

No. 22-

IN THE
Supreme Court of the United States

APPLE INC., BROADCOM LIMITED NKA BROADCOM
INC., BROADCOM CORPORATION, AVAGO TECHNOLOGIES
LIMITED NKA AVAGO TECHNOLOGIES INTERNATIONAL
SALES PTE. LIMITED,

Petitioners,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,

Respondent.

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

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

In 2011, Congress created inter partes review (“IPR”), an administrative process that allows the United States Patent and Trademark Office to evaluate the validity of issued patents. The process is divided into two phases: First, the Patent Office determines whether to institute an inter partes review based upon the grounds presented in a petition; and second, if the petition is granted, the Patent Trial and Appeal Board conducts the inter partes review and issues a final written decision determining whether the challenged patent claims are valid or invalid.

This case concerns the interpretation of the IPR estoppel statute, which bars an IPR petitioner from asserting in a district court action that a patent claim is invalid on any ground the petitioner “reasonably could have raised *during th[e] inter partes review.*” 35 U.S.C. § 315(e)(2) (emphasis added). For several years, the Federal Circuit interpreted that provision according to its plain text as applying estoppel only to grounds that the petitioner reasonably could have raised in the *instituted* inter partes review. In this case, however, the Federal Circuit overruled its prior precedent and held that the statute broadly applies estoppel to all grounds that the petitioner reasonably could have raised *in the initial petition* requesting that the Patent Office conduct an inter partes review.

The question presented is:

Whether the Federal Circuit erroneously extended IPR estoppel under 35 U.S.C. § 315(e)(2) to all grounds that reasonably could have been raised in the petition filed before an inter partes review is instituted, even though the text of the statute applies estoppel only to grounds that “reasonably could have [been] raised during that inter partes review.”

(i)

PARTIES TO THE PROCEEDING

All parties are named in the caption.

CORPORATE DISCLOSURE STATEMENT

Apple Inc. has no parent company, and no publicly held company owns 10% or more of Apple Inc.'s stock.

Broadcom Inc. (previously Broadcom Limited) has no parent company, and no publicly held company owns 10% or more of Broadcom Inc.'s stock. Broadcom Corporation and Avago Technologies International Sales Pte. Limited (previously Avago Technologies Limited) are wholly owned subsidiaries of Broadcom Inc.

DIRECTLY RELATED PROCEEDINGS

This petition arises from the Federal Circuit's decision affirming in part and vacating in part the district court's judgment. The Federal Circuit vacated the district court's damages award and remanded for a new trial on damages. Remand proceedings are ongoing in the district court. *See California Inst. of Tech. v. Broadcom Ltd.*, No. 2:16-cv-03714 (C.D. Cal.). Those proceedings do not include the invalidity challenges that the Federal Circuit precluded Petitioners from pursuing and that, if successful, would moot the issues on remand.

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OPINIONS BELOW

The court of appeals' opinion from which this petition arises (App. 1a–40a) is reported at 25 F.4th 976. The court of appeals' order denying rehearing (App. 101a–102a) is unreported. The district court's opinions granting summary judgment of no invalidity based on statutory IPR estoppel (App. 41a–79a, 81a–100a) are unreported but available at 2018 WL 7456042 and 2019 WL 8192255.

JURISDICTION

The court of appeals issued its decision on February 4, 2022. App. 1a. Apple and Broadcom timely petitioned for panel rehearing and rehearing en banc, which the court of appeals denied on May 9, 2022. App. 101a–102a. On July 14, 2022, the Chief Justice extended the time to file this petition to September 2, 2022. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTORY PROVISION INVOLVED

Section 315(e)(2) of Title 35 of the U.S. Code provides as follows:

The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

App. 108a–109a. Other provisions of Title 35 of the U.S. Code are also reproduced in the appendix. App. 103a–107a, 110a–116a.

INTRODUCTION

The Federal Circuit’s decision in this case contradicts the plain text of 35 U.S.C. § 315(e)(2) on an important and recurring question of statutory interpretation. When an inter partes review (“IPR”) of a patent claim results in a final written decision, Section 315(e)(2) estops a petitioner from challenging the validity of that patent claim in district court on “any ground that the petitioner raised or reasonably could have raised *during* that inter partes review.” 35 U.S.C. § 315(e)(2) (emphasis added). Overruling its own prior precedent, however, the Federal Circuit adopted an atextual interpretation of Section 315(e)(2) that applies estoppel to any ground that reasonably could have been raised in the petition filed *before* an inter partes review is instituted. This erroneous new interpretation, which now governs all patent cases nationwide, essentially rewrites the statute and fundamentally transforms the relationship between district court litigation and inter partes review with far-reaching consequences for the patent system. This Court should grant certiorari and reverse.

Section 315(e)(2) contains a simple limit: Parties cannot challenge a patent claim in court on invalidity grounds that were raised or could have been raised “*during* th[e] inter partes review.” The Federal Circuit had previously interpreted this statutory language, consistent with its plain meaning, to apply only to the period after the Patent and Trademark Office decides whether to institute an inter partes review. The Federal Circuit’s new interpretation effectively rewrites

the statute to estop invalidity grounds that “the petitioner ... reasonably could have raised” *in the petition* requesting review, rather than “during that inter partes review.” This interpretation cannot be squared with the plain text of Section 315(e)(2) or the surrounding provisions, which make clear that an inter partes review does not commence until review is instituted.

The Federal Circuit made matters worse by attempting to justify its atextual interpretation based on this Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), which interpreted different language from a different section of the Leahy-Smith America Invents Act (“AIA”). Far from mandating the Federal Circuit’s interpretation, *SAS Institute* reinforces Section 315(e)(2)’s plain meaning and belies the Federal Circuit’s conclusion that its interpretation is “the only plausible reading of ‘reasonably could have raised’ and ‘in the IPR’ that gives any meaning to those words.” App. 24a.

The question presented is exceptionally important. The vast majority of the more than one thousand petitions requesting inter partes review filed each year involve parallel district court litigation. The correct scope of statutory estoppel is critical to parties petitioning for inter partes review and presents a recurring question. Courts are already applying the Federal Circuit’s decision to reverse invalidity judgments or prevent litigants from raising invalidity defenses, and the Federal Circuit has extended its own interpretation to parallel IPR proceedings. The result has been to estop consideration of legitimate grounds for challenging patent validity that have never been considered in *any forum*.

