

In the Supreme Court of the United States

APPLE, INC., ET AL.,
PETITIONERS

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY

*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

THOMAS W. KRAUSE
Solicitor
FARHEENA Y. RASHEED
Deputy Solicitor
SARAH E. CRAVEN
BENJAMIN T. HICKMAN
ROBERT J. MCMANUS
Associate Solicitors
United States Patent and
Trademark Office
Alexandria, VA 22314

ELIZABETH B. PRELOGAR
Solicitor General
Counsel of Record
MALCOLM L. STEWART
Deputy Solicitor General
CHARLES L. MCCLLOUD
Assistant to the Solicitor
General
MELISSA N. PATTERSON
STEVEN H. HAZEL
Attorneys
Department of Justice
Washington, D.C. 20530-0001
SupremeCtBriefs@usdoj.gov
(202) 514-2217

QUESTION PRESENTED

Section 315(e)(2) of the Patent Act of 1952 provides that, if the U.S. Patent and Trademark Office (USPTO) institutes an inter partes review that “results in a final written decision,” the petitioner in that review is estopped from asserting in a subsequent civil action that any patent claim the USPTO reviewed “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). The question presented is as follows:

Whether estoppel under Section 315(e)(2) applies to asserted grounds of invalidity that a petitioner knew or should have known about but did not include in its petition for inter partes review.

TABLE OF CONTENTS

	Page
Interest of the United States.....	1
Statement	1
Discussion.....	8
A. The court of appeals’ decision is correct.....	9
B. The decision below does not warrant further review	20
Conclusion	23

TABLE OF AUTHORITIES

Cases:

<i>Apple Inc. v. California Inst. of Tech.</i> :	
784 Fed. Appx. 759 (Fed. Cir. 2019)	5
796 Fed. Appx. 743 (Fed. Cir. 2020)	5
<i>Click-to-Call Techs. v. Ingenio, Inc.</i> ,	
45 F.4th 1363 (Fed. Cir. 2022), petition for cert. pending, No. 22-873 (filed Mar. 9, 2023)	12, 20
<i>Cuozzo Speed Techs., LLC v. Lee</i> ,	
579 U.S. 261 (2016).....	1, 2
<i>Intuitive Surgical, Inc. v. Ethicon LLC</i> ,	
25 F.4th 1035 (Fed. Cir. 2022)	20, 22
<i>Ironburg Inventions Ltd. v. Valve Corp.</i> ,	
64 F.4th 1274 (Fed. Cir. 2023)	20
<i>Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.</i> , 140 S. Ct. 1589 (2020).....	17, 18
<i>Neder v. United States</i> , 527 U.S. 1 (1999).....	17
<i>Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC</i> , 138 S. Ct. 1365 (2018).....	18
<i>PGS Geophysical AS v. Iancu</i> ,	
891 F.3d 1354 (Fed. Cir. 2018).....	11
<i>SAS Inst. Inc. v. Iancu</i> ,	
138 S. Ct. 1348 (2018)	3, 7, 8, 11, 13, 14, 16, 17, 20

IV

Cases—Continued:	Page
<i>Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.</i> , 817 F.3d 1293 (Fed. Cir.), cert. denied, 137 S. Ct. 374 (2016)	7, 20
<i>Uniloc 2017 LLC v. Hulu, LLC</i> , 966 F.3d 1295 (Fed. Cir. 2020).....	16
<i>Wi-Lan Inc. v. LG Elecs., Inc.</i> , 421 F. Supp. 3d 911 (S.D. Cal. 2019)	21
<i>Ysleta Del Sur Pueblo v. Texas</i> , 142 S. Ct. 1929 (2022)	14

Statutes and regulations:

Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284	2
Patent Act of 1952, 35 U.S.C. 1 <i>et seq.</i>	1
35 U.S.C. 102.....	2
35 U.S.C. 103.....	2
35 U.S.C. 131.....	1
35 U.S.C. 141(c)	3
35 U.S.C. 311-319.....	2
35 U.S.C. 311(a)	16
35 U.S.C. 311(b)	2
35 U.S.C. 312(a)(3).....	2, 16
35 U.S.C. 314(a)	2, 3
35 U.S.C. 315(e)	17
35 U.S.C. 315(e)(1).....	4, 19
35 U.S.C. 315(e)(2).....	3-10, 12-17, 19-22
35 U.S.C. 316(a)(3).....	15, 18
35 U.S.C. 316(a)(5).....	3, 18
35 U.S.C. 316(a)(8).....	3
35 U.S.C. 316(a)(10).....	3, 18
35 U.S.C. 316(a)(13).....	16

