No. 21-746

In the Supreme Court of the United States

APPLE INC., PETITIONER

v.

QUALCOMM INCORPORATED

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

BRIEF FOR THE UNITED STATES AS AMICUS CURIAE

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QUESTION PRESENTED

Whether petitioner established Article III standing to pursue a judicial challenge to the validity of two patents covered by its license agreement with respondent, where petitioner presented no evidence that, if it prevailed in its challenge, it was likely to terminate the license agreement, pay less in licensing fees, or manufacture otherwise-infringing products.

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INTEREST OF THE UNITED STATES

This brief is filed in response to the Court's order inviting the Solicitor General to express the views of the United States. In the view of the United States, the petition for a writ of certiorari should be denied.

STATEMENT

1. A United States patent confers "the right to exclude others from making, using, offering for sale, or selling [an] invention throughout the United States or importing the invention into the United States." 35 U.S.C. 154(a)(1). An inventor who seeks a patent must file an application with the United States Patent and Trademark Office (USPTO). When such an application is filed, a USPTO examiner "reviews [the] applicant's patent claims, considers the prior art, and determines whether each claim meets the applicable patent law requirements." *Cuozzo Speed Technologies, LLC* v. *Lee*,

579 U.S. 261, 266 (2016); see 35 U.S.C. 131. Those requirements include eligibility and utility, 35 U.S.C. 101; novelty, 35 U.S.C. 102; and non-obviousness over the prior art, 35 U.S.C. 103. If the examiner determines that the applicant satisfies the statutory requirements, the USPTO issues a patent for the invention. 35 U.S.C. 131; see *Cuozzo*, 579 U.S. at 266-267.

"For several decades," Congress has authorized the USPTO to reconsider its own patent-issuance decisions through proceedings "to reexamine—and perhaps cancel—a patent claim that it had previously allowed." *Cuozzo*, 579 U.S. at 267. In 2011, the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, created new procedures for such challenges. The AIA established a mechanism known as post-grant review for challenges that are brought within nine months after the disputed patent was issued. 35 U.S.C. 321(c). For challenges brought more than nine months after issuance of the patent, the AIA created inter partes review. 35 U.S.C. 311-319.

Any person other than the patent owner may file a petition for inter partes review to assert that, at the time the patent was issued, the claimed invention was anticipated or obvious in light of "prior art consisting of patents or printed publications." 35 U.S.C. 311(b); see 311(a)-(b). Because inter partes review is an administrative proceeding, a petitioner need not satisfy Article III requirements in order to request institution of a review. See *Cuozzo*, 579 U.S. at 279 ("Parties that initiate the proceeding need not have a concrete stake in the outcome; indeed, they may lack constitutional standing."); cf. *Oil States Energy Services, LLC* v. *Greene's Energy Group, LLC*, 138 S. Ct. 1365, 1373 (2018) (holding that the USPTO can undertake "reconsideration of

th[e] grant" of "a public franchise * * * without violating Article III").

The USPTO may institute an inter partes review only if the agency finds "a reasonable likelihood that the petitioner would prevail" with respect to at least one of the challenged patent claims. 35 U.S.C. 314(a). When the USPTO elects to institute an inter partes review, the agency's Patent Trial and Appeal Board (Board) conducts the proceeding. See 35 U.S.C. 316(c). Both the petitioner for inter partes review and the patent owner are entitled to take limited discovery, 35 U.S.C. 316(a)(5); 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). The petitioner for inter partes review bears "the burden of proving a proposition of unpatentability by a preponderance of the evidence." 35 U.S.C. 316(e). At the conclusion 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 and any new claim added" to the patent by amendment during the pendency of the inter partes review proceeding. 35 U.S.C. 318(a).