It is with good reason that this Court has regularly reviewed important legal questions relating to inter partes review. The novelty of the legal questions and the high stakes for the patent system and broader economy—as illustrated by the \$1.1 billion verdict originally entered in this case—illustrate the importance of correctly interpreting the statute. Moreover, this case presents an ideal vehicle for interpreting 35 U.S.C. § 315(e)(2). Petitioners preserved their statutory argument at every stage of the proceedings, and the Federal Circuit’s precedential decision will now govern all patent cases nationwide unless and until it is reversed by this Court.

This Court should grant certiorari to correct the Federal Circuit’s erroneous interpretation of 35 U.S.C. § 315(e)(2).

STATEMENT

A. Statutory Framework For Inter Partes Review

“The Leahy-Smith America Invents Act ... establishe[d] a process called ‘inter partes review’” that authorizes the United States Patent and Trademark Office (“PTO” or “Patent Office”) “to reconsider and to cancel an issued patent claim in limited circumstances.” *Oil States Energy Servs., LLC v. Green’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018). The inter partes review process “protects ‘the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.’” *Id.* at 1374 (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 279–280 (2016)).

Any person other than the patent owner may file a petition to “request cancellation of ‘1 or more claims of a patent’ on the grounds that the claim fails the novelty

or nonobviousness standards for patentability.” *Oil States*, 138 S. Ct. at 1371 (quoting 35 U.S.C. § 311(b)). The statute limits validity challenges raised in a petition to those made “on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b).¹ The petition must “identif[y] ... each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports th[os]e grounds.” *Id.* § 312(a)(3). The patent owner may file “a preliminary response to the petition ... that sets forth reasons why no inter partes review should be instituted.” *Id.* § 313.

“Before [s]he can institute inter partes review,” the PTO Director “must determine ‘that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged.’” *Oil States*, 138 S. Ct. at 1371 (quoting 35 U.S.C. § 314(a)). This decision whether to institute inter partes review “is committed to the [PTO] Director’s discretion” and “is ‘final and nonappealable.’” *Id.* (quoting 35 U.S.C. § 314(d), and citing *Cuozzo*, 579 U.S. at 273).²

“Once inter partes review is instituted,” a three-member panel of administrative patent judges from “the Patent Trial and Appeal Board—an adjudicatory body within the PTO created to conduct inter partes review—examines the patent’s validity.” *Oil States*, 138 S. Ct. at 1371. “During the inter partes review, the

¹ “Prior art” refers generally to technical information that was publicly known before the patents being challenged were invented. *See* 35 U.S.C. § 102.

² “The Director has delegated [her] authority” to institute inter partes review “to the Patent Trial and Appeal Board.” *Oil States*, 138 S. Ct. at 1371 n.1 (citing 37 C.F.R. § 42.108(c) (2017)).

petitioner and the patent owner are entitled to certain discovery, ... to file affidavits, declarations, and written memoranda, ... and to receive an oral hearing before the Board.” *Id.* (citing 35 U.S.C. § 316(a)). “If an inter partes review is instituted and not dismissed ..., the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner[.]” 35 U.S.C. § 318(a). After any rehearing before the PTO or appeal to the Federal Circuit, “the [PTO] Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable” and “confirming any claim of the patent determined to be patentable.” *Id.* § 318(b); *see id.* §§ 6(c), 141(c), 319; *United States v. Arthrex, Inc.*, 141 S. Ct. 1987 (2021); 37 C.F.R. § 42.71.

B. The Federal Circuit’s Previous Interpretation Of The IPR Estoppel Provision In *Shaw*

The AIA also includes provisions governing the relationship between an inter partes review and other proceedings involving the same parties and patents. Section 315(e)(2)—the statutory provision at the center of this case—provides that when “an inter partes review of a claim in a patent ... results in a final written decision,” the petitioner and its real party in interest are estopped from asserting in a district court action or an International Trade Commission proceeding “that the 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) (emphasis added).³

³ A related subsection of the statute similarly estops the petitioner and its real party in interest from “request[ing] or main-

The Federal Circuit has previously had occasion to interpret this estoppel provision. In *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016), that court held that “[t]he plain language of the statute” prohibits applying estoppel to invalidity grounds that were not part of the *instituted* inter partes review proceedings. *Id.* at 1300. The court explained that a petitioner “could [not] have reasonably raised” a *non-instituted* ground “during” the inter partes review, as the text of Section 315(e) requires, because “[t]he IPR does not begin until it is instituted.” *Id.*

For several years after *Shaw*, the Federal Circuit continued to interpret the phrase “during th[e] inter partes review” in Section 315(e) as referring only to proceedings that occur *after* institution. *See, e.g., In re IPR Licensing, Inc.*, 942 F.3d 1363, 1369 (Fed. Cir. 2019) (“[A]n issue upon which the Board does not institute review is not part of the ensuing inter partes review proceeding.”); *HP, Inc. v. MPHJ Tech., Invs. LLC*, 817 F.3d 1339, 1347 (Fed. Cir. 2016) (holding Section 315(e)(1) estoppel did not apply because “non-instituted grounds do not become a part of the IPR” and “could not be raised in the IPR”); *see also Network-1 Techs., Inc. v. Hewlett-Packard Co.*, 981 F.3d 1015, 1027 (Fed. Cir. 2020) (“Because a joining party cannot bring with it grounds other than those already instituted, that party is not statutorily estopped from raising other invalidity grounds.”).

tain[ing] a proceeding before the [PTO] 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).

C. Proceedings Below

1. The Inter Partes Reviews

In 2016, Caltech sued Apple and Broadcom for infringement of U.S. Patent Nos. 7,116,710, 7,421,032, and 7,916,781. App. 2a, 6a–7a. Within the one-year timeframe established by 35 U.S.C. § 315(b), Apple filed eight petitions with the Patent Office seeking inter partes review of the three Caltech patents. *See* App. 7a, 46a & n.4.⁴ Apple’s petitions requested that the Patent Office review the validity of several claims of the patents, including all of the claims asserted by Caltech in the district court action. App. 7a. Apple’s petitions argued that the challenged patent claims would have been obvious (under 35 U.S.C. § 103) in view of certain prior art references. *Id.*

In 2017, the Patent Office determined that seven of Apple’s eight petitions established a “reasonable likelihood” that Apple would prevail in proving at least some of the challenged claims unpatentable and instituted inter partes review for those seven petitions, which together covered all three patents. *See* 35 U.S.C. § 314(a); App. 7a.⁵ The Patent Trial and Appeal Board, through three administrative patent judges, then conducted the inter partes reviews. During the inter

⁴ Apple’s petitions identified Broadcom as the “real party-in-interest” in the Patent Office proceedings. App. 46a n.3, 89a n.9.