Statutes and regulations—Continued:	Page
35 U.S.C. 316(d)(1)	16
35 U.S.C. 318.....	18
35 U.S.C. 318(a)	3
35 U.S.C. 319.....	3, 18
37 C.F.R.:	
Section 42.24(a)(1)(i)	21
Section 42.24(a)(2)	22
Section 42.108(a).....	11
Section 42.122	22
Miscellaneous:	
H.R. Rep. No. 98, 112th Cong., 1st Sess., Pt. 1 (2011).....	2, 9, 18, 19
Restatement (Second) of Judgments (1982).....	17
USPTO:	
<i>Patent Trial and Appeal Board Motion to Amend (MTA) Study: Installment 7 (update through Mar. 31, 2022), https://www.uspto.gov/sites/default/files/ documents/IQ824409MTADDataStudy.pdf.....</i>	16
<i>Statistics (last modified Apr. 20, 2023, 09:32 AM EDT), https://perma.cc/ C6D9-AR8N</i>	22

In the Supreme Court of the United States

No. 22-203

APPLE, INC., ET AL.,
PETITIONERS

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY

*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

INTEREST OF THE UNITED STATES

This brief is submitted 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. The Patent Act of 1952, 35 U.S.C. 1 *et seq.*, charges the U.S. Patent and Trademark Office (USPTO) with examining applications for patents and directs the agency to issue a patent if certain statutory criteria are satisfied. 35 U.S.C. 131. Congress also has long provided administrative mechanisms for third parties to ask the USPTO to reconsider the patentability of claims in an issued patent. See *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 267-268 (2016); H.R. Rep. No. 98, 112th

Cong., 1st Sess., Pt. 1, at 45-46 (2011) (2011 House Report) (recounting the history of administrative review of issued patent claims). The Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, enacted in 2011, expanded and modified those mechanisms. In response to “a growing sense that questionable patents are too easily obtained,” Congress enacted the AIA to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” 2011 House Report 39-40. To that end, the AIA created several new administrative procedures for challenging claims in patents.

This case involves one such administrative procedure known as inter partes review. See 35 U.S.C. 311-319; *Cuozzo*, 579 U.S. at 267-268. Under that procedure, any person other than the patent’s owner may challenge the validity of an issued patent’s claims on any “ground that could be raised under [35 U.S.C.] 102 or 103”—the provisions of the Patent Act requiring that a claimed invention be novel and non-obvious—“on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. 311(b); see 35 U.S.C. 102, 103.

To request inter partes review, a person must file with the USPTO a petition identifying “each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. 312(a)(3). The USPTO’s Director then determines whether to “authorize an inter partes review to be instituted.” 35 U.S.C. 314(a). The Director cannot grant review unless she finds “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition,” but the Director

retains discretion to deny review even when that prerequisite is satisfied. *Ibid.* If the Director institutes review, the USPTO “cannot curate the claims at issue but must decide them all.” *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1353 (2018). It is thus “the petitioner, not the Director, who gets to define the contours of the proceeding.” *Id.* at 1355.

In many procedural respects, an instituted inter partes review “mimics civil litigation.” *SAS*, 138 S. Ct. at 1352. The parties may take limited discovery, 35 U.S.C. 316(a)(5); file affidavits and declarations, 35 U.S.C. 316(a)(8); and request an oral hearing before the Patent Trial and Appeal Board (Board), 35 U.S.C. 316(a)(10). At the end of the proceeding (unless the matter has been dismissed), the USPTO must “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” 35 U.S.C. 318(a). Any party aggrieved by the USPTO’s final written decision may appeal to the Federal Circuit. See 35 U.S.C. 141(c), 319.

Consistent with the estoppel consequences that can arise from ordinary civil litigation, Congress has restricted an inter partes review petitioner’s ability to advance certain arguments in later administrative or judicial proceedings. If the USPTO grants a petition and the ensuing inter partes review “results in a final written decision,” the petitioner thereafter “may not assert either in a civil action” or in proceedings before the International Trade Commission “that the [challenged 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). A petitioner who obtains a final written decision is likewise barred from “request[ing] or maintain[ing] a

proceeding” before the USPTO “on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” 35 U.S.C. 315(e)(1).

2. a. This case arises from a dispute over three patents issued to respondent California Institute of Technology. See Pet. App. 2a. Respondent initiated this suit in federal district court, alleging that petitioners had infringed the patents. See *id.* at 6a-7a.

Soon after the litigation began, petitioner Apple requested that the USPTO institute inter partes review of respondent’s asserted patents. See Pet. App. 7a. Apple submitted eight petitions for inter partes review that together challenged, on multiple grounds, every patent claim that petitioners were alleged to have infringed.¹ See Pet. 8; Pet. App. 7a, 46a. It is undisputed that, at the time Apple filed its petitions for inter partes review, it was aware of certain additional prior-art combinations that it believed provided a basis for invalidating respondent’s patents. See Pet. App. 25a, 46a-48a, 61a. But Apple’s petitions did not identify these additional prior-art combinations as bases for finding the challenged patent claims invalid. See *id.* at 20a, 25a.

