

No. 22-203

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IN THE  
**Supreme Court of the United States**

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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.*

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

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**SUPPLEMENTAL BRIEF FOR PETITIONERS**

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## INTRODUCTION

In what should be the beginning and the end of deciding the important question of statutory interpretation presented by this case, the government concedes that “Petitioners are correct that the phrase ‘during that inter partes review’ refers specifically to post-institution proceedings.” U.S. Br. 10. Under that conceded plain meaning, the phrase “any ground that the petitioner ... reasonably could have raised during that inter partes review” in 35 U.S.C. § 315(e)(2) refers only to grounds that an IPR petitioner reasonably could have raised after the Director exercises her discretion to institute review, and it does not include grounds on which review was never instituted.

The government nonetheless endorses the Federal Circuit’s rewriting of the statute to encompass any ground that could have been raised in a petition requesting institution of an IPR. That dramatic expansion of IPR estoppel cannot be squared with the plain text of the statute or with the government’s own position that “the Director retains discretion to deny review even when [the statutory] prerequisite is satisfied.” U.S. Br. 2-3. At the very least, it is the type of highly debatable proposition on a pure question of statutory interpretation that warrants review by this Court—and all the more so given that the government, like the Federal Circuit, improperly asserts that the outcome is compelled by a decision of this Court that said no such thing.

The question presented is also exceptionally important. One need look no further than the original \$1.1 billion verdict in this case to understand the high stakes of patent litigation—for the parties, for the shape of entire industries, and for the economy more generally. It

has been conservatively estimated that the question will arise in more than 100 patent cases each year. *See* Unified Patents Amicus Br. 8. Indeed, the Federal Circuit itself has already relied on the decision below to revive a patent that had been invalidated by a district court and to uphold a patent that the Patent Trial and Appeal Board had said was likely invalid. And many more invalid patents will be shielded from challenge if the Federal Circuit’s decision is allowed to stand.

The Court should grant review and restore the proper interpretation of the statute as written by Congress.

## ARGUMENT

### I. THE GOVERNMENT’S INTERPRETATION CONFLICTS WITH THE PLAIN TEXT OF 35 U.S.C. § 315(e)(2)

The government does not dispute that the phrase “during that inter partes review” refers specifically to post-institution proceedings.” U.S. Br. 10. The plain meaning of “during” and the statutory distinction between a petition requesting review and inter partes review itself dictate that result. Pet. 14, 16-18; Patent Law Profs.’ Amicus Br. 3-8. The government thus does not dispute that, under the plain text of the statute, estoppel applies only to grounds that “the petitioner raised or reasonably could have raised” *after* the institution of review. 35 U.S.C. § 315(e)(2). The government also does not dispute that the only grounds a petitioner could raise after institution are the grounds on which the Director has exercised discretion to institute review. The statutory text is thus clear: estoppel does not apply to a ground unless the Director has instituted review on that ground.

The statutory text does not change or turn on the reason a ground is not available to be raised after institution. But rather than apply the text as written, the government follows the Federal Circuit’s lead by expanding estoppel to cover any ground that theoretically could have been added to a petition requesting that the Director exercise her discretion to institute an inter partes review. The statute does not say, however, that estoppel applies where a ground could have been raised “in the petition.” The statute focuses exclusively on the period after institution and on grounds that the petitioner “could have raised” during that period.

The government’s various attempts to justify its re-writing of the statute fail. First, the government insists that it is not conflating “instituted reviews with ... pre-institution proceedings” but merely arguing that choices made in a petition determine what grounds can be raised after institution. U.S. Br. 11. But the Federal Circuit’s assumption 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, conflicts with the government’s own argument that “the Director retains discretion to deny review even when [the statutory] prerequisite is satisfied,” U.S. Br. 2-3. The only way to determine what invalidity grounds could have been raised during an IPR is to focus on the instituted grounds. Any other rule would require courts to engage in fruitless speculation about how the Director would have exercised her discretion if presented with a petition different from the one actually filed.<sup>1</sup>

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<sup>1</sup>The government’s analogy to exhaustion of administrative remedies is inapt. That process involves initial steps that lead to further proceedings as a matter of right, not a discretionary gate-keeping decision that blocks further review.

The government tries to downplay the chances of the Director denying review based on the inclusion of an additional invalidity ground in the petition requesting review. U.S. Br. 12. But the government does not dispute that the PTO's own guidance advises against raising too many grounds and warns that doing so can result in the discretionary denial of an entire petition or any additional petitions raising extra grounds. *See* Pet. 29-31 (collecting examples of the PTO issuing warnings and denying institution based on too many grounds or too many petitions); 88 Fed. Reg. 24,503, 24,512 (Apr. 21, 2023) (“unlikely that circumstances will arise in which three or more petitions ... will be appropriate”).

Moreover, it is improper to focus on one invalidity ground in isolation and speculate that it could have been squeezed into a petition requesting institution without impairing the chances of the petition being granted. Under the Federal Circuit's decision, estoppel applies to *all* available grounds that were not included in the petition. The relevant question therefore is what would have happened if the petition had included all possible grounds. But the Federal Circuit's decision did not even consider the Director's discretion to deny review.