⁵ For six of the seven instituted petitions, the PTO initially instituted review on only a subset of the invalidity grounds raised by Apple. But after this Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), the Board instituted review on all grounds raised in Apple’s instituted petitions. The parties subsequently moved to limit the IPR proceedings to a subset of the instituted grounds. *See infra* p. 22.

partes reviews, the parties engaged in expert discovery, submitted briefing and evidence, and presented oral arguments at a hearing. The Board issued its final written decisions in 2018. As relevant here, the Board ultimately concluded that Apple had failed to prove that the patent claims asserted in the district court action were unpatentable based on the specific invalidity grounds considered during the inter partes reviews. *See* App. 7a.

2. The District Court Litigation

Meanwhile, in the district court action, Apple and Broadcom defended against Caltech’s infringement claims, contending both that their products did not infringe Caltech’s patents and that the patent claims at issue were invalid. App. 7a. With respect to invalidity, Apple and Broadcom argued that the asserted patent claims “would have been obvious over new combinations of prior art not asserted in the IPR proceedings.” App. 7a; *see* App. 20a (recognizing that Apple and Broadcom’s invalidity arguments in the district court action “rel[ie]d] on grounds the [Board] did not address in its ... IPR decisions”).⁶

After the Board issued its final written decisions in the inter partes reviews, the district court issued two orders granting Caltech’s motion for summary judgment of no invalidity based on statutory estoppel. App. 41a-79a, 81a-100a. Although 35 U.S.C. § 315(e)(2)

⁶ Apple could not have raised these invalidity grounds in the inter partes reviews *after institution* because only grounds that are included in the petition and instituted by the Board may be pursued after institution. *See, e.g., M&K Holdings, Inc. v. Samsung Elecs. Co.*, 985 F.3d 1376, 1385 (Fed. Cir. 2021); *EmeraChem Holdings, LLC v. Volkswagen Grp. of Am., Inc.*, 859 F.3d 1341, 1348-1349 (Fed. Cir. 2017).

provides that IPR estoppel applies only to invalidity grounds that reasonably could have been raised “*during th[e] inter partes review*” (emphasis added), the district court interpreted that provision “as precluding parties from raising invalidity arguments at trial that they reasonably could have raised *in their IPR petitions*,” App. 7a (emphasis added); *see* App. 48a–61a, 87a–88a.

Applying that interpretation, the district court held that Apple and Broadcom’s obviousness “challenges were barred by estoppel because Apple and Broadcom were aware of the prior art references at the time they filed their IPR petitions and reasonably could have raised them in those petitions *even if they could not have been raised in the proceedings post-institution*.” App. 20a (emphasis added); *see* App. 61a–78a, 90a–92a. The district court’s estoppel ruling prevented Apple and Broadcom from presenting any invalidity defenses at trial.

In 2020, a jury found that Apple and Broadcom infringed all three patents and awarded Caltech \$1.1 billion in damages. App. 8a–12a. The district court upheld the verdict, and Apple and Broadcom appealed.

3. The Federal Circuit’s Decision

A divided panel of the Federal Circuit affirmed the infringement judgment for two of Caltech’s patents but vacated the infringement finding for the third. App. 13a–20a; *see* App. 33a–40a. The panel further vacated the damages award in its entirety and remanded for a new trial on damages. App. 26a–31a.

As relevant here, the Federal Circuit panel also affirmed the judgment with respect to validity, including the district court’s order applying statutory IPR

estoppel. App. 20a–25a. The panel nowhere disagreed with Apple and Broadcom’s argument that the district court’s interpretation of 35 U.S.C. § 315(e)(2) conflicted with the Federal Circuit’s prior precedential decision in *Shaw*, 817 F.3d at 1300, which had interpreted the statute’s text as applying estoppel only to invalidity grounds that were part of the *instituted* inter partes review. Instead, the panel “t[ook] this opportunity to overrule *Shaw*,” even though no party had asked it to do so. App. 24a. The panel then adopted the district court’s interpretation of Section 315(e)(2) and held that “estoppel applie[s] not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all grounds not stated in the petition but which reasonably could have been asserted against the claims included *in the petition*.” App. 24a (emphasis added).

The panel pointed to this Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), as the sole justification for its changed interpretation of the IPR estoppel statute. App. 23a–24a. In *SAS Institute*, this Court interpreted 35 U.S.C. § 318(a), which provides: “If an inter partes review is instituted and not dismissed ..., the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” In that case, the PTO had instituted inter partes review for only some claims challenged by the petitioner and denied review on the rest. 138 S. Ct. at 1354. The Board subsequently issued a final written decision that addressed only those claims for which inter partes review had been instituted and “did not address the remaining claims on which the Director had refused review.” *Id.* This Court disapproved of that approach, holding that “the plain text of § 318(a)”

requires that if the Director institutes an inter partes review, the Board’s final written decision must “address *every* claim the petitioner has challenged.” *Id.*⁷

The Federal Circuit panel here acknowledged that *SAS Institute* “did not explicitly overrule *Shaw* or address the scope of statutory estoppel under § 315(e)(2).” App. 24a. It nevertheless concluded that *Shaw* “cannot be sustained under the Supreme Court’s interpretation of related statutory provisions in *SAS [Institute]*.” App. 23a. According to the panel, “[i]n a regime in which the Board must institute on all challenged claims and the petition defines the IPR litigation,” its new interpretation of Section 315(e)(2) “is the only plausible reading of ‘reasonably could have been raised’ and ‘in the IPR’ that gives any meaning to those words.” App. 24a.⁸

Having interpreted 35 U.S.C. § 315(e)(2) as applying estoppel to any grounds that reasonably could have been included in an IPR petition, the panel concluded that Apple and Broadcom’s invalidity grounds asserted in the district court action “reasonably could have been included in the petitions, and thus in the IPR.”

⁷ The Federal Circuit and the PTO have relied on *SAS Institute*’s reasoning to require that if the PTO decides to institute an inter partes review, it should institute review on all invalidity grounds raised in the petition as well as all challenged patent claims. See *PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018); *Adidas AG v. Nike, Inc.*, 894 F.3d 1256, 1257 (Fed. Cir. 2018); 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”).

⁸ The panel’s quotation of the phrase “in the IPR” presumably refers to the statutory language “during that inter partes review.” 35 U.S.C. § 315(e)(2).

App. 25a. The panel accordingly “affirm[ed] the district court’s decision barring Apple and Broadcom from raising invalidity challenges based on these prior art references.” App. 25a.⁹

Apple and Broadcom petitioned for panel and en banc rehearing, which the Federal Circuit denied. App. 101a–102a.

