this Court to grapple with any matters of jurisprudential import. Meanwhile, the Federal Circuit’s standing precedent continues to unfold in a case-by-case manner, as that court applies Article III principles to the facts presented. Contrary to Apple’s claim, that court has not foreclosed standing by portfolio licensees if, unlike here, they allege an actual injury. As noted above, just weeks after Apple filed its petition, the Federal Circuit stated that it would *uphold* standing for a portfolio-licensee plaintiff who could show that the challenged patent’s invalidity would reduce its license payments or otherwise alter the licensee’s obligations. Apple’s petition therefore cries “wolf,” but it manifestly does not call out for certiorari review.

I. THE FEDERAL CIRCUIT CORRECTLY APPLIED *MEDIMMUNE* AND TRADITIONAL STANDING PRINCIPLES TO THIS FACT-BOUND CASE

A. *MedImmune* clarified how traditional standing principles apply in the unique licensee context

1. In *MedImmune*, this Court held that a licensee need not breach its license agreement to establish standing to challenge a licensed patent. 549 U.S. at 137. As long as the licensee can demonstrate that a declaration of the patent’s invalidity would relieve it of a cognizable injury (*e.g.*, the payments due under the license agreement), the presence of the license agreement will not deprive the licensee of standing. *Id.* at 128.

MedImmune, which manufactured the drug Synagis, entered into a patent license agreement with Genentech,

Inc. that covered an existing patent and a then-pending patent application. *Id.* at 121. After the covered patent application matured into the Cabilly II patent, Genentech informed MedImmune that it believed Synagis was covered by that patent and demanded royalties based on the drug's sales per the terms of the license agreement. *Ibid.* MedImmune disagreed, believing that the Cabilly II patent was invalid and that, in any event, Synagis did not infringe the patent. *Id.* at 122. Nevertheless, unwilling to risk the consequences of termination of the license agreement and potential treble damages for patent infringement, MedImmune paid the demanded royalties under protest and sought a declaration in federal court that the Cabilly II patent was invalid and that Synagis did not infringe the patent. *Id.* at 122-123.

The issue for this Court was whether MedImmune had Article III standing to seek a declaratory judgment that the patent was invalid, unenforceable, or not infringed even though MedImmune had not terminated or breached the license agreement. *Id.* at 120-121. The Court stated that the only aspect of the case casting doubt on standing was MedImmune's continued payment of royalties, explaining that "but for petitioner's continuing to make royalty payments, nothing about the dispute would render it unfit for judicial resolution." *Id.* at 128. The question, therefore, was whether the continued payment of royalties destroyed MedImmune's standing to challenge patent validity. Relying on *Altwater v. Freeman*, 319 U.S. 359 (1943), which held that coerced royalty payments made under an injunction order did not deprive a licensee of standing to challenge the patent's validity, this Court held that Article III did not require MedImmune to break or terminate the license agreement before seeking a declaratory judgment that the Cabilly II patent was invalid. *MedImmune*, 549 U.S. at 131, 137.

The link between the patent’s validity and a cognizable injury was clear in *MedImmune* because invalidation of the patent at issue would eliminate the need to make payments under the license agreement. MedImmune contended, and the Court agreed, that a determination that the patent was invalid would relieve MedImmune of specific royalty obligations:

There is no dispute that [Article III’s case-or-controversy requirement] would have been satisfied if petitioner had taken the final step of refusing to make royalty payments under the 1997 license agreement. Respondents claim a right to royalties under the licensing agreement. Petitioner asserts that no royalties are owing because the Cabilly II patent is invalid and not infringed; and alleges (without contradiction) a threat by respondents to enjoin sales if royalties are not forthcoming.

Id. at 128. The patent’s continuing validity was thus directly injuring the licensee through the required payment of royalties (or the near-certainty of an infringement action if it repudiated the agreement).

In sum, the Court grounded its holding in *MedImmune* on the close link between the relief sought and a cognizable injury that is the hallmark of Article III standing. See *Steel Co. v. Citizens for a Better Env’t*, 523 U.S. 83, 107 (1998) (“Relief that does not remedy the injury suffered cannot bootstrap a plaintiff into federal court; that is the very essence of the redressability requirement.”). Specifically, there was a direct link between the payments due under the license agreement and a finding of invalidity because invalidation of the patent would extinguish the licensee’s payment obligations. In other words, the licensee’s successful invalidation of the patent would have a concrete, cognizable effect on the licensee. That was

sufficient to establish the licensee’s standing to challenge the patent’s validity.