Under the AIA, "[a] party dissatisfied with" the Board's final written decision in an inter partes review "may appeal the decision pursuant to [35 U.S.C.] 141 through 144." 35 U.S.C. 319. As relevant here, a party to an inter partes review "who is dissatisfied with" the Board's final written decision "may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit." 35 U.S.C. 141(c). Because the prerequisites for Article III standing "must be met by persons seeking appellate review" in federal court, *Arizonans for Official English* v. *Arizona*, 520 U.S. 43, 64

(1997), a party seeking Federal Circuit review of the Board's decision must show injury in fact, causation, and redressability. See *Consumer Watchdog* v. *Wisconsin Alumni Research Foundation*, 753 F.3d 1258, 1260-1261 (Fed. Cir. 2014), cert. denied, 574 U.S. 1153 (2015); cf. *Lujan* v. *Defenders of Wildlife*, 504 U.S. 555, 560-561 (1992). Once a party with Article III standing has initiated an appeal, "[a]ny party to the inter partes review shall have the right to be a party to the appeal." 35 U.S.C. 319.

If the USPTO institutes an inter partes review of a patent claim and issues a final written decision, the inter partes review petitioner thereafter is estopped from "request[ing] or maintain[ing] a proceeding" before the agency "with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review." 35 U.S.C. 315(e)(1). The petitioner likewise is barred from "assert[ing] either in a civil action arising in whole or in part under [28 U.S.C.] 1338," or in proceedings before the International Trade Commission, "that the [patent] claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review." 35 U.S.C. 315(e)(2).

2. Petitioner manufactures iPhones and other consumer technology products. See Pet. App. 2a, 9a. In 2017, respondent sued petitioner in the United States District Court for the Southern District of California, alleging (as relevant here) that several of petitioner's products violated U.S. Patent No. 7,844,037 ('037 patent) and U.S. Patent No. 8,683,362 ('362 patent), both held by respondent. *Qualcomm Inc.* v. *Apple Inc.*, No. 17-cv-2403, D. Ct. Doc. 1 (S.D. Cal. Nov. 29, 2017). Those patents concern a technique that enables cellular

telephone users to respond to calls with text messages (the '037 patent) and a system that facilitates the use of multiple applications on a small screen (the '362 patent). See Pet. App. 15a-16a, 56a-57a.

Petitioner denied that its products infringed the asserted patents and filed counterclaims alleging that the patents were invalid. See *Qualcomm Inc.* v. *Apple Inc.*, No. 17-cv-2403, D. Ct. Doc. 51, at 2-3, 39, 50 (S.D. Cal. Jan. 22, 2018). Petitioner also filed petitions for inter partes review challenging the '037 and '362 patents. Pet. App. 2a. The district court stayed the proceedings in respondent's infringement suit pending resolution of the inter partes reviews. *Qualcomm Inc.* v. *Apple Inc.*, No. 17-cv-2403, D. Ct. Doc. 177 (S.D. Cal. Aug. 29, 2018).

In 2019, petitioner and respondent entered into a global settlement agreement that resolved all then-pending litigation between them worldwide, including respondent's infringement suit in the Southern District of California. Pet. App. 5a-6a; 20-1561 C.A. App. 2910; see *Qualcomm Inc.* v. *Apple Inc.*, No. 17-cv-2403, D. Ct. Doc. 184 (S.D. Cal. Apr. 23, 2019). As part of that settlement, the parties executed a license agreement that covers tens of thousands of patents, including the '037 and '362 patents. See Pet. App. 5a-7a. The license agreement provides that, in exchange for specified, ongoing royalty payments from petitioner, respondent will not sue petitioner for infringement of any of the covered patents while the agreement remains in effect. *Ibid.* The license agreement will expire in 2025 (or 2027, if extended), before the expiration dates of the '037 and '362 patents. *Id.* at 6a.

The parties agreed that their settlement would not require petitioner to withdraw from the pending inter partes review proceedings concerning the '037 and '362

patents. 20-1561 C.A. App. 2911. But petitioner appears to concede—and has not introduced evidence to dispute—that its payment obligations under the license agreement will remain the same if the '037 and '362 patents are declared invalid. See Pet. App. 7a; Pet. 19.

3. In 2020, the Board issued final written decisions in favor of respondent in the inter partes review proceedings, upholding the validity of the two patents at issue. Pet. App. 13a-52a ('362 patent); *id.* at 53a-79a ('037 patent).