REASONS FOR GRANTING THE PETITION

I. THE FEDERAL CIRCUIT’S DECISION CONFLICTS WITH THE PLAIN TEXT OF SECTION 315(e)

The Federal Circuit’s decision contradicts the plain text of Section 315(e). When “an inter partes review of a claim in a patent ... results in a final written decision,” a petitioner is estopped from asserting in district court litigation only “any ground that the petitioner raised or reasonably could have raised *during that inter partes review.*” 35 U.S.C. § 315(e)(2) (emphasis added). By expanding statutory estoppel to cover any ground that could have been raised in a petition *before* an inter partes review even begins, the Federal Circuit effectively rewrote the statute. This Court’s review is urgently needed to restore Section 315(e) to its proper scope.

⁹ There is no dispute that, under the Federal Circuit’s prior interpretation of Section 315(e)(2), estoppel would *not* apply to Apple and Broadcom’s invalidity arguments raised on appeal because those arguments could not have been raised after institution in the IPRs. *See* Fed. Cir. Oral Arg. 17:58-18:25 (Sept. 1, 2021), <https://tinyurl.com/mrxn5368> (Caltech’s counsel conceding that, “if the rationale of *Shaw* is that institution is a moment in time when the proceeding begins, then yes we would lose”).

To obtain inter partes review, a party challenging a patent must file a petition identifying each patent claim it challenges, the grounds for the challenge, and the evidence supporting the challenge. *SAS Inst.*, 138 S. Ct. at 1353 (citing 35 U.S.C. § 311(a)–(b)). After the patent holder has responded or its time to respond has lapsed, the PTO Director determines “whether to institute an inter partes review.” 35 U.S.C. § 314(b). The Director is not required to institute review even if there is a “reasonable likelihood” that the petitioner may succeed on a claim, and the Director’s decisions are not reviewable except in limited circumstances. *See SAS Inst.*, 138 S. Ct. at 1356. Under this statutory scheme, therefore, the submission of the petition is distinct from and precedes the inter partes review itself. Any person can submit a petition requesting inter partes review, but there is no guarantee that an inter partes review will be conducted.

This Court has distinguished between the petition stage and inter partes review by explaining that the review of a patent’s validity begins only once there is a decision to institute: “*Once inter partes review is instituted*, the Patent Trial and Appeal Board ... examines the patent’s validity *During* the inter partes review, the petitioner and the patent owner are entitled to certain discovery, to file affidavits, declarations, and written memoranda, and to receive an oral hearing before the Board.” *Oil States*, 138 S. Ct. at 1371 (emphases added and citations omitted); *cf. SAS Inst.*, 138 S. Ct. at 1354 (“During the course of the case, the patent owner may seek to amend its patent or to cancel one or more of its claims.”). Before its decision in this case, the Federal Circuit had also acknowledged that although a petition provides the means by which a party can request inter partes review, “[t]he IPR does not

begin until it is instituted.” *Shaw*, 817 F.3d at 1300. Thus, “[t]he plain language of the statute limits the application of estoppel” to grounds on which the PTO instituted review. *Id.*

The plain meaning of “during” does not include actions “before” an inter partes review even begins. Because “during” is not defined in the statute, it is to be “construe[d] ... in accordance with its ordinary or natural meaning,” as defined in the dictionary. *FDIC v. Meyer*, 510 U.S. 471, 476 (1994) (citing *Smith v. United States*, 508 U.S. 223, 228 (1993)). The ordinary meaning of “during” denotes an occurrence within a defined period of time that has a beginning and end. See, e.g., During, *Merriam-Webster’s Collegiate Dictionary* 388 (11th ed. 2007) (“throughout the duration of[;] ... at a point in the course of”); During, *Webster’s New World College Dictionary* 443 (Michael Agnes and David B. Guralnik eds., 4th ed. 2009) (“at some point in the entire time of; in the course of”); During, *New Oxford American Dictionary* 539 (3d ed. 2010) (“throughout the course or duration of (a period of time)”); During, *Shorter Oxford English Dictionary* 780 (6th ed. 2007) (“Throughout the duration of; in the course of, in the time of”); During, *The American Heritage Dictionary of the English Language* 556 (5th ed. 2011) (“Throughout the course or duration of[;] ... At some time in”); cf. During the course of, *Garner’s Modern American Usage* 285 (3d ed. 2009) (“almost always verbose for *during*”); During the course of, *Garner’s Dictionary of Legal Usage* 302 (3d ed. 2011) (same).¹⁰

¹⁰ See also During, *Collins Dictionary* 515 (11th ed. 2011) (“within the limit of (a period of time)”); During, *Chambers Concise Dictionary* 366 (2d ed. 2009) (“throughout the time of something; in the course of something”); During, *Concise Oxford Eng-*

Estoppel thus applies only to grounds that were raised or reasonably could have been raised between the point at which the PTO Director institutes inter partes review and the point at which either the review is dismissed or the Board issues a final written decision resolving the patentability of the challenged claims. *SAS Inst.*, 138 S. Ct. at 1354 (citing 35 U.S.C. § 318(a)); *Rosetta-Wireless Corp. v. Samsung Elecs. Co.*, 764 F. App'x 881, 888 (Fed. Cir. 2019) (“Inter partes review ... *begin[s] with an institution decision and ‘culminat[es]’ in a final written decision.*” (emphases added)); Laser, *The Scope of IPR Estoppel: A Statutory, Historical, and Normative Analysis*, 70 Fla. L. Rev. 1127, 1144 (2018).

This interpretation is supported by the language used in the surrounding provisions of the statute. Section 314(c), for instance, states that the PTO Director’s notice of the determination whether to institute review “shall include the date on which the review *shall commence.*” 35 U.S.C. § 314(a) (emphasis added). It would be incongruous to interpret the phrase “*during* that inter partes review” in Section 315(e)(2) to refer to a time period *before* “the date on which the review *shall commence*” under Section 314(c).

Similarly, Section 316(d)(1) states: “*During an inter partes review* instituted under this chapter, the patent owner may file 1 motion to amend the patent[.]”

lish Dictionary 445 (Angus Stevenson and Maurice Waite eds., 12th ed. 2011) (“at a particular point in the course of”); *During*, *Cambridge Dictionary of American English* 262 (2d ed. 2008) (“from the beginning to the end of (a particular period)”); *During*, *Webster’s Third New International Dictionary* 703 (2002) (“throughout the continuance or course of”; “at some point in the course of”).

35 U.S.C. § 316(d)(1) (emphasis added). This provision has been understood to permit amendments only after institution of an inter partes review, not at the petition stage. Compare 37 C.F.R. § 42.107(d) (no amendment permitted in preliminary response filed before institution), with *id.* § 42.121(a)(1) (motion to amend due by date of patent owner response) and *id.* § 42.120(b) (“patent owner response” due “three months from the date the *inter partes* review was instituted”).