The USPTO instituted review with respect to seven of the petitions. During the inter partes review process, Apple sought discovery, submitted various motions to the USPTO, and presented argument at a hearing before the Board. The USPTO ultimately issued final written decisions concluding that Apple had “failed to show the challenged claims were unpatentable.” Pet. App. 7a. Apple unsuccessfully appealed the agency’s

¹ Although petitioner Apple filed the petitions, the other petitioners do not dispute that if estoppel applies to Apple, “it applies to all of them.” Pet. App. 61a; see 35 U.S.C. 315(e)(2) (estoppel extends to “the real party in interest or privy of the petitioner”).

decisions to the Federal Circuit. See *Apple Inc. v. California Inst. of Tech.*, 796 Fed. Appx. 743 (Fed. Cir. 2020); *Apple Inc. v. California Inst. of Tech.*, 784 Fed. Appx. 759 (Fed. Cir. 2019).

b. While the inter partes review proceedings were ongoing, the parties continued to litigate in the district court. Among other defenses, petitioners contended that the asserted patent claims “would have been obvious over new combinations of prior art not asserted in the [inter partes review] proceedings.” Pet. App. 7a. After the USPTO issued its final written decisions in the inter partes reviews, respondent moved in the district court for partial summary judgment with respect to petitioners’ new obviousness arguments. See *id.* at 41a-43a, 84a-87a. Respondent argued that, because Apple “reasonably could have raised” the new arguments in the inter partes reviews, 35 U.S.C. 315(e)(2), petitioners were estopped from pursuing them in court. Pet. App. 61a.

The district court agreed with respondent that estoppel under Section 315(e)(2) barred petitioners from pursuing arguments that Apple had known about but had failed to include in its petitions for inter partes review. See Pet. App. 78a. The court relied in part on this Court’s holding in *SAS* that, when the USPTO institutes an inter partes review, it must address “all claims and grounds” presented in the petition and cannot choose to institute review on only a subset of those grounds or claims. *Id.* at 58a (citation omitted). The district court concluded that, under *SAS*, “the choices of the petitioner” regarding what grounds to include in a petition “dictate what grounds are raised (or reasonably could have been raised) during the [inter partes review].” *Id.* at 57a.

In rejecting petitioners' contrary arguments, the district court emphasized Section 315(e)(2)'s text and purpose. Petitioners asserted that only grounds "actually" included in a petition and the ensuing review can give rise to estoppel. Pet. App. 52a (citation omitted). But the court observed that such an interpretation would render superfluous the estoppel provision's reference to grounds a petitioner "reasonably could have raised." *Id.* at 50a (citing 35 U.S.C. 315(e)(2)). The court further explained that, under petitioners' construction, a petitioner could "institute a few grounds for [inter partes review] while holding some others in reserve for a second bite at the invalidity apple" in later administrative or judicial proceedings, *id.* at 54a, thereby frustrating the AIA's "efficiency-promoting purposes," *id.* at 51a.

c. The case proceeded to trial. A jury found that petitioners had infringed respondent's patents and awarded more than \$1 billion in damages. See Pet. App. 10a-12a.

3. The court of appeals affirmed in part, vacated in part, and remanded. Pet. App. 1a-40a.

a. As relevant here, the court of appeals unanimously agreed that Section 315(e)(2) barred petitioners from raising invalidity arguments that Apple had been aware of but had omitted from its petitions. Pet. App. 20a-25a.² Like the district court, the court of appeals emphasized that, under this Court's decision in *SAS*, the "petition defines the [inter partes review] litigation."

² Judge Dyk dissented with respect to a portion of the court of appeals' opinion addressing whether substantial evidence supported certain of the jury's infringement findings, but he joined the remainder of the opinion, including the estoppel analysis. See Pet. App. 33a (Dyk, J., concurring-in-part and dissenting-in-part).

Id. at 24a (citing *SAS*, 138 S. Ct. at 1357-1358). The court of appeals further concluded that respondent's interpretation represents "the only plausible reading of 'reasonably could have raised' and 'in the [inter partes review]' that gives any meaning to those words." *Ibid.*

The court of appeals also rejected petitioners' argument that the estoppel issue was controlled by the court's pre-*SAS* decision in *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir.), cert. denied, 137 S. Ct. 374 (2016). In *Shaw*, the court of appeals had concluded that, where the USPTO had instituted review on some but not all grounds asserted in a petition, the petitioner would not be estopped under Section 315(e)(2) with respect to the "petitioned-for, non-instituted ground * * * because the petitioner could not reasonably have raised the ground during" the inter partes review. Pet. App. 21a; see *Shaw*, 817 F.3d at 1300. The court determined that, while *Shaw* was "perhaps correct at the time," its interpretation of the estoppel provision "cannot be sustained" under *SAS*, which had made clear that "any ground that could have been raised in a petition is a ground that could have been reasonably raised 'during inter partes review.'" Pet. App. 23a. The court therefore exercised its authority to overrule *Shaw* without en banc action. See *id.* at 24a.

b. The court of appeals separately vacated the jury's infringement verdict with respect to one of respondent's patents, and also vacated the jury's damages award. Pet. App. 32a. The court remanded for a new trial regarding those issues. *Ibid.*

4. The court of appeals denied petitioners' requests for panel and en banc rehearing without recorded dissent. See Pet. App. 101a-102a.