Petitioner sought review of the Board's decisions in the Federal Circuit. In its opening briefs, petitioner did not mention its license agreement with respondent or otherwise discuss what ongoing interest it had in invalidating the '037 and '362 patents. See 20-1561 Pet. C.A. Br. 2; 20-1642 Pet. C.A. Br. 1. After respondent disputed petitioner's Article III standing in its response briefs, however, petitioner filed two short declarations describing the license agreement in general terms and argued in its reply briefs that the license agreement—as well as the possibility of future infringement suits after the license agreement expires—gave petitioner a concrete interest in its appeals from the Board's decisions. See 20-1561 Pet. C.A. Reply Br. 23-28; 20-1561 C.A. App. 2909-2911; 20-1642 Pet. C.A. Reply Br. 23-28; 20-1642 C.A. App. 2929-2932.

The court of appeals dismissed petitioner's appeals for lack of standing. Pet. App. 1a-11a. The court held that, as a result of petitioner's license agreement with respondent, petitioner suffers no non-speculative injury-in-fact from the continued effectiveness of the '037 and '362 patents, and that decisions invalidating those patents therefore would not redress any Article III injury. *Id.* at 7a. The court explained that petitioner

had "nowhere argue[d] or provide[d] evidence that the validity of any single patent, including the '037 patent or the '362 patent, would affect its ongoing payment obligations" during the period while the license agreement remains in effect. *Ibid.* The court further explained that petitioner had "provide[d] no evidence that it intends to engage in any activity that may give rise to an infringement suit of the '037 patent or the '362 patent when the license expires." *Id.* at 8a. The court found as well that "[w]hat products and product features [petitioner] may be selling at the expiration of the license agreement years from now are not the kind of undisputed facts we may take judicial notice of because they may be reasonably questioned." *Id.* at 9a-10a. The court concluded that it therefore could only "speculate about what activity [petitioner] may engage in after the expiration of the license agreement that would give rise to a potential suit from" respondent. *Id.* at 9a.

Petitioner argued it had standing to appeal under this Court's decision in *MedImmune, Inc.* v. *Genentech, Inc.*, 549 U.S. 118 (2007). In *MedImmune*, this Court held that a pharmaceutical manufacturer could pursue a declaratory-judgment action to challenge the validity of a patent that arguably covered one of its products, even though the manufacturer was paying licensing fees for the patent "under protest" in order to avoid an infringement suit. *Id.* at 122 (citation omitted); see *id.* at 137. It was clear that, if the patent was declared invalid, the licensee would no longer be required to pay royalties on the allegedly infringing product. See *id.* at 121, 124.

The court of appeals in this case found *MedImmune* inapposite. The court observed that MedImmune had "sought a declaratory judgment that it did not owe any

royalties because the sale of its product did not infringe any valid claim of the [challenged] patent." Pet. App. 7a. The court explained that "[h]ere, in contrast, [petitioner] has not alleged that the validity of the patents at issue will affect its contract rights (i.e., its ongoing royalty obligations)." *Ibid.* The court found that difference "fatal to establishing standing under the reasoning of *MedImmune*." *Ibid.*; see *id.* at 8a ("Because the validity of the challenged patents would not impact [petitioner's] ongoing payment obligations, the reasoning of *MedImmune* does not apply.").

The court of appeals denied petitions for rehearing without noted dissent. Pet. App. 81a-82a; *id.* at 83a-84a.

DISCUSSION

The court of appeals correctly held that petitioner had not established Article III standing to challenge the two patents at issue here. That case-specific determination reflected the particular terms of the license agreement between the parties, under which a judicial determination that the '037 and '362 patents are invalid would have no effect on petitioner's licensing payments. Petitioner also presented no evidence indicating either that it would withdraw from the license agreement if it obtained a judgment that those two patents are invalid, or that it is likely to manufacture potentially infringing products after the agreement expires.

Rather than identify case-specific evidence of concrete harm, petitioner advocates a per se rule that a licensee with ongoing royalty payment obligations has standing to challenge every patent it has licensed, so long as it would be subject to an infringement suit if it repudiated the agreement. The court of appeals appropriately rejected such a rule, which is inconsistent with established standing principles and finds no support in

this Court's decision in *MedImmune, Inc.* v. *Genentech, Inc.*, 549 U.S. 118 (2007). Further review is not warranted.