In adopting a contrary interpretation, the Federal Circuit contradicted “the normal rule of statutory interpretation that identical words used in different parts of the same statute ... generally ... have the same meaning.” *IBP, Inc. v. Alvarez*, 546 U.S. 21, 34 (2005) (citing *Sullivan v. Stroop*, 496 U.S. 478, 484 (1990)); see also *Powerex Corp. v. Reliant Energy Servs., Inc.*, 551 U.S. 224, 232 (2007) (“[I]dentical words and phrases within the same statute should normally be given the same meaning.”); Scalia & Garner, *Reading Law* 170–173 (2012) (describing the presumption of consistent usage).

Despite Section 315(e)’s plain language, as reinforced by the surrounding provisions, the Federal Circuit *sua sponte* overturned its prior precedent in *Shaw* and re-interpreted Section 315(e) to apply to “all grounds not stated *in the petition* but which reasonably could have been asserted against the claims included *in the petition*.” App. 24a (emphases added). The Federal Circuit thus effectively rewrote the statute to apply estoppel to grounds a petitioner reasonably could have raised *in the petition*, even though the statute refers only to grounds that were raised or reasonably could have been raised “*during that inter partes review*.”

The Federal Circuit’s redefinition of “during that inter partes review” to include events that precede institution is belied by provisions making clear that a “petition” and “inter partes review” are two distinct—albeit related—concepts. For example, Section 311 refers to “a petition to institute an inter partes review” and “requesting ... review.” 35 U.S.C. § 311(a). Likewise, Section 314(a) prohibits the PTO Director from “authoriz[ing] an inter partes review to be instituted unless the Director determines that the information presented *in the petition* ... shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged *in the petition.*” *Id.* § 314(a) (emphases added). In both Section 311 and Section 314, the statute makes clear that the request and the review are distinct steps. And just a few sentences before Section 315(e), Congress used both “inter partes review” and “petition” in the same sentence and treated those terms as distinct. *See id.* § 315(a) (“An *inter partes review* may not be instituted if, 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.” (emphases added)).

The Federal Circuit ignored Congress’s deliberate choice to refrain from using the words “in the petition” in Section 315(e), even though Congress used those same words in other AIA provisions. As this Court has found in other cases, the “absence of this language” in the statute “instructs [the Court] that Congress did not intend” for it to be used there. *Dole Food Co. v. Patrickson*, 538 U.S. 468, 476 (2003); *see also Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.*, 511 U.S. 164, 176-177 (1994) (declining to “impose aiding and abetting liability” because Congress “knew

how to ... when it chose to do so” in other statutes, but “did not” “use[] the words ‘aid’ and ‘abet’ in the statutory text”).

The distinction between a petition requesting review and inter partes review itself is also underscored by the statute’s assignment of different decisionmakers for these distinct stages. Section 314 tasks “the Director” with determining whether to institute review, while Section 316(c) provides that the “Patent Trial and Appeal Board shall ... conduct each inter partes review instituted under this chapter” and Section 318(a) states that “the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” 35 U.S.C. §§ 314(b), 316(c), 318(a). These lines have blurred in practice based on the Director’s decision to delegate authority to institute review to the Board, *see* 37 C.F.R. § 42.108, and this Court’s decision that the Director has authority to review final written decisions issued by the Board, *see Arthrex*, 141 S. Ct. at 1987. Nonetheless, the fact that Congress contemplated and authorized different decisionmakers at each stage reinforces that Congress saw inter partes review before the Board as being distinct from the initial decision whether to grant a petition for review.

The Federal Circuit erroneously revised the statutory text, transforming the statute’s plain language about invalidity grounds that could have been raised “during that inter partes review” to focus on grounds that theoretically could have been raised in the “petition” before the inter partes review even begins. This clear departure from the statute warrants this Court’s review.

II. *SAS INSTITUTE* DOES NOT JUSTIFY THE FEDERAL CIRCUIT’S ATEXTUAL INTERPRETATION OF SECTION 315(e)

The Federal Circuit compounded its error by purporting to base its new, atextual interpretation on this Court’s decision in *SAS Institute*. Although the Federal Circuit acknowledged that *SAS Institute* did not address the scope of statutory estoppel under Section 315(e), it nonetheless erroneously concluded that *SAS Institute* mandates its strained interpretation of Section 315(e) and that a contrary reading would render superfluous some words in the provision. App. 23a–24a.

The Federal Circuit was wrong. *SAS Institute* did not change the statutory text of Section 315(e) or its plain meaning. *SAS Institute* construed Section 318(a), a different provision with different language. See 35 U.S.C. § 318(a) (“If an inter partes review is instituted ... the [Board] shall issue a final written decision with respect to the patentability of any patent claim challenged[.]”). Under the plain text of that provision, this Court held in *SAS Institute* that if inter partes review is instituted and not dismissed, the Board’s final written decision “*must address every claim the petitioner has challenged.*” 138 S. Ct. at 1354. It said nothing about the language of Section 315(e) or statutory estoppel.

The Federal Circuit was also incorrect that, after *SAS Institute*, its atextual interpretation of Section 315(e) “is the only plausible reading of ‘reasonably could have raised’ and ‘in the IPR’ that gives any meaning to those words.” App. 24a. Even after *SAS Institute*, Section 315(e) estoppel still applies to instituted grounds the petitioner “reasonably could have raised

during th[e] inter partes review,” but elects not to pursue after institution.

If anything, *SAS Institute* makes the plain language reading of Section 315(e) even more coherent, because it makes the prospect of a petitioner not raising an argument after institution more likely. For example, the Board may criticize some arguments in its institution decision, yet still institute review on all patent claims and invalidity grounds raised in the petition. *SAS Inst.*, 138 S. Ct. at 1356 (“[R]easonable prospect of success on a single claim justifies review of all”). Based on the initial feedback from the Board, the petitioner may then choose not to pursue certain arguments after institution in order to focus on its stronger grounds. *See, e.g., Laser*, 70 Fla. L. Rev. at 1144 (“[A] petitioner might simply choose, for strategic reasons or because of limitations on space or time, to focus on certain grounds for unpatentability during the course of the review ... such as if the institution decision provides insight on which grounds are most likely to succeed before the Board.”).