Second, the government echoes the Federal Circuit's view that its expansive interpretation is the only possible way to give meaning to “could have raised.” U.S. Br. 14-16. But that is incorrect. For example, the phrase can refer to grounds that the petitioner elects not to raise during the IPR even though the Board instituted review on them. *See* Pet. 21-22. The government argues that such a ground is “actually ‘raised’” during the IPR. U.S. Br. 15. But raising an issue for consideration by a tribunal can be a continuing process, not simply a one-off act. For example, a party might file a notice of cross-appeal and later decide that it is not in



fact going to “raise” an issue it previously identified in its notice. There is nothing unnatural about saying that a ground withdrawn before the patent owner even files its response is a ground that could have been raised during the IPR but was not. *See* Patent Law Profs.’ Amicus Br. 8.

As another example, although the government expresses uncertainty on the point, five judges of the Federal Circuit have indicated that estoppel applies to grounds for challenging amended claims, *see Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1310-1311 (Fed. Cir. 2017) (plurality op.). More recently, a precedential decision signed by the Director, Commissioner for Patents, and Chief Judge of the Patent Trial and Appeal Board explained that a petitioner was “the primary party affected” by “its failure to raise” an invalidity challenge “with respect to the amended claims” because the petitioner “will bear the consequences of estoppel under 35 U.S.C. § 315(e) for failing to do so.” *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, IPR2018-00600, Paper 67, at 20-21 (PTAB July 6, 2020) (precedential). A “motion to amend” can only be filed “[d]uring an inter partes review,” 35 U.S.C. § 316(d)(1), and thus if estoppel applies to amended claims, any ground omitted from the challenge to the amended claim would provide another example of a ground that “could have been raised during that inter partes review.” *See* Unified Patents Amicus Br. 20-21.

In any event, attempting to give meaning to “could have raised” cannot justify ignoring the meaning of “during.” The presumption against surplusage does not permit contradicting a statute’s plain language, let alone rendering another term in the statute superfluous. *See* Pet. 22-23. That is especially true where, as here, the government’s argument regarding congressional intent

is based on the particular procedures that the PTO has in place at the moment. *See* Reply Br. 4.

Third, the government repeats the Federal Circuit’s error of insisting that this Court’s decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), mandated the Federal Circuit’s expansive application of estoppel. U.S. Br. 8. *SAS* never addressed the question here. The government places undue weight on this Court’s language that “the petitioner is master of its complaint,” neglecting that this came in the Court’s interpretation of different language, in a different statutory provision, about the Board’s obligation to issue a *final written decision* on all challenged *claims* if the Director institutes review. *SAS*, 138 S. Ct. at 1355. The Federal Circuit’s mistaken belief that this Court dictated the interpretation of an estoppel provision it never interpreted makes it all the more important to grant review.

Fourth, the government relies on an inapt analogy to common law preclusion principles. U.S. Br. 17-18. Despite some similarities, IPRs are not civil litigation. Most notably, a litigant in a civil suit has a right to raise certain defenses, not merely an opportunity to petition for an exercise of discretion by an administrative agency. *See* Laser, *The Scope of IPR Estoppel: A Statutory, Historical, and Normative Analysis*, 70 Fla. L. Rev. 1127, 1151 (2018) (analogy to issue preclusion cuts against applying IPR estoppel).

It is especially wrong to analogize to claim preclusion when this Court has found “good reasons to question any application of claim preclusion to defenses.” *Lucky Brand Dungarees, Inc. v. Marcel Fashions Grp., Inc.*, 140 S. Ct. 1589, 1595 n.2 (2020). The government’s argument about litigation incentives to pursue a defense ignores that the same trade-offs exist in IPRs, especially

when there is parallel litigation in which the patent owner alters its infringement theories or dramatically expands its request for damages. *See infra* pp. 9-10.

Finally, the government’s argument (at 18) that the Federal Circuit’s ruling preserves IPR as an “efficient and streamlined” system for challenging “wrongly issued” patents is completely backwards. The Federal Circuit’s expansion of estoppel forces petitioners to choose between (1) forgoing IPRs altogether or (2) bombarding the Board with all possible grounds to avoid estoppel, at the risk of having some or all of their multiple petitions denied. *See McCombs, IPR Tricks of the Trade: Federal Circuit Clarifies Scope of IPR Estoppel*, 2022 WL 868308 (Mar. 24, 2022) (predicting decision will encourage “petitioners to pursue multiple parallel IPR petitions” even though the PTAB “has discouraged petitioners from this practice,” “requires petitioners to rank parallel petitions in order of preference,” and “[i]n most cases, ... institutes review of [only] the first-ranked petition, if at all.”); Patent Law Profs.’ Amicus Br. 9; *Boston Sci. Corp. v. Cook Grp. Inc.*, 2023 WL 1452172, at \*30-31 (S.D. Ind. Jan. 31, 2023) (citing decision below to estop consideration of 23 potentially invalidating prior art patents that would have needed to be presented to the Board).

The Federal Circuit’s ruling thus transforms IPR from an efficient system of targeted challenges into a system that encourages unnecessary churn through additional challenges that are not likely to be instituted. That is not what Congress intended, and it is not the statute Congress enacted.

## II. THE QUESTION PRESENTED IS EXCEPTIONALLY IMPORTANT

The government’s attempts (at 19-22) to downplay the significance of the question presented are mistaken. First, the government does not deny the “conservative estimate” that the extent of estoppel affects at least 100 patent litigations per year. Unified Patents