A. Petitioner Has Not Shown That Respondent's Patents Are Causing It An Injury That Would Be Redressed By A Favorable Decision In This Case

The "[J]udicial Power" of the United States is limited to Article III "Cases" and "Controversies." U.S. Const. Art. III, § 2. Article III standing principles are an "essential and unchanging part of the case-or-controversy requirement." *Lujan* v. *Defenders of Wildlife*, 504 U.S. 555, 560 (1992). A party seeking to invoke a federal court's jurisdiction must establish the "three elements" of Article III standing: (1) a "concrete and particularized" "injury in fact" that is (2) caused by the challenged conduct and (3) redressable by a favorable decision. *Id.* at 560; see *id.* at 560-561.

Because the Board is not an Article III court, petitioner was not required to satisfy those requirements when it sought institution of, and then participated in, the inter partes review proceedings at issue here. See *Cuozzo Speed Technologies, LLC* v. *Lee*, 579 U.S. 261, 267 (2016). In order to obtain Federal Circuit review, however, petitioner was required to show that the Board's decisions upholding the '037 and '362 patents were causing it a concrete and particularized injury that would be redressed by a favorable judicial ruling. See *Consumer Watchdog* v. *Wisconsin Alumni Research Foundation*, 753 F.3d 1258, 1261 (Fed. Cir. 2014) (explaining, in an appeal from a Board decision, that "although Article III standing is not necessarily a requirement to appear before an administrative agency, once a party seeks review in a federal court, the constitutional requirement that it have standing kicks in") (citation

and internal quotation marks omitted), cert. denied, 574 U.S. 1153 (2015); see also, *e.g.*, *Hollingsworth* v. *Perry*, 570 U.S. 693, 705 (2013) (recognizing that a "person[] seeking appellate review" in an Article III court must establish standing in order to pursue the appeal) (citation omitted). Petitioner did not make that necessary showing.

With respect to the first two elements of Article III standing, petitioner has not shown that the Board's decisions leaving the '037 and '362 patents in effect are causing it any concrete and particularized injury. First, petitioner has never suggested that, but for the '037 and '362 patents, it would not have signed (or would now repudiate) its license agreement with respondent, which enables petitioner to practice tens of thousands of additional patents that are not implicated in this suit. Cf. Pet. Reply Br. 2-3 (appearing to acknowledge that petitioner would still need the license agreement even if the '037 and '362 patents were declared invalid). There is accordingly no evidence that respondent's ownership of the '037 and '362 patents is coercing petitioner to maintain a license agreement that it would otherwise decline.

Second, under the terms of the license agreement, petitioner's payment obligations would not change if the '037 and '362 patents were invalidated. Pet. App. 7a-8a. Those patents accordingly are not causing petitioner to pay more in licensing fees than it otherwise would. *Ibid.*

Third, there is likewise no evidence that the '037 and '362 patents are constraining petitioner's manufacturing or sales choices. As a result of the license, petitioner is currently free to manufacture and sell its devices without fear that respondent will sue it for infringement of the '037 or '362 patent.

Petitioner could eventually be subject to infringement liability if it manufactures or sells products that practice the '037 or '362 patent during the window of time after the expiration of the current licensing agreement and before the expiration of those patents. In its Federal Circuit appeals, however, petitioner submitted no evidence that it is likely to engage in such conduct during that period. See Pet. App. 8a-11a. Petitioner instead suggested that the court of appeals should take judicial notice of that possibility—a suggestion that the court appropriately rejected, see *id.* at 8a-10a, and that petitioner has not renewed in this Court. On the evidentiary record that petitioner created in the court of appeals, the court therefore could only "speculate about what activity [petitioner] may engage in after the expiration of the license agreement that would give rise to a potential suit" for infringement of the '037 and '362 patents. *Id.* at 9a. The mere possibility of future injury is not sufficient to establish Article III standing. See, *e.g.*, *City of Los Angeles* v. *Lyons*, 461 U.S. 95, 109 (1983) (finding no Article III standing in light of "the speculative nature of [the plaintiff's] claim that he will again experience injury as the result of" the challenged practice).