DISCUSSION

Petitioners contend that estoppel under Section 315(e)(2) does not extend to asserted grounds of invalidity that Apple deliberately withheld from its petitions for inter partes review. That contention lacks merit and does not warrant this Court’s review.

A. The court of appeals correctly held that estoppel under Section 315(e)(2) applies “to all grounds not stated in the petition but which reasonably could have been asserted.” Pet. App. 24a. That provision bars a petitioner from litigating grounds that it “raised or reasonably could have raised during th[e] inter partes review.” 35 U.S.C. 315(e)(2). In *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), this Court held that a petitioner for inter partes review, as “master of its complaint,” *id.* at 1355, effectively determines what grounds the USPTO must consider if and when it institutes a review at the petitioner’s behest. Petitioners contend that estoppel under Section 315(e)(2) is limited to grounds of invalidity that were asserted in the petition. Under *SAS*, however, all such grounds will *actually* be raised in any instituted review. Only the court of appeals’ interpretation of Section 315(e)(2) gives effect to Congress’s intent that some grounds *not* raised during an instituted review can nevertheless trigger estoppel because the petitioner “reasonably could have raised” them.

The court of appeals’ interpretation also comports with common-law estoppel principles, under which a party that could have raised an argument but elected not to do so is generally precluded from pursuing that argument in subsequent proceedings. And by giving inter partes review petitioners an incentive to raise all available challenges to contested patent claims, the

court of appeals' interpretation furthers Congress's intent for that mechanism to serve as a "quick and cost effective alternative[] to litigation." 2011 House Report 48. Petitioners' reading, by contrast, threatens to multiply the costs and burdens that Congress established inter partes review to mitigate.

B. Petitioners do not identify any division among the lower courts suggesting a need for this Court's guidance. To the contrary, since this Court's decision in *SAS*, every court to consider the issue—including multiple Federal Circuit panels and many district courts—has rejected petitioners' interpretation of Section 315(e)(2). Petitioners also exaggerate the practical significance of the ruling below. Petitioners' disagreement with the court of appeals pertains only to grounds of invalidity that were omitted from an inter partes review petition even though the petitioner had a reasonable opportunity to assert them. Such second-string grounds would be unlikely to succeed on the merits even if they were not precluded. And this case does not implicate any of the questions of procedural fairness that petitioners identify. The petition for a writ of certiorari should be denied.

A. The Court Of Appeals' Decision Is Correct

The court of appeals correctly held that 35 U.S.C. 315(e)(2) bars petitioners from advancing invalidity grounds they knew or should have known about at the time they filed their petitions for inter partes review, yet omitted from their petitions. That conclusion follows from Section 315(e)(2)'s text, common-law preclusion principles, and the AIA's structure and purposes.

1. a. Section 315(e)(2) provides that, if an inter partes review culminates in the USPTO's issuance of a final written decision, the petitioner cannot thereafter

litigate in district court “any ground” that it “raised or reasonably could have raised during that inter partes review.” 35 U.S.C. 315(e)(2). Petitioners construe the statutory phrase “during that inter partes review” to refer specifically to the period after the USPTO institutes review of a petition. See Pet. 14-16. They assert that estoppel under Section 315(e)(2) therefore “applies only to grounds that were raised or reasonably could have been raised *after* inter partes review was instituted.” Reply Br. 2. With respect to the specific grounds of invalidity that are at issue in this case, petitioners argue that “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.” Pet. 9 n.6.

Petitioners are correct that the phrase “during that inter partes review” refers specifically to post-institution proceedings. Petitioners are wrong, however, in denying that they “reasonably could have raised” the patentability challenges at issue here during the instituted reviews. To be sure, once Apple omitted those grounds from its petitions and the USPTO instituted reviews to consider other patentability challenges, petitioners’ opportunity to raise the disputed grounds in those reviews had effectively been lost. But in determining whether a person “reasonably could have” taken a particular action during a particular interval of time, it is appropriate to consider not only the options available to that person when the relevant interval commenced, but also whether the person could previously have taken preparatory steps that would have made additional options available. For example, a statute might authorize judicial review of agency action but make

timely exhaustion of administrative remedies a prerequisite to suit. If a party failed to exhaust particular claims, it would still be natural to say that the party “reasonably could have raised” those claims in court, simply by complying with the exhaustion requirement.