Such a petitioner “reasonably could have raised” the abandoned ground “during” the inter partes review—*i.e.*, after institution—but chose to focus its efforts elsewhere. *See, e.g., One World Techs., Inc. v. The Chamberlain Grp., Inc.*, IPR2017-01137, Paper 23 (P.T.A.B. May 17, 2018) (granting motion to withdraw instituted ground); *Samsung Elecs. Co. v. Neonode Smartphone LLC*, IPR2021-00144, Paper 26 at 9 & n.11 (P.T.A.B. Dec. 3, 2021) (instituting on all petitioned grounds, but noting petitioner stipulating not to pursue certain grounds); *Hospira, Inc. v. Genentech, Inc.*, IPR2017-00731, Paper 109 (P.T.A.B. July 2, 2018) (requesting adverse judgment on one instituted ground in order to limit the scope of the proceeding and focus on

another instituted ground). The Federal Circuit was thus flat wrong when it said that its interpretation was the only way to give meaning to the words “reasonably could have raised.”

Indeed, the Federal Circuit did not need to look beyond the inter partes review proceedings between the parties in this case to find an example that disproved its assumption. For example, in IPR2017-00219, the PTO originally instituted review on only some of Apple’s petitioned grounds, but in the wake of *SAS Institute*, it instituted review on all the patent claims and invalidity grounds raised in Apple’s petition. *Apple Inc. v. California Inst. of Tech.*, IPR2017-00219, Paper 68 (P.T.A.B. May 2, 2018). The Board subsequently granted the parties’ joint motion to limit the proceeding to a subset of the instituted claims and grounds. *Apple Inc. v. California Inst. of Tech.*, IPR2017-00219, Paper 72 (P.T.A.B. June 5, 2018).

Even if such scenarios do not arise frequently, “there generally is no need for a court to inquire beyond the plain language of the statute” as “long as the statutory scheme is coherent and consistent.” *SAS Inst.*, 138 S. Ct. at 1357 (quoting *United States v. Ron Pair Enters., Inc.*, 489 U.S. 235, 240–241 (1989)). Here, it is possible to give meaning to every word of the statute while still remaining faithful to its plain meaning. The Federal Circuit was mistaken when it concluded otherwise.

In any event, the panel’s attempt to give meaning to the phrase “reasonably could have raised,” App. 24a, cannot displace the statute’s plain text, *see Connecticut Nat’l Bank v. Germain*, 503 U.S. 249, 253–254 (1992). The Federal Circuit cannot read the phrase “reasonably could have raised” in a way that requires rewriting

the statute and replacing “during that inter partes review” with “in the petition.” Although “courts should disfavor interpretations of statutes that render language superfluous,” *id.* at 253–254, this Court has emphasized that “a court should always turn first to one, cardinal canon before all others[:] ... courts must presume that a legislature says in a statute what it means and means in a statute what it says there,” *id.*; *see also Chickasaw Nation v. United States*, 534 U.S. 84, 94 (2001) (“The canon requiring a court to give effect to each word ‘if possible’ is sometimes offset by the canon that permits a court to reject words ‘as surplusage’ ... ‘if repugnant to the rest of the statute[.]’”); *Lamie v. U.S. Trustee*, 540 U.S. 526, 536 (2004) (“Where there are two ways to read the text—either [a term] is surplusage, in which case the text is plain; or [the term] is nonsurplusage (*i.e.*, it refers to an ambiguous component...), in which case the text is ambiguous—applying the rule against surplusage is, absent other indications, inappropriate. We should prefer the plain meaning since that approach respects the words of Congress.”); *accord* Scalia & Garner, *Reading Law* 176 (“[A] court may well prefer ordinary meaning to an unusual meaning that will avoid surplusage.”).

The real lesson of *SAS Institute* was that courts should follow the plain text of the statute. The Federal Circuit turned that lesson on its head when it misread *SAS Institute* to support an atextual interpretation of Section 315(e)(2). Such a clear misunderstanding of this Court’s precedent warrants review.

III. THE QUESTION PRESENTED IS CRITICALLY IMPORTANT

The question presented is exceptionally important. The Federal Circuit’s expansion of IPR estoppel will allow invalid patents to avoid full scrutiny. It means

that even where the PTO has never considered a particular validity challenge on the merits, that challenge will be barred from consideration in district court if it could have been raised in a petition for inter partes review. The predictable result will be a large number of prior art challenges that never get considered on the merits *by anyone*. This threatens “the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.” *Oil States*, 138 S. Ct. at 1374 (quoting *Cuozzo*, 579 U.S. at 279–280 (2016)); *see also Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020) (“By providing for inter partes review, Congress, concerned about overpatenting and its diminishment of competition, sought to weed out bad patent claims efficiently.”).

The Federal Circuit’s ruling will affect a large number of cases. Between fiscal year 2017 and fiscal year 2021, an average of 1,334 petitions for inter partes review were filed annually. USPTO, *PTAB Trial Statistics FY21 End of Year Outcome Roundup* (Sept. 2021), <https://tinyurl.com/4e2rhhxv>. The PTO has reported that 80% of petitioners have been sued by patent owners in another venue prior to filing their petitions. USPTO, *Patent Trial and Appeal Board Parallel Litigation Study* (June 2022), <https://tinyurl.com/3ejebz5k>. The estoppel effect of inter partes review on validity challenges raised in parallel litigation is thus a critical and recurring question.

The Federal Circuit had to overrule its own prior precedent to reach its current position on the question presented. *See supra* pp. 11–12. Before the Federal Circuit’s decision, the question had split the district courts, with at least three decisions interpreting the plain language of 315(e) to limit estoppel to the institution grounds. *See, e.g., Verinata Health, Inc. v. Ariosa*

Diagnostics, Inc., 2017 WL 235048, at *3 (N.D. Cal. Jan. 19, 2017); *Koninklijke Philips N.V. v. Wangs Alliance Corp.*, 2018 WL 283893, at *3–4 (D. Mass. Jan. 2, 2018); *Intellectual Ventures I LLC v. Toshiba Corp.*, 221 F. Supp. 3d 534, 553–554 (D. Del. 2016); see also *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1042–1043 (Fed. Cir. 2022) (acknowledging this split among the lower courts, and “the need for clarity”); *Laser*, 70 Fla. L. Rev. at 1162 (“District courts are split in their interpretation of the AIA’s estoppel provisions, particularly as to whether a petitioner is estopped from raising art that it could have, but did not, raise in its petition for review.”).¹¹

The effect of the Federal Circuit’s decision is already being felt across the patent system. For example, the Federal Circuit recently applied its estoppel ruling in this case to reverse a judgment of invalidity in “the sister case to the inter partes review considered