For essentially the same reasons, petitioner has not shown that a favorable decision in this case would redress any injury to it—or, indeed, would have any real-world effect on petitioner at all. Petitioner has not suggested that it would terminate its license agreement with respondent, or that it would pay respondent less in licensing fees, if it prevailed in its challenge to the '037 and '362 patents. It has provided no evidence that, if it prevailed, it would subsequently manufacture and sell products that it otherwise would not have manufactured

and sold. And while "inter partes review helps protect the public's paramount interest in seeing that patent monopolies are kept within their legitimate scope," *Cuozzo*, 579 U.S. at 279-280 (citation, ellipsis, and internal quotation marks omitted), that sort of abstract, widely shared interest cannot establish a case or controversy suitable for resolution by Article III courts. See *TransUnion LLC* v. *Ramirez*, 141 S. Ct. 2190, 2203 (2021).

B. *MedImmune* Does Not Support Petitioner's Broad, Per Se Approach To Licensee Standing

Petitioner makes no serious effort to establish standing under the traditional three-part inquiry described above. Instead, relying on *MedImmune*, *supra*, petitioner urges (Pet. 15-18) this Court to adopt a special per se rule of standing limited to suits or appeals brought by patent licensees. Under petitioner's proposed rule, a licensee with ongoing royalty payment obligations would have standing to challenge any licensed patent so long as the licensee could show that it would be subject to a potential infringement suit if it terminated its license agreement—whether or not the licensee has any actual desire or intention to terminate that license agreement if its patent challenge prevails. See *ibid.*; Pet. Reply Br. 3-6. *MedImmune* does not support such a rule, which would be inconsistent with basic Article III principles.

1. In *MedImmune*, two pharmaceutical companies entered into a license agreement authorizing one of the companies (MedImmune) to practice two patents held by the other (Genentech). 549 U.S. at 121. Under the terms of the license agreement, MedImmune was required to pay royalties on each product that would otherwise infringe any claims of the specified patents

"which have neither expired nor been held invalid by a court or other body of competent jurisdiction from which no appeal has been or may be taken." *Ibid.* (quoting license agreement). It was undisputed that, if one of the patents was declared invalid, MedImmune would no longer be required to pay royalties connected to that patent. See *id.* at 124; Resp. Genentech, Inc. Br. at 7, *MedImmune*, *supra* (No. 05-608). MedImmune further argued—though Genentech disagreed—that if one of the patents was in fact invalid, the license agreement entitled MedImmune to withhold royalty payments connected to that patent even *before* it obtained a judicial declaration of the patent's invalidity. See *MedImmune*, 549 U.S. at 123-125 (discussing the parties' contractual dispute).

Under those circumstances, this Court held that MedImmune could sue for a declaratory judgment that one of the covered patents was invalid while it paid royalties "under protest." *MedImmune*, 549 U.S. at 122; see *id.* at 128-132. That approach allowed MedImmune to obtain a judicial ruling on the patent's validity without first breaching the license agreement and thereby risking treble damages and an injunction against the sale of its most successful product if its challenge ultimately was rejected. See *id.* at 122, 133-134 & n.12. The Court observed that the parties had a concrete dispute about whether MedImmune owed ongoing royalty payments in connection with the challenged patent, and that such a dispute would ordinarily be "[]fit for judicial resolution." *Id.* at 128. The only question was whether MedImmune's choice to pay royalties "under protest," *id.* at 122, had made the case nonjusticiable by "eliminat[ing] the imminent threat of harm," *id.* at 128. The Court held that it had not, explaining that MedImmune

"was not required, insofar as Article III is concerned, to break or terminate" its license agreement in order to seek a declaratory judgment that one of the underlying patents was invalid. *Id.* at 137.