As we explain below, because Apple had a reasonable opportunity to include the disputed grounds in its petitions, thereby triggering the USPTO’s duty to address those challenges if it instituted reviews at all, Apple “reasonably could have raised” those grounds during the instituted reviews. That reasoning does not conflate the instituted reviews with the pre-institution proceedings. It simply recognizes that Apple’s inability to assert the disputed grounds once the instituted reviews commenced was the result of its own prior choices, not of any external impediment to review.

b. If the USPTO grants a petition for inter partes review, the agency’s final written decision must “address every claim the petitioner presents for review.” *SAS*, 138 S. Ct. at 1358; see *PGS Geophysical AS v. Iancu*, 891 F.3d 1354 (Fed. Cir. 2018) (recognizing that *SAS*’s reasoning applies to both claims and grounds); 37 C.F.R. 42.108(a) (same). “[T]he petitioner” therefore “gets to define the contours” of the agency’s review, *SAS*, 138 S. Ct. at 1355, by deciding which grounds to include in the petition and which grounds to omit. The array of grounds that can be raised during an instituted review thus depends on choices made by the petitioner before that review begins. See Pet. App. 23a.

Since an instituted review must encompass all grounds of invalidity asserted in the petition, every ground a petitioner includes in the petition necessarily will be “raised * * * during” any instituted review that follows. 35 U.S.C. 315(e)(2). Section 315(e)(2)’s

reference to grounds that the petitioner “reasonably could have raised” is best understood to refer to additional grounds that the petitioner had a reasonable *opportunity* to assert. Under that approach, any ground the petitioner knew (or should have known) about but withheld from its petition “reasonably could have [been] raised during th[e] inter partes review.” *Ibid.*

c. Petitioners observe (Pet. 28-29) that whether a ground can be raised during an instituted review does not depend *solely* on the petitioner’s choices, since the USPTO may always decline as a matter of discretion to institute a particular review at all. They posit (Pet. 30) a scenario where a petitioner’s assertion of an additional ground of invalidity causes the USPTO to deny entirely a petition it would otherwise have reviewed. But petitioners identify no reason to believe that this scenario occurs with any frequency. Nor do they argue that including the grounds that Apple deliberately omitted here would have altered the USPTO’s institution decisions.

Petitioners’ focus on the possibility that the USPTO might deny review altogether also ignores the fact that Section 315(e)(2) applies only if an inter partes review “results in a final written decision” determining the patentability of the challenged claims. 35 U.S.C. 315(e)(2). Thus, if a petition for inter partes review is filed but the USPTO denies review, “estoppel would not apply at all.” *Click-to-Call Techs. v. Ingenio, Inc.*, 45 F.4th 1363, 1371 n.2 (Fed. Cir. 2022), petition for cert. pending, No. 22-873 (filed Mar. 9, 2023). The only cases that implicate Section 315(e)(2) are those where review is actually instituted. And in each of *those* cases, the petitioner’s choices about which grounds to include in its petition effectively determine the grounds that the USPTO will

resolve, since in an instituted review the agency “*must* address *every* claim the petitioner has challenged.” *SAS*, 138 S. Ct. at 1354.

Petitioners therefore are wrong in arguing that the estoppel inquiry turns on “whether the Director still would have instituted [inter partes review] if [an] additional ground had been presented.” Reply Br. 9 (emphasis omitted). As discussed, the pertinent statutory language is most naturally read to focus on the options available to the petitioner, and in particular on whether the petitioner had a reasonable opportunity to raise additional validity challenges. The fact that Apple could not have been *certain* that review would be instituted on the additional grounds does not mean that it lacked a reasonable opportunity to assert them.

d. Nothing in the Federal Circuit’s decision is inconsistent with the foregoing analysis. Under *SAS*, any claim included in a petition for inter partes review “*must* [be] address[ed]” by the USPTO if review is instituted. *SAS*, 138 S. Ct. at 1354. Petitioners emphasize (Pet. 17) the court of appeals’ statement that estoppel under Section 315(e)(2) extends to “all grounds not stated in the petition but which reasonably could have been asserted against the [patent] claims included in the petition.” Pet. App. 24a. They accuse the court below of “redefin[ing]” the term “‘during that inter partes review’ to include events that precede institution.” Pet. 18.