¹¹ The question also arose in at least eight other cases: *Biscotti Inc. v. Microsoft Corp.*, 2017 WL 2526231, at *7 (E.D. Tex. May 11, 2017); *Oil-Dri Corp. of America v. Nestle Purina Petcare Co.*, 2017 WL 3278915, at *3–4 (N.D. Ill. Aug. 2, 2017); *SiOnyx, LLC v. Hamamatsu Photonics K.K.*, 330 F. Supp. 3d 574, 602 (D. Mass. 2018); *Milwaukee Electric Tool Corp. v. Snap-On Inc.*, 271 F. Supp. 3d 990, 1029–1030 (E.D. Wis. 2017); *Cobalt Boats, LLC v. Sea Ray Boats, Inc.*, 2017 WL 2605977, at *3–4 (E.D. Va. June 5, 2017); *Wi-LAN Inc. v. LG Electronics, Inc.*, 421 F. Supp. 3d 911, 924 (S.D. Cal. 2019); *American Tech. Ceramics Corp. v. Presidio Components, Inc.*, 2019 WL 365709, at *3–5 (E.D.N.Y. Jan. 30, 2019); *Douglas Dynamics, LLC v. Meyer Prods. LLC*, 2017 WL 1382556, at *5 (W.D. Wis. Apr. 18, 2017). As the district court in this case acknowledged, the decisions that anticipated and aligned with what would become the new position ultimately adopted by the Federal Circuit were not “totally congruent with the Federal Circuit’s quite literal reading of the statute” before this case. App. 50a–51a (quoting *Milwaukee Electric*, 271 F. Supp. 3d at 1028).

by the Supreme Court in *Thryv*[,] ... 140 S. Ct. 1367.” See *Click-to-Call Techs. LP v. Ingenio, Inc.*, --- F.4th --, 2022 WL 3443656, at *1 (Fed. Cir. Aug. 17, 2022). Finding that the sole remaining asserted claim of the patent was invalid, the district court had entered summary judgment of invalidity in favor of the accused infringer. *Id.* at *2. The Federal Circuit, however, reversed based on IPR estoppel. The Federal Circuit explained that it had “recently overruled *Shaw*” in Apple and Broadcom’s case, and thus § 315(e)(2) estopped the accused infringer from arguing invalidity—even though the ground on which the district court had found the patent claim invalid had never been presented to or considered by the PTO. *Id.* at *5.

The Federal Circuit has also extended its interpretation of Section 315(e)(2) to the parallel provision in Section 315(e)(1). Citing the decision in this case, the Federal Circuit held that the first inter partes review to reach a final written decision estops the petitioner from pursuing other inter partes reviews on any ground that could have been raised in the petition to institute the review in which the final written decision was issued. *Intuitive Surgical*, 25 F.4th at 1042–1043. Again, the effect was to prevent the patent challenger from having its additional invalidity ground heard in any forum—whether the PTO or district court—even though the Board had already found a reasonable likelihood that the three claims of the patent being challenged on that ground would be found unpatentable. See *Intuitive Surgical, Inc. v. Ethicon LLC*, IPR2018-01248, Paper 7, at 30, 35 (P.T.A.B. Feb. 7, 2019).

The Federal Circuit’s decision in this case is also impacting the district courts. Days after the decision, patent holders were quick to invoke estoppel for grounds not raised in an IPR petition. See, e.g., ECF

378, at 10–11, *Sioux Steel Co. v. Prairie Land Mill-Wright Services, Inc.*, No. 16-cv-2212 (N.D. Ill. Feb. 14, 2022). Courts have, in turn, applied the Federal Circuit’s decision in this case to estop parties from raising invalidity defenses that could have been presented in an IPR petition. *See, e.g., IOENGINE, LLC v. PayPal Holdings, Inc.*, 2022 WL 2800861, at *30 (D. Del. June 15, 2022). And patent challengers litigating in federal court have felt compelled to withdraw defenses as a result of the expanded estoppel doctrine. *See, e.g., ECF 164*, at 2–3 & n.1, *Dali Wireless, Inc. v. Corning Optical Commc’ns LLC*, No. 20-cv-06469 (N.D. Cal. Aug. 2, 2022) (adopted by court on Aug. 15, 2022).

The Federal Circuit’s interpretation of Section 315(e) will continue to apply unabated unless this Court acts. The Federal Circuit has “exclusive” nationwide appellate jurisdiction over appeals “in any civil action arising under ... any Act of Congress relating to patents,” 28 U.S.C. § 1295(a)(1), and from any decision of “the Patent Trial and Appeal Board ... with respect to ... reexamination, post-grant review, or inter partes review,” *id.* § 1295(a)(4)(A). As a result, the Federal Circuit’s atextual interpretation of Section 315(e) will govern all patent proceedings nationwide absent this Court’s intervention.

This would not be the first time that the Court has acted to review an important legal question related to inter partes review or closely related proceedings for administratively challenging the validity of an issued patent in the PTO. *See Arthrex*, 141 S. Ct. 1970 (vacating Federal Circuit ruling regarding remedy for Appointments Clause violation); *Thryv*, 140 S. Ct. 1367 (reversing Federal Circuit’s interpretation of 35 U.S.C. § 314(d)); *Return Mail, Inc. v. United States Postal Serv.*, 139 S. Ct. 1853 (2019) (reversing Federal Cir-

cuit’s interpretation of America Invents Act § 18(a)(1)(B), 125 Stat. 330); *Oil States*, 138 S. Ct. 1365 (ruling that inter partes review does not violate Article III); *SAS Inst.*, 138 S. Ct. 1348 (reversing Federal Circuit’s interpretation of 35 U.S.C. § 318(a)); *Cuozzo*, 579 U.S. 261 (affirming Federal Circuit’s interpretation of 35 U.S.C. § 314(d)).

The attention this Court has paid to inter partes review reflects the novelty of the legal questions the statute has generated and its importance to the functioning of the patent system and the broader economy. This case is no exception. The question presented has “fiercely split” district courts for years. *Laser*, 70 Fla. L. Rev. at 1163. It has led the Federal Circuit to overturn its own precedent and affects thousands of proceedings. Its importance is further magnified by the high stakes of patent litigation, as illustrated by the \$1.1 billion verdict originally entered in this case. It is no exaggeration to say that billions of dollars and the future shape of industries can turn on the procedures for challenging patents.

The Federal Circuit’s decision will also be difficult to administer in practice—something the Federal Circuit ignored because it skipped an important step in its analysis. The Federal Circuit wrongly assumed that after *SAS Institute*, “any ground that could have been raised in a petition is a ground that could have been reasonably raised ‘during inter partes review.’” App. 23a. That assumption is unfounded and fails to account for the discretionary nature of IPR institutions. The PTO is not obligated to institute inter partes review even when there is a “reasonable likelihood” that the petitioner may succeed on a claim. *See SAS Inst.*, 138 S. Ct. at 1356. Given this discretion, it is impossible to tell in any individual case whether the PTO

actually would have instituted review if additional grounds had been presented in the petition.