The Court analogized MedImmune's declaratory-judgment action to prior suits in which plaintiffs had pursued pre-enforcement challenges to "threatened action by government." *MedImmune*, 549 U.S. at 128 (emphasis omitted). The Court explained that, in such cases, a plaintiff need not "expose himself to liability before bringing suit to challenge the basis for the threat." *Id.* at 129. In *Terrace* v. *Thompson*, 263 U.S. 197 (1923), for example, "the State threatened the plaintiff[s] with forfeiture of [their] farm, fines, and penalties" if they leased their farm to a Japanese national in violation of a state statute that prohibited leases to non-citizens. *MedImmune*, 549 U.S. at 129. "Given th[e] genuine threat of enforcement," the Court "did not require, as a prerequisite to testing the validity of the law * * * , that the plaintiff[s] bet the farm, so to speak, by taking the violative action" of actually making the lease. *Ibid.* Similarly, in *Steffel* v. *Thompson*, 415 U.S. 452 (1974), where the plaintiff sued to challenge a state law forbidding the distribution of handbills, the Court "did not require the plaintiff to proceed to distribute handbills and risk actual prosecution before he could seek a declaratory judgment regarding the constitutionality of a state statute prohibiting such distribution." *MedImmune*, 549 U.S. at 129.

Although the plaintiffs in both *Terrace* and *Steffel* had eliminated the imminent threat of enforcement by complying with the challenged laws, "[t]hat did not preclude subject-matter jurisdiction because the threat-

eliminating behavior was effectively coerced." *MedImmune*, 549 U.S. at 129. The Court in *MedImmune* concluded that the same jurisdictional rule should apply where a private party (there, Genentech) rather than a government actor has engaged in the coercive conduct. See *id.* at 130-134 & n.12. The Court therefore held that MedImmune's ongoing royalty payments did not preclude it from suing to challenge Genentech's patent because MedImmune had been effectively coerced to make those payments rather than "risk treble damages and the loss of 80 percent of its business." *Id.* at 134.

2. Petitioner contends (Pet. 15-18) that, under *MedImmune*, a patent licensee can establish standing to challenge a patent merely by showing that the licensee would be subject to an infringement suit if it terminated its license agreement. That is incorrect. The Court held that MedImmune had standing not *because* it was a licensee, but *in spite of* its status as such. The Court concluded that, when a licensee has established all of the elements of Article III standing—a concrete and particularized injury caused by the opposing party's patent and redressable by a decision holding that patent invalid—its challenge continues to present "a case or controversy within the meaning of Article III" even though its payment of licensing fees has "eliminate[d] the *imminent* threat of harm." *MedImmune*, 549 U.S. at 128 (emphasis added).

In both *MedImmune* itself and the prior government-restriction cases that the Court found to be analogous, the plaintiffs were experiencing concrete, real-world injuries that would be redressed by favorable decisions. MedImmune was paying the relevant royalties under protest to avoid an infringement suit based on the disputed patent, but the company could (and would) stop

its payments if a court declared the patent invalid. See *MedImmune*, 549 U.S. at 122, 134 n.12. The landowners in *Terrace* were abstaining from making a lease to the Japanese farmer that they alleged "would be made but for the act complained of," and they sought an injunction that would allow consummation of the desired lease. *Terrace*, 263 U.S. at 211-212. The plaintiff in *Steffel* "alleged in his complaint that, although he desired to * * * distribute handbills [in a manner that would violate the challenged state statute], he had not done so because of his concern that he * * * would be arrested," and he accordingly sought an injunction that would allow him to distribute handbills without fear of arrest. *Steffel*, 415 U.S. at 456. The challenged patent (*MedImmune*) and laws (*Terrace* and *Steffel)* thus injured the plaintiffs by coercing them to forgo actions they would otherwise have taken. The Court held that the plaintiffs were not required to take the additional step of actually infringing the patent or violating the laws at issue in order to establish a justiciable controversy. See *MedImmune*, 549 U.S. at 128-129.

Here, by contrast, petitioner has not identified any alteration to its current conduct that it would make if the '037 and '362 patents were held to be invalid. See Pet. App. 7a-8a. Petitioner repeatedly observes that, in a hypothetical world where it stopped making payments under the license agreement, it would be subject to an infringement suit. See Pet. 17; Pet. Reply Br. 1, 4-5. But petitioner has never indicated that it actually wishes to repudiate its license agreement with respondent, or that it would stop making payments under the agreement if the '037 and '362 patents were declared invalid. Unlike the plaintiffs in *MedImmune*, *Terrace*, and *Steffel*, petitioner thus seeks a judicial ruling that

(as far as the evidence petitioner has introduced shows) would have no real-world impact on it.