Contrary to petitioners’ contention, the Federal Circuit did not treat pre-institution proceedings as *part of* the “inter partes review.” Nor did the court suggest that the Section 315(e)(2) analysis should focus on the grounds that could have been raised in the petition “rather than” (Pet. 3) on the grounds that could have been

raised during the instituted review. The court’s point instead was that, given *SAS*’s holding that any instituted review must encompass all grounds of invalidity asserted in the petition, the two categories are coextensive. See Pet. App. 23a (“Given the statutory interpretation in *SAS*, any ground that could have been raised in a petition is a ground that could have been reasonably raised ‘during inter partes review.’”). Thus, in any case where review is instituted, every ground that was available but omitted from a petition “reasonably could have [been] raised” during the subsequent post-institution proceedings.

e. Petitioners’ interpretation fails to give effect to the full text of Section 315(e)(2). See *Ysleta Del Sur Pueblo v. Texas*, 142 S. Ct. 1929, 1939 (2022) (“[W]e must normally seek to construe Congress’s work ‘so that effect is given to all provisions, so that no part will be inoperative or superfluous, void or insignificant.’”) (citation omitted). The estoppel provision bars a petitioner from litigating not only those grounds that it “raised * * * during that inter partes review,” but also any additional grounds that it “reasonably could have raised.” 35 U.S.C. 315(e)(2).

Petitioners contend (Pet. 9 n.6) that the only grounds of invalidity that trigger estoppel are those actually “included in the petition,” since those are the only grounds that a petitioner may pursue if a review is instituted. Under *SAS*, however, *every* ground of invalidity that is raised in a petition “gains admission to the review process” if a review is instituted. 138 S. Ct. at 1355. For all cases in which the USPTO ultimately issues a final written decision—the only cases to which Section 315(e)(2) applies, see pp. 12-13, *supra*—petitioners’ reading thus would mean that every ground of invalidity

that can trigger estoppel will *actually* have been “raised” in the post-institution proceedings. 35 U.S.C. 315(e)(2). That would deprive the phrase “reasonably could have raised” of any practical effect. See Pet. App. 24a, 54a. The court of appeals’ approach, by contrast, furthers Congress’s evident intent that estoppel will bar some challenges that were not actually raised in an instituted review but that the petitioner had a reasonable opportunity to raise.

Petitioners and their amici make several attempts to avoid this surplusage problem, but none are persuasive. They first contend (Pet. 21) that a ground included in a petition, but “abandoned” by the petitioner after the USPTO has instituted a review, is a ground that “could have [been] raised during that inter partes review.” But as petitioners’ use of the word “abandoned” suggests, such a ground is best understood as one that the petitioner actually “raised” during the instituted review but later dropped—not one that the petitioner merely “could have raised.” 35 U.S.C. 315(e)(2).

Petitioners also suggest that, pursuant to the USPTO’s authority to implement “procedures for the submission of supplemental information after the petition is filed,” 35 U.S.C. 316(a)(3), the agency “might adopt” rules permitting a petitioner to submit additional invalidity grounds, Reply Br. 4, and that grounds withheld from such a submission could then trigger “could have raised” estoppel. But petitioners provide no evidence that Congress anticipated the possibility of such regulations when it enacted Section 315(e)(2). Nor do petitioners explain how the hypothetical rules they posit would be consistent with this Court’s instruction that an inter partes review is to be “guided by a petition describing ‘each claim challenged’ and ‘the grounds on

which the challenge to each claim is based.’” *SAS*, 138 S. Ct. at 1355 (quoting 35 U.S.C. 312(a)(3)).

Another AIA provision allows a patent holder to move to “amend the patent” by cancelling “any challenged patent claim” and “propos[ing] * * * substitute claims.” 35 U.S.C. 316(d)(1). Given a challenger’s opportunity to oppose such a motion, see 35 U.S.C. 316(a)(13), one of petitioners’ amici suggests (Unified Patents Amicus Br. 20-21) that, when Congress mandated estoppel for grounds that a petitioner “reasonably could have raised” during inter partes review, it meant only to bar arguments the petitioner knew about but did not assert *against amended claims*. 35 U.S.C. 315(e)(2). It is unclear, however, whether estoppel under Section 315(e)(2) even applies to grounds for challenging amended claims.³ And even if estoppel extends to those challenges, motions to amend are made in only a small percentage of inter partes review proceedings. See USPTO, *Patent Trial and Appeal Board Motion to Amend (MTA) Study: Installment 7* (updated through Mar. 31, 2022), <https://www.uspto.gov/sites/default/files/documents/IQ824409MTADataStudy.pdf>. It is implausible that Congress intended to so narrowly confine the “reasonably could have raised” estoppel language, which does not mention amended claims and by its terms sweeps more broadly.

³ Section 315(e)(2) applies to grounds for challenging “a claim in a patent.” 35 U.S.C. 315(e)(2). In construing similar language in a nearby provision, the Federal Circuit has held that an amended claim “is not part ‘of the patent.’” *Uniloc 2017 LLC v. Hulu, LLC*, 966 F.3d 1295, 1305 (2020) (quoting 35 U.S.C. 311(a)). Whether Section 315(e)(2) applies to patent claims that are amended during an inter partes review remains an open question in the lower courts.

2. The court of appeals' interpretation accords with the common-law backdrop against which Congress enacted Section 315(e)(2).

In many ways, inter partes review "mimics civil litigation." *SAS*, 138 S. Ct. at 1352. And in civil litigation, a party that could have pursued a claim but opted not to do so ordinarily cannot advance that claim in a later case. See *Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.*, 140 S. Ct. 1589, 1594 (2020). It is thus an accepted feature of litigation that parties' strategic choices about which arguments to assert and which to omit may carry estoppel consequences. See *ibid.*

Where "Congress uses terms that have accumulated settled meaning under . . . the common law," this Court presumes that the statute "incorporate[s] the established meaning of th[o]se terms." *Neder v. United States*, 527 U.S. 1, 21 (1999) (citation omitted). As relevant here, this Court has described common-law claim preclusion as "prevent[ing] parties from raising issues that could have been raised and decided in a prior action—even if they were not actually litigated." *Lucky Brand*, 140 S. Ct. at 1594; see Restatement (Second) of Judgments § 24 (1982) (referring to arguments a party "could have" made in discussing the scope of claim preclusion). The term "could have raised" in Section 315(e) likewise should be understood to encompass grounds that "were previously available * * * regardless of whether they were asserted." *Lucky Brand*, 140 S. Ct. at 1594-1595 (citation omitted).

Petitioners contend (Reply Br. 6-7) that common-law claim-preclusion principles are not informative here because the invalidity grounds available in inter partes review resemble defenses, rather than affirmative claims.

But the reason that courts sometimes “question” the “application of claim preclusion to defenses” is that a defense may be omitted due to considerations “other than actual merits,” “such as the smallness of the amount or the value of the property in controversy.” *Lucky Brand*, 140 S. Ct. at 1595 n.2 (citation omitted). That rationale has limited force in the context of inter partes review. Unlike the defendant in a civil lawsuit, who can be haled into court over his objection, an inter partes review petitioner chooses to request institution of a review. Any party who makes that request with respect to particular patent claims has every incentive to marshal its best arguments for invalidating those claims.

3. The court of appeals’ interpretation comports with the broader structure and purposes of the AIA.

Congress created inter partes review to provide a “quick and cost effective alternative[] to litigation.” 2011 House Report 48. To “establish a more efficient and streamlined patent system,” *id.* at 45-46, the AIA supplemented the preexisting “administrative processes that authorize the PTO to reconsider and cancel patent claims that were wrongly issued,” *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018). For the types of validity challenges that may be raised in inter partes review, the parties may seek discovery, 35 U.S.C. 316(a)(5), engage in motion practice, 35 U.S.C. 316(a)(3), request oral argument, 35 U.S.C. 316(a)(10), receive a final written decision addressing all grounds raised, 35 U.S.C. 318, and appeal adverse decisions to the Federal Circuit, 35 U.S.C. 319.

Petitioners’ construction of Section 315(e)(2) threatens to transform inter partes review from an efficient

alternative to district court litigation into an expensive add-on. Under the court of appeals’ interpretation, a party that requests inter partes review of a particular patent claim has a strong “incentiv[e]” to assert all available grounds of invalidity in that forum. Pet. App. 53a. Under petitioners’ approach, by contrast, a party that pursues inter partes review but withholds available arguments can raise those grounds in subsequent judicial proceedings, or even before the USPTO. See 35 U.S.C. 315(e)(1) (similarly worded estoppel provision governing sequential proceedings before the USPTO).

The circumstances of this case exemplify the conflict between petitioners’ reading and the AIA’s “efficiency-promoting purposes.” Pet. App. 51a. Apple filed eight petitions requesting inter partes review of respondents’ patents, asserting numerous invalidity grounds involving various combinations of prior art. See *id.* at 7a. Apple took full advantage of the review process, including by conducting discovery, submitting multiple motions, and—after the USPTO ruled against it—unsuccessfully appealing to the Federal Circuit. See pp. 4-5, *supra*. Petitioners now assert that, because they strategically withheld certain arguments that largely involve different permutations of the same prior art they invoked in the inter partes reviews, see Pet. App. 47a, they may institute another round of expensive discovery and motion practice to pursue those arguments in the district court. That result would render inter partes review neither “cost effective” nor an “alternative[] to litigation.” 2011 House Report 48.

B. The Decision Below Does Not Warrant Further Review

1. Petitioners identify (Pet. 4) the purported “novelty of the legal questions” implicated by the court of appeals’ decision as a reason for this Court’s review.

But while this Court has not yet addressed the scope of Section 315(e)(2), the court of appeals construed the provision correctly, and its decision has not generated any disagreement within the Federal Circuit. The panel acted unanimously with respect to the issue on which petitioners request further review, Pet. App. 25a, 33a; the full court denied en banc rehearing without recorded dissent, *id.* at 102a; and subsequent panels have applied the same interpretation without controversy, see, e.g., *Click-to-Call*, 45 F.4th at 1370; *Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1042 (Fed. Cir. 2022); *Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274, 1297 (Fed. Cir. 2023).

The fact that the opinion below overruled the Federal Circuit’s prior decision in *Shaw Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293, cert. denied, 137 S. Ct. 374 (2016), provides no basis for further review. Contra Pet. 17. *Shaw* addressed a scenario in which the USPTO had instituted review of some grounds raised in a petition but had declined to review others. See *Shaw*, 817 F.3d at 1300. Under those circumstances, the court in *Shaw* determined that a petitioner could not “reasonably” have raised the non-instituted grounds “during the [inter partes review].” *Ibid.* (citing 35 U.S.C. 315(e)(2)). This Court subsequently held, however, that if the USPTO grants inter partes review, it must address “all of the claims” in the petition. *SAS*, 138 S. Ct. at 1353. That holding means that the scenario addressed in *Shaw* will never recur. Pet. App. 24a.⁴

⁴ In the four years that elapsed between *SAS* and the opinion below, district courts consistently “rejected the contention that [inter partes review] estoppel does not apply to non-petitioned grounds.”

2. Petitioners invoke the inter partes review process’s “high stakes for the patent system and broader economy.” Pet. 4. But petitioners overstate the significance of the issue on which they seek review. Under the court of appeals’ construction of Section 315(e)(2), a litigant will be estopped from asserting a ground omitted from a prior inter partes review petition only if the party was or should have been aware of that potential challenge at the time it sought inter partes review. Because an inter partes review petitioner has every incentive to present the strongest possible grounds in its petition, grounds omitted from a petition are unlikely to be persuasive in subsequent litigation over patents that have survived inter partes review. Thus, while petitioners’ construction of Section 315(e)(2) would allow more validity challenges to be heard on the merits during patent litigation, there is no reason to suppose that any significant number of those challenges would succeed.

Petitioners contend (Pet. 30) that “practical concerns,” including the 14,000-word limit the USPTO has adopted for inter partes review petitions, see 37 C.F.R. 42.24(a)(1)(i), “prevent parties from raising all possible grounds before the PTO.” But USPTO regulations permit challengers to file motions to exceed the word limit, 37 C.F.R. 42.24(a)(2), and to submit multiple petitions, 37 C.F.R. 42.122. Apple in this dispute filed eight petitions totaling 112,000 words. And while petitioners express concern (Pet. 31) about a scenario in which a final written decision with respect to one petition bars review

Wi-Lan Inc. v. LG Elecs., Inc., 421 F. Supp. 3d 911, 924 (S.D. Cal. 2019) (collecting examples); see Pet. App. 51a-58a (additional examples). Rather than breaking new ground, the court of appeals’ decision in this case confirmed the district courts’ post-SAS consensus view on the question presented here.

of another petition submitted at the same time, the Federal Circuit has identified multiple ways to avoid that result. See *Intuitive Surgical*, 25 F.4th at 1041-1042.

Moreover, Section 315(e)(2)'s estoppel bar is triggered by a party's voluntary choice to seek inter partes review rather than to assert its validity challenges in a different forum. If a party believes that it cannot adequately present in a petition for inter partes review all the validity challenges it wishes to raise against a particular patent claim, it may elect to contest the claim's patentability in civil litigation instead. Petitioners' related suggestion (Pet. 31) that the court of appeals' interpretation of Section 315(e)(2) will dissuade challengers from requesting inter partes review has not been borne out in practice. Although that interpretation has been consistently accepted after *SAS*, see p. 21 n. 4, *supra*, the USPTO has continued to receive hundreds of inter partes review petitions annually, see USPTO, *Statistics* (last modified Apr. 20, 2023, 9:32 AM EDT), <https://perma.cc/C6D9-AR8N>.

In any event, petitioners do not argue that any of the procedural concerns they invoke had any bearing on their decision to withhold the relevant grounds here. This case accordingly does not present any question about whether USPTO procedures could prevent a particular omitted invalidity argument from being "reasonably" available to a petitioner. Further review is not warranted.

CONCLUSION

The petition for a writ of certiorari should be denied.

Respectfully submitted.

THOMAS W. KRAUSE
Solicitor

FARHEENA Y. RASHEED
Deputy Solicitor

SARAH E. CRAVEN

BENJAMIN T. HICKMAN

ROBERT J. MCMANUS
Associate Solicitors

*United States Patent and
Trademark Office*

ELIZABETH B. PRELOGAR
Solicitor General

MALCOLM L. STEWART
Deputy Solicitor General

CHARLES L. MCCLOUD

*Assistant to the Solicitor
General*

MELISSA N. PATTERSON

STEVEN H. HAZEL
Attorneys

MAY 2023