2. Apple makes much of this Court’s statement in dicta that it “probably ma[de] no difference” whether the dispute involved a “freestanding claim of patent invalidity” or “a claim that, both because of patent invalidity and because of noninfringement, no royalties are owing under the license agreement.” *MedImmune*, 549 U.S. at 123. That statement does not change the fact that the Court’s holding relied on the license agreement and its consequences. *Id.* at 123-124. Indeed, the Court directly addressed whether there was a contract dispute and determined that there was. See *id.* at 125 (“All we need determine is whether petitioner has alleged a contractual dispute. It has done so.”). It also rejected the dissent’s contention “that the validity of the contract claim hinges entirely upon a determination of the patent’s validity,” recognizing instead that a finding of noninfringement would lead to the same result (*i.e.*, no royalties owed under the license agreement), regardless of the Cabilly II patent’s validity. *Id.* at 125 n.6 (internal quotation marks omitted). Thus, there can be no doubt that the Court’s jurisdictional ruling was grounded in its determination that MedImmune “ha[d] raised and preserved a contract claim.” *Id.* at 125.

In any event, whether the claim in *MedImmune* is characterized as a patent-validity claim or a contract claim is an irrelevant digression. The key point is that *MedImmune* involved a concrete injury linked to the patent’s validity—the requirement to pay royalties—that is lacking here. Invalidation of the patent would have eliminated that injury there; the same cannot be said here.

B. The Federal Circuit’s opinion is faithful to *MedImmune*

1. The link between the relief sought and a cognizable injury that was so central to *MedImmune*’s holding is missing in this case. Whereas in *MedImmune* the patent’s invalidation would eliminate the licensee’s royalty obligations, here Apple offered no evidence that invalidation of either patent would have any concrete effect whatsoever on its rights or obligations under the license agreement. Nor did Apple attempt to tie the patent’s invalidation to any other cognizable consequences apart from its rights and obligations under the license agreement. Thus, it is no overstatement to say that on this evidentiary record, Apple has nothing at stake other than an academic interest in the patents’ validity.

Apple’s generic allegations of coercion, see Pet. 18, do not support standing. The supposed coercion—making payments to avoid an infringement suit related to the two challenged patents—is not linked by evidence to *those patents*. Apple never claimed that its royalty payments would decrease if the court invalidated these two patents. In other words, on this record, Apple’s payments will endure even if the two patents at issue are invalidated. That differs sharply from the coercion theory in *MedImmune*, in which MedImmune’s royalty payments on sales of its new drug would have been eliminated if the patent were held invalid. See 549 U.S. at 121-122.

Recognizing these flaws in Apple’s arguments, the Federal Circuit properly held that Apple’s failure to demonstrate that the invalidation of the challenged patents would affect its ongoing payment obligations was fatal to establishing standing under *MedImmune*:

Apple nowhere argues or provides evidence that the validity of any single patent, including the ’037 patent or ’362 patent, would affect its

ongoing payment obligations. Nor does Apple identify any contractual dispute involving its ongoing royalty obligations (*e.g.*, a disagreement over whether certain Apple product sales trigger additional royalty payments) that relates to, or could be resolved through a validity determination of, the patents at issue. Because the validity of the challenged patents would not impact Apple's ongoing payment obligations, the reasoning of *MedImmune* does not apply.

Pet. App. 7a-8a. That holding is both unremarkable and unmistakably correct. As the Federal Circuit recognized, Apple's failure to provide evidence is especially relevant here where Qualcomm's previous infringement claims for the same patents were dismissed with prejudice. *Id.* at 10a; see *Grit Energy Sols., LLC v. Oren Techs., LLC*, 957 F.3d 1309, 1320 (Fed. Cir. 2020) (finding standing because previous claims were dismissed without prejudice).