Instead, petitioner's appeal is akin to a challenge to an anti-handbilling statute brought by a plaintiff who expresses no desire to engage in handbilling—the sort of challenge that the *Steffel* Court recognized would *not* present an Article III case or controversy. See *Steffel*, 415 U.S. at 460 (indicating that the plaintiff would no longer have standing if "subsequent events" had eliminated his "desire to engage in handbilling at the shopping center"); see also *Carney* v. *Adams*, 141 S. Ct. 493, 503 (2020) (holding that plaintiff lacked standing to challenge party-membership requirements for state judicial office because it was unclear whether the plaintiff would actually apply for judicial office if his suit was successful). Petitioner's appeal is likewise analogous to a declaratory-judgment action brought by a non-licensee who alleges that it would be subject to infringement liability *if* it practiced the '037 and '362 patents without authorization, but who does not allege that it would actually engage in such conduct if the patents were declared invalid. Nothing in *MedImmune* suggests that federal courts have jurisdiction to referee such abstract disputes, either in general or in the patent context. And nothing in *MedImmune* suggests that petitioner's status as a licensee entitles it to pursue a challenge that would not otherwise present an Article III controversy.

In contending that a licensee need show no more than that it would be subject to an infringement suit if it stopped paying royalties, petitioner emphasizes, *e.g.*, Pet. Reply Br. 4, the *MedImmune* Court's statement that it "probably ma[de] no difference to the ultimate issue of subject-matter jurisdiction" whether MedIm-

mune's suit "involve[d] only a freestanding claim of patent invalidity or rather 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. But the Court appears simply to have meant that, even if MedImmune had acknowledged a contractual obligation to continue paying royalties unless and until the disputed patents were declared invalid, it still would have had standing to seek a declaratory judgment of invalidity because that relief would have allowed it to avoid making *future* royalty payments. See *id.* at 121, 124, 130-134. Here, by contrast, petitioner has not established that it would or could stop making royalty payments under a license agreement that covers tens of thousands of additional patents if the two patents at issue in this case were held to be invalid. Nor has petitioner even alleged a "substantial probability" of that result. *Village of Arlington Heights* v. *Metropolitan Housing Development Corp.*, 429 U.S. 252, 264 (1977) (citation omitted); see Pet. 21. Petitioner could have submitted declarations attesting that the other covered patents are unimportant to its business, or explaining why it believes it has colorable invalidity challenges to all of the other licensed patents that its products might arguably infringe. But petitioner did not do so. See Pet. App. 8a n.4.

3. The court of appeals' holding that petitioner failed to establish standing in this case does not, as petitioner suggests (*e.g.*, Pet. 13, 22, 27), limit *MedImmune* to "single-patent" licenses. The Court's reasoning in *MedImmune*, like the Article III principles underlying it, applies equally whether a license agreement covers one patent or multiple patents. Whatever the license agreement's terms, the relevant inquiry for purposes of

Article III standing is whether the party invoking the jurisdiction of the federal courts has identified a concrete injury caused by the challenged patent and redressable through a favorable judicial decision. See pp. 9-10, *supra*.

To be sure, the terms of a particular license agreement may affect the ultimate determination whether a justiciable Article III controversy exists. When a license agreement covers only a single patent, or when (as in *MedImmune*) a multi-patent agreement provides that royalty payments will be calculated on a patent-by-patent basis, standing generally will be obvious because the licensee's royalty payments will be eliminated or reduced if the challenged patent is held invalid. See *MedImmune*, 549 U.S. at 121-122, 124; cf. *Samsung Electronics Co.* v. *Infobridge Pte. Ltd.*, 929 F.3d 1363, 1368 (Fed. Cir. 2019) (holding that a member of a large "pool" of patents had standing to challenge a patent in the pool based on evidence that its licensing payments would be favorably affected if that patent were declared invalid). Standing will generally be less clear, by contrast, when a license agreement covers a large number of patents and royalties are not set on a patent-by-patent basis. In such cases, the party initiating the litigation (or appeal) must come forward with specific evidence showing that a favorable judicial decision likely would redress an injury-in-fact caused by the challenged patent.