There is no basis to believe that the PTO would necessarily institute a hypothetical petition that contained a large number of additional grounds. To the contrary, the PTO may be *less* inclined to institute inter partes review when a petitioner raises too many grounds, especially in light of the PTO’s discretion to deny review for “administrative efficiency.” *BioDelivery Scis., Int’l, Inc. v. Aquestive Therapeutics, Inc.*, 935 F.3d 1362, 1365 (Fed. Cir. 2019); *see also* *Cuozzo*, 579 U.S. at 273 (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); USPTO, *SAS* Q&A 8 (June 5, 2018), https://www.uspto.gov/sites/default/files/documents/sas_qas_20180605.pdf (panel will make decisions based on “efficient administration” when faced with “petitions that contain voluminous or excessive grounds for institution”).

Even before this Court’s opinion in *SAS Institute*, the PTO had advised “that [because] the presentation of an overwhelming number of issues tends to detract from the argument being presented[,] parties should ... focus on concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.” *Zetec, Inc. v. Westinghouse Elec. Co.*, IPR2014-00384, 2014 WL 3704254, at *8 (P.T.A.B. July 23, 2014) (last omission in original) (quoting *Office Patent Trial Practice Guide*, 77 Fed. Reg. 48,756, 48,763 (Aug. 14, 2012)). A “large number of grounds ... [with] underdeveloped arguments,” on the other hand, may result in the PTO’s “declin[ing] to expend its resources scouring the numerous grounds for one that demonstrates a reasonable likelihood that Petitioner would prevail.” *Id.* at *8–9.

This pattern of criticizing petitions that raise too many grounds has continued after *SAS Institute*. See *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, 2019 WL 1084284, at *10 (P.T.A.B. Mar. 6, 2019) (criticizing the “lack of particularity and volume of issues raised”); *Biofrontera Inc. v. DUSA Pharms., Inc.*, IPR2018-01585, 2019 WL 989678, at *6 (P.T.A.B. Feb. 26, 2019) (rejecting petition with seven losing grounds and one winning ground because the PTO “would be overwhelmed by the burden of addressing the challenges having no reasonable likelihood”).

The Federal Circuit’s decision thus presents patent challengers with an untenable choice: Raise all possible invalidity grounds in a petition and risk forgoing the benefits of expedited inter partes review, or raise a select number of grounds and risk being foreclosed from raising other meritorious grounds in litigation if the petition is granted. The Federal Circuit’s decision also places courts in the awkward position of guessing how the PTO Director would have exercised her discretion if the petition had presented more grounds. Answering that counterfactual requires courts to get inside the mind of the Director, a task they are ill-equipped for and that is particularly sensitive in light of Congress’s decision to grant the Director “final and nonappealable” authority to decide “whether to institute an inter partes review.” 35 U.S.C. § 314(d).

Moreover, there are practical concerns that prevent parties from raising all possible grounds before the PTO. For example, the PTO imposes a strict word limit on petitions. See PTAB, *Consolidated Trial Practice Guide* 38 (Nov. 2019), <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf>. This limit simply does not permit “a petitioner in a complex technology area to raise all, or even most, legitimate grounds for

patent invalidity it may have.” *Laser*, 70 Fla. L. Rev. at 1178.

The possibility of filing multiple petitions simultaneously does not salvage the Federal Circuit’s interpretation or minimize the risks petitioners face when filing petitions requesting review. PTO guidance discourages a petitioner from filing multiple petitions against the same patent, making the word limit an even more serious limitation. *Consolidated Trial Practice Guide* 59. For example, the PTO requires petitioners to rank petitions in the order they wish the Board to consider the merits. *Id.* at 59–60 (“[I]f a petitioner files two or more petitions ... the petitioner should ... identify: (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits.”). The PTO also warns that “[t]wo or more petitions ... may place a substantial and unnecessary burden on the Board ... and could raise fairness, timing, and efficiency concerns.” *Id.* at 59

Trapped between these practical impediments to raising more grounds and the Federal Circuit’s estoppel ruling, some patent challengers may forgo the inter partes review process altogether rather than risk obtaining an unfavorable written decision that will preclude any decisionmaker from considering their other arguments on the merits. The statute should not be interpreted in such a self-defeating way, especially when such an interpretation contradicts its plain text. But patent challengers will be faced with this dilemma every day that the Federal Circuit’s decision remains in place.

Finally, the Federal Circuit’s misinterpretation of *SAS Institute* strongly favors granting review. In overturning its prior precedential decision in *Shaw*

without any party even asking it to do so, the Federal Circuit did not conduct any actual analysis of Section 315(e)(2) or the surrounding provisions. It merely held that “the Supreme Court’s later decision in *SAS [Institute]* makes clear that *Shaw* ... cannot be sustained under the Supreme Court’s interpretation of related statutory provisions in *SAS [Institute]*.” App. 23a. This Court’s responsibility to ensure that its decisions are faithfully applied includes a responsibility to ensure that they are not misinterpreted. The Court should not allow its opinion in *SAS Institute* to be misused to produce a major change in the law that effectively rewrites the statute without granting review and closely scrutinizing that decision.

IV. THIS CASE PRESENTS AN IDEAL VEHICLE FOR ADDRESSING THE QUESTION PRESENTED

This case presents an ideal vehicle to resolve the question presented. Apple and Broadcom preserved their statutory argument at every stage of the proceedings. The courts below decided the issue as a pure question of law regarding the proper construction of 35 U.S.C. § 315(e). The Federal Circuit designated its decision as precedential. And the en banc court declined the opportunity to correct the panel’s erroneous interpretation, which will now govern all patent cases nationwide unless and until it is reversed by this Court.

Moreover, the issue arises in a vigorously litigated case that originally resulted in a \$1.1 billion verdict. The Federal Circuit vacated and remanded that verdict for a new trial on damages, but it left in place the verdict of infringement with respect to both patents still being asserted and the ruling that prevented

Petitioners from challenging patent validity at trial.¹² Accordingly, the remand will not moot the legal issue raised in the question presented. If anything, it would be wasteful to conduct another trial on damages when Petitioners are improperly being prevented from challenging the validity of the asserted patents based on grounds that were never considered by the PTO during the inter partes reviews.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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¹² The Federal Circuit vacated the judgment of infringement on a third patent (U.S. Patent No. 7,916,781). App. 19a-20a. Caltech, however, elected to drop that patent on remand.