2. Apple could have avoided its standing problem if it offered evidence demonstrating that invalidation of the patents would remedy an injury. But it made not the slightest effort in that regard. The Federal Circuit did not engage in hyperbole when it described Apple's evidence as "the sparsest of declarations in support of standing, which are devoid of any of the specificity necessary to establish an injury in fact." Pet. App. 9a.

Apple offered recycled, generic declarations that do not even mention the two patents at issue. See C.A. Rec. A2929-A2932.¹ Instead, the declarations merely assert

¹ Apple has used these same cursory declarations in numerous appeals involving different patents. See, *e.g.*, Exhibit 4 to Apple's Motion for Leave to Intervene, *Intel. Corp. v. Qualcomm Inc.*, Nos. 20-1828, 20-1867, ECF No. 28 (Fed. Cir. June 29, 2020).

that Apple and Qualcomm entered into a settlement that included a license agreement with ongoing payment obligations and permitted Apple to continue certain IPRs. *Id.* at A2930-A2931. The declarations also note that in the settlement negotiations Qualcomm rejected Apple's proposal of a permanent, irrevocable license. *Ibid.* That is it. Nothing else is asserted. That is the entire evidentiary foundation on which Apple rests its argument.

Chronicling the deficiencies of Apple's declarations, they provide no evidence:

- (1) that the patents' invalidation would alter Apple's payment obligations under the license agreement,
- (2) of a contractual dispute that would be affected by the validity of the patents,
- (3) that Apple would no longer need its portfolio license agreement if these two patents are invalidated, or
- (4) that the patents' invalidation would have any other cognizable consequence for Apple.

Pet. App. 7a-8a. In short, the declarations do not even attempt to link the invalidation of the two patents at issue to a reduction in royalties owed or any other consequence for Apple. If another party in another case offers any such evidence—through proper declarations or otherwise—then the result of that case may well be different from this one.

3. Apple's fundamental evidentiary failing makes this an easy case under *MedImmune*. If the patent in *MedImmune* were to be invalidated, everything would have changed for the licensee. The licensee would cease making royalty payments on the sales of its new drug because the license agreement would no longer apply. *MedImmune*, 549 U.S. at 128. Based on the record in this case, if the patents at issue were to be invalidated, nothing would change for Apple. Apple would be obligated to continue

making precisely the same payments under the portfolio-license agreement that it is making now. In other words, regardless of whether Apple wins or loses, it will pay the same fee to have access to the same patented technology under the same license. That evidentiary reality drove the outcome here, not some consequential dispute over how to interpret or apply *MedImmune*.

The decision below reflects a fact-bound application of *MedImmune* and traditional standing principles to a strikingly deficient evidentiary record. There is nothing remotely certworthy about its reasoning and result.

II. APPLE MISUNDERSTANDS *MEDIMMUNE* AND EXAGGERATES THE CONSEQUENCES OF THE DECISION BELOW

A. Neither *MedImmune* nor other precedents support an exception to Article III standing principles for patent licensees

1. Apple erroneously asserts that *MedImmune* creates a rule that allows licensees to establish Article III standing merely by pointing to a legal dispute about the validity of one patent covered by a license—regardless of whether the resolution of that dispute would concretely affect the licensee’s obligations. Apple’s Question Presented starkly frames its sweeping proposition: “Whether a licensee has Article III standing to challenge the validity of a patent covered by a license agreement that covers multiple patents.” Pet. i. Apple believes that *MedImmune* mandates a “yes” answer to that question without the need for any evidence to link the patent’s invalidation to reduced royalty payments or some other concrete consequence for the licensee. Such an outcome would effectively exempt patent licensees from standard Article III principles.

In line with this rewrite of standing law, Apple identifies the parties’ “concrete controversy” as their disagreement over the validity of the patents—and nothing more: “Much like the parties in *MedImmune*, Apple and Qualcomm have a concrete controversy—Qualcomm believes its patents are valid and infringed, whereas Apple does not.” *Id.* at 17. But it is canonical that a merely “academic” disagreement is not a controversy under Article III. *Aetna Life Ins. Co. of Hartford, Conn. v. Haworth*, 300 U.S. 227, 240 (1937). A decision on Apple’s question would thus amount to nothing but an advisory opinion.

Indeed, “[t]he presence of a disagreement, however sharp and acrimonious it may be, is insufficient by itself to meet Art. III’s requirements.” *Diamond v. Charles*, 476 U.S. 54, 62 (1986). That disagreement must be accompanied by an “actual or imminent” injury, traceable to the defendant’s actions, which can be remedied by the federal courts. *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 560 (1992). There is no evidence of such an injury here, and neither *MedImmune* nor any other case supports the standing revolution sought by Apple.

2. Contrary to Apple’s assertions, nothing in *MedImmune* suggests that portfolio licensees enjoy a lesser standing burden than other litigants. As with single-patent licensees, portfolio licensees must show that invalidating the challenged patent would concretely alter the licensee’s rights or obligations or otherwise cognizably affect the licensee. While the Court explained that the continued payment of disputed royalties by the licensee “eliminate[d] the imminent threat of harm” posed by an infringement suit, *MedImmune*, 549 U.S. at 128-129, this observation hardly means that a portfolio licensee automatically has Article III standing to challenge every patent in the license merely because it continues to pay royalties under the agreement. Rather, the Court went on to

explain that the licensee had standing because “the threat-eliminating behavior *was effectively coerced*” by the ongoing validity of the challenged patents. *Ibid.* (emphasis added). As explained above, unlike in *MedImmune*, Apple presented no evidence of coercion, and there could be no such coercion because Apple has never disputed that it must make *the same* licensing payments regardless of whether the challenged patents are declared invalid.

3. Neither *Altwater* nor *Cardinal Chemical Co. v. Morton International, Inc.*, 508 U.S. 83 (1993), conflict with the decision below. *Altwater*, like *MedImmune*, involved a licensee disputing its royalty obligations while continuing to make payments under protest for fear of infringement litigation. 319 U.S. at 360-361. And, as in *MedImmune*, the evidence there showed that invalidating the challenged patents would eliminate payment obligations. *Id.* at 364-365. That evidence is lacking here.

Apple latches onto the fact that the license agreement in *Altwater* was no longer in place, inferring that a contractual claim under a license agreement is not necessary to confer standing. Pet. 20. Apple’s focus on the license agreement’s status misses the point. Royalties were being paid under the compulsion of an injunction decree, and defying that decree “risk[ed] not only actual but treble damages in infringement suits.” *Altwater*, 319 U.S. at 365. The evidence in *Altwater* supported standing because a determination that the patent was invalid would affect the “legal relations of the parties” by eliminating payment obligations. *Id.* at 364. It is irrelevant that the source of the payment obligation was an injunction instead of a license agreement.

Apple also argues for a broad reading of *Cardinal Chemical* that ignores the Court’s reasoning in that case. *Cardinal Chemical* addressed the Federal Circuit’s then-extant practice of vacating the district court’s ruling on

patent validity when it affirmed a determination of noninfringement. 508 U.S. at 89-90. The Federal Circuit had reasoned that the determination of noninfringement mooted the patent invalidity question on appeal. *Id.* at 90. This Court disagreed and concluded that the Federal Circuit in fact had jurisdiction to consider an appeal from a declaratory judgment of invalidity on “two independent bases,” neither of which is present here. *Id.* at 97.

First, the Federal Circuit’s determination of noninfringement in *Cardinal Chemical* was subject to review by this Court. *Ibid.* The noninfringement claim was therefore still live, which elevated the validity question above a mere academic concern. Here, by contrast, the noninfringement claim was jointly dismissed with prejudice and not appealed. Pet. App. 2a. It is not subject to review by this Court or any court.

Second, this Court emphasized that “while the initial burden of establishing the trial court’s jurisdiction rests on the party invoking that jurisdiction, once that burden has been met courts are entitled to presume, absent further information, that jurisdiction continues.” *Cardinal Chem.*, 508 U.S. at 98. If circumstances have changed, rendering the controversy moot, the party alleging mootness bears the burden of demonstrating the events causing mootness. *Ibid.* But that burden-shifting framework does not apply here because no Article III court had yet addressed standing before the Federal Circuit confronted the issue. See *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1378 (2018) (stating that IPR is not subject to Article III requirements). Accordingly, Apple, the party initially invoking federal jurisdiction, still faced the burden of establishing standing. *Lujan*, 504 U.S. at 561. Because neither basis on which *Cardinal Chemical* rested applies here, that case is inapposite.

B. The Federal Circuit’s decision neither limits *MedImmune* to single-patent licenses nor threatens the rights of portfolio licensees

Apple mischaracterizes the opinion below by claiming that the Federal Circuit “limit[ed] *MedImmune* to the single-patent license context.” Pet. 22. The opinion does nothing of the sort. It merely requires a link between patent invalidation and royalty payment (or some other cognizable injury) of the type that supported Article III standing in *MedImmune*. Pet. App. 7a-8a.

To be sure, in *MedImmune* and cases involving single-patent licenses, standing may be more readily established because the link between invalidation and royalty payments is apparent. But any licensee—including those under a portfolio license—may potentially establish that same necessary link between the invalidation of the challenged patents and actual, non-speculative consequences for the licensee, whether in the form of reduced or eliminated licensing payments or otherwise.

1. The Federal Circuit’s own decisions reflect this point, fatally undermining Apple’s caricature of that court’s jurisprudence. In a decision issued just weeks after Apple filed its petition, the Federal Circuit again addressed standing for a portfolio licensee. In that case, the court described its earlier decision in *Samsung* as “h[olding] that the appellant had standing because, even though multiple patents were licensed, the appellant had provided evidence demonstrating that the express terms of the contract structured the patent pool in such a way that invalidation of the patent at issue in the underlying IPR would have changed the amount of royalties.” *ModernaTx*, 18 F.4th at 1362. The *ModernaTx* court then contrasted the evidence presented in *Samsung* with the paucity of standing evidence presented by the portfolio licensee in *ModernaTx*. *Ibid.* The court explained that “[t]he

facts [in *ModernaTx*] resemble those in [*Apple v. Qualcomm*], not those in *Samsung*, [because] Moderna has provided no evidence as to how, if at all, its obligations under the Acuitas sublicenses would change if it is successful in its attempts to have the ‘435 patent declared invalid while the remaining licensed patents continue to exist.” *Ibid.* Consequently, as it did in this case, the court held that the licensee lacked standing. *Ibid.*

As *Samsung*, *ModernaTx*, and the decision below all demonstrate, the Federal Circuit’s approach to standing properly depends on the facts presented—not on a fictional rule that prevents standing under *MedImmune* for portfolio licensees. Where there is evidence that a finding of invalidity would alter the royalty payments under a license agreement or otherwise alter the rights and obligations of the licensee, standing exists under *MedImmune*. Where there is no such evidence, standing is lacking. That principle applies neutrally to any type of license agreement, whether single- or multi-patent. And that need to show a cognizable and redressable injury is at the core of Article III standing.

2. Thus, there is no basis for Apple’s claim that the Federal Circuit’s approach would disincentivize settlements or otherwise unfairly disadvantage portfolio licensees. See Pet. 29-30. License agreements are not contracts of adhesion in which the licensee is powerless to bargain with the licensor over terms and conditions. A licensee could, for example, ensure standing for a future challenge by negotiating a license agreement that provides for a reduction in payments if one of the patents is invalidated. Cf. *ModernaTx*, 18 F.4th at 1362. As “the first publicly traded company to ever reach” a \$3 trillion market value, Apple’s claim of helplessness is baseless. See Nicas, *Apple Becomes First Company to Hit \$3 Trillion Market*

Value, N.Y. Times (Jan. 3, 2022)² (stating Apple is worth more than the combined value of “Walmart, Disney, Netflix, Exxon Mobil, Coca-Cola, Comcast, Morgan Stanley, McDonald’s, AT&T, Goldman Sachs, Boeing, IBM and Ford”); *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1993 (2021) (Gorsuch, J., concurring in part and dissenting in part) (calling Apple “one of the world’s largest technology companies”).³

III. APPLE’S NON-*MEDIMMUNE* THEORIES OF STANDING FAIL FOR EVIDENTIARY REASONS AND PRESENT NO ISSUES WORTHY OF REVIEW

While Apple’s Question Presented invokes *MedImmune*, Apple confusingly intermingles other theories of standing throughout its petition. Specifically, Apple asserts two standing arguments that are independent of *MedImmune*. First, Apple and one of its *amici* assert standing exists because Qualcomm could sue for infringement of the two patents when the license agreement expires in 2025 (or 2027 if it is extended). See Pet. 14, 18, 24-25; Leahy Amicus Br. 16. Second, Apple seeks to base standing on the possibility that its unsuccessful IPR attempt may estop it from challenging the patents’ validity in such a future infringement suit. See Pet. 24-25. These are fact-bound claims that the Federal Circuit resolved correctly because Apple presented no evidence to support

² <https://www.nytimes.com/2022/01/03/technology/apple-3-trillion-market-value.html?searchResultPosition=2>

³ Nor is Apple a stranger to the IPR process and the well-settled law governing it. See Apple Amicus Br. 2, *Oil States Energy Servs. v. Greene’s Energy Servs., LLC*, No. 16-712 (filed Oct. 30, 2017) (noting that Apple had filed the most IPR petitions of any petitioner, accounting for 5% of petitions filed from 2012-16). Thus, even more than any other party, Apple was undoubtedly aware of the need to support its appellate standing allegations with actual evidence rather than generic, rank speculation.

them. They present no matters of broader legal significance and no credible claim of conflict with this Court's precedent. If anything, the potential availability of these alternate routes to standing (for litigants who bother to present evidence) lessens the need to consider, let alone adopt, Apple's extravagant reading of *MedImmune*.

A. Both of Apple's non-*MedImmune* theories depend on the factual predicate that Apple will manufacture products that would potentially infringe the two patents in 2025 or 2027, when Apple's license agreement expires. Without that factual premise, Apple cannot establish a credible threat of an infringement action by Qualcomm in the distant future. And absent the threat of a post-expiration infringement action, the possibility that Apple may be estopped from challenging the patents' validity in such an action becomes irrelevant.

Yet, as the Federal Circuit recognized, Apple presented no evidence that unspecified products it sells in 2025 or 2027 may infringe either or both of these two patents. Pet. App. 11a ("Apple * * * has failed to show it will likely be engaging in activities that could give rise to a potential suit based on the '037 and '362 patents after the expiration of the license agreement."). Apple's cursory declarations do not even mention this point, much less make any concrete assertions regarding relevant details of Apple's smart-phone offerings after the license expires. See C.A. Rec. A2929-A2932. Apple's reticence may well have been intentional. The smart-phone market evolves rapidly, and Apple did not even try to predict what specific features it will include in the phones it manufactures years down the line. Apple even went so far as to request during oral argument that the Federal Circuit remedy its deficient evidence through judicial notice, but the court properly refused, noting "[w]e are not fortune-tellers." Pet. App. 10a.

Thus, Apple is left with mere attorney speculation—supported by no evidence whatsoever—that it may include features that implicate these particular patents in the phones it sells years into the future. That conjecture falls far short of establishing a future injury that is “certainly impending.” *Clapper v. Amnesty Int’l USA*, 568 U.S. 398, 410 (2013) (recognizing the “requirement that threatened injury must be certainly impending to constitute injury in fact”) (internal quotation marks omitted). This Court has stated that it will not presume without evidence that the party seeking jurisdiction will take actions in the future to expose itself to harm. *Lujan*, 504 U.S. at 564 n.2. The Federal Circuit faithfully followed that rule below.

The Federal Circuit’s resolution of this fact-specific issue is utterly unworthy of certiorari. The Federal Circuit does not hesitate to uphold standing where the appellant provides evidence that it is engaging in—or intends to engage in—activity that reasonably could give rise to an infringement suit. See *Intel Corp. v. Qualcomm Inc.*, ___ F.4th ___, 2021 WL 6122360, at *2 (Fed. Cir. 2021); *Adidas AG v. Nike, Inc.*, 963 F.3d 1355, 1357 (Fed. Cir. 2020), cert. denied, 141 S. Ct. 1376 (2021); *Gen. Elec. Co. v. Raytheon Techs. Corp.*, 983 F.3d 1334, 1342 (Fed. Cir. 2020). But a licensee cannot satisfy Article III in the absence of evidence that it might sell a potentially infringing product when the license expires.

B. Apple’s estoppel theory of standing also does not merit certiorari. First, because, as just discussed, Apple has not provided any evidence that it will be subject to a future infringement suit, it necessarily has not shown that the estoppel statute would ever come into play.

Second, it is an open question in the Federal Circuit whether Apple would be estopped from making a future validity challenge given that it lacks standing to appeal the IPR ruling. See *AVX Corp. v. Presidio Components, Inc.*,

923 F.3d 1357, 1363 (Fed. Cir. 2019) (“[T]his court has not decided whether the estoppel provision would have the effect that AVX posits—specifically, whether § 315(e) would have estoppel effect even where the IPR petitioner lacked Article III standing to appeal the Board’s decision to this court.”). That unsettled issue injects an additional legal question of first impression that this Court would have to resolve before considering whether this kind of estoppel could confer standing. See *Cutter v. Wilkinson*, 544 U.S. 709, 718 n.7 (2005) (stating this Court is “a court of review, not of first view”).

Finally, any estoppel problem that Apple may have is wholly of its own making. After all, Apple freely chose to continue with the IPR after the settlement. The statutory estoppel provision applies only once the IPR proceedings have “result[ed] in a final written decision under § 318(a),” which directs the Board to “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” 35 U.S.C. §§ 315(e)(1), 318(a). Apple could have dismissed the IPR proceeding before the final written decision and avoided potential estoppel effects. Apple cannot bootstrap its strategic choice to proceed into Article III standing.

C. Various *amici* suggest Article III’s requirements should be relaxed because Congress has created a statutory right to appeal IPRs to the Federal Circuit. 35 U.S.C. § 141(a); see Leahy Amicus Br. 13; Engine Advocacy Amicus Br. 16; Unified Patents Amicus Br. 13-15. A lone dissenting opinion briefly cited by Apple sounds a similar note. See Pet. 13 (citing *Apple Inc. v. Qualcomm Inc.*, 17 F.4th 1131, 1142 (Fed. Cir. 2021) (Newman, J., dissenting) (stating that standing is “reinforced where, as here, ‘Congress has accorded a procedural right to a litigant, such as a right to appeal an administrative decision’” (quoting

Amerigen Pharm. Ltd. v. UCB Pharma GmbH, 913 F.3d 1076, 1083 n.11 (Fed. Cir. 2019)).

That is not the law. Congress’s grant of a right to appeal IPRs does not affect the standing inquiry. For example, even though there is a general statute authorizing appeals from all final district-court decisions, see 28 U.S.C. 1291, this Court has long held that standing “must be met by persons seeking appellate review, just as it must be met by persons appearing in courts of first instance.” *Arizonaans for Official English v. Arizona*, 520 U.S. 43, 64 (1997). That principle applies equally to appeals from agency adjudications like IPRs: “If the petitioner has no Article III concrete interest in receiving the relief requested before the agency[,] * * * Congress has no power to grant a petitioner a right to seek judicial review of an agency’s decision to deny him relief.” *Hydro Inv’rs, Inc. v. FERC*, 351 F.3d 1192, 1197 (D.C. Cir. 2003). Thus, even though Congress has granted a right to appeal IPRs, Apple must still provide evidence that it is concretely harmed by the continued existence of Qualcomm’s patents before it can challenge their validity in federal court.

IV. THIS CASE IS AN EXCEEDINGLY POOR VEHICLE TO ADDRESS *MEDIMMUNE*’S APPLICATION TO PORTFOLIO LICENSES

As explained above, the Federal Circuit is faithfully applying *MedImmune* to single-patent and multi-patent licenses alike. There is no confusion for the Court to allay, much less a conflict with this Court’s decisions.

Even if there were uncertainty regarding how *MedImmune* applies to portfolio licenses, this case would be a very poor vehicle for addressing that issue. The Federal Circuit’s opinion turned entirely on evidentiary, not legal, issues, for Apple did not even attempt to put on the necessary evidence to support standing. Apple’s evidentiary shortcomings force it to proffer a sweeping Question

Presented that is divorced from concrete harm and bears no relation to the Federal Circuit's nuanced, fact-specific approach to standing. If the Federal Circuit's case law exhibits confusion or conflict in the future regarding the application of *MedImmune*, there will be time enough to review a petition that presents a discrete legal issue against a more developed evidentiary record. But this is not that case.

CONCLUSION

The petition for certiorari should be denied.

Respectfully submitted.

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