To make that showing, a licensee could introduce evidence that the challenged patent was critical to its decision to sign the license agreement, and that it would terminate the agreement (notwithstanding the other patents) if that patent were invalidated. It could at-

tempt to establish (*e.g.*, by identifying pending or imminent challenges to other patents covered by the license) that its suit is part of a broader effort to eliminate its need for the license agreement, and that there is a "substantial probability" that the overall effort will succeed. *Village of Arlington Heights*, 429 U.S. at 264. Or the licensee could introduce evidence that the patent is currently deterring it from developing plans to manufacture and sell specific potentially infringing products after the license agreement expires. But petitioner instead "offer[ed] the sparsest of declarations in support of standing, which [we]re devoid of any of the specificity necessary to establish an injury in fact." Pet. App. 9a; see *id.* at 6a-11a.

4. Petitioner's policy arguments (Pet. 25-30) do not support a different result.

As an initial matter, those policy arguments largely rest on the premise that the decision below categorically precludes standing in the context of multi-patent licenses. See, *e.g.*, Pet. 27-29. As just discussed, however, there are various ways in which licensees operating under multi-patent licenses can seek to establish standing to challenge particular patents covered by the license. For example, if a patent owner "refus[ed] to license only the patents-in-suit individually and instead demand[ed] that the counterparty license thousands of patents and pay for them as a whole," Pet. 29, the counterparty could present evidence that it would terminate the multi-patent license if the specific patents-in-suit were declared invalid. See p. 19, *supra*. Where multi-patent licensees cannot make comparably concrete showings of real-world effect, dismissal of their suits for lack of standing simply reflects the "proper—

and properly limited—role of the courts" under our constitutional structure. *DaimlerChrysler Corp.* v. *Cuno*, 547 U.S. 332, 341 (2006) (citation omitted).

Petitioner argues that the decision below will discourage settlement (Pet. 30) and result in unfair application of the AIA's estoppel provision, 35 U.S.C. 315(e) (Pet. 24-25). But any "asymmetry" (Pet. 30) that may result from allowing appeals only by parties who could actually benefit from a favorable judicial decision is not likely to discourage settlement, because the ostensibly disadvantaged parties (by definition) have no material interest in pursuing further litigation. Similarly, even assuming that Section 315(e) applies to parties (like petitioner) that lacked standing to appeal the relevant Board decisions, petitioner has not shown that it is likely to practice the '037 or '362 patent after the current multi-patent license expires. See pp. 11, 20, *supra*. Petitioner thus cannot demonstrate any likelihood that respondent will ever assert that the Board decisions at issue here have estoppel effect.*

Finally, petitioner asserts (Pet. 27-28) that the Federal Circuit has improperly limited standing in various other patent-related contexts. But petitioner does not explain how the Court's resolution of this case would provide any guidance to the Federal Circuit in those

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* The Federal Circuit has previously declined to resolve whether Section 315(e) would apply to an inter partes review petitioner who was foreclosed from obtaining judicial review of an adverse Board decision because it lacked standing to appeal. See *AVX Corp.* v. *Presidio Components, Inc.*, 923 F.3d 1357, 1363 (2019). To the extent petitioner asks this Court to decide that question in the course of determining petitioner's standing, that request is inconsistent with the Court's usual role as "a court of final review and not first view." *Adarand Constructors, Inc.* v. *Mineta*, 534 U.S. 103, 110 (2001) (per curiam) (citation omitted).

discrete scenarios. And petitioner's failure to make any meaningful effort to establish standing based on the rationales described above (see pp. 19-20, *supra*) makes this case an unsuitable vehicle for clarifying what sorts of showings would suffice. Because the court of appeals correctly applied settled principles of Article III standing to the particular facts of this case, further review is not warranted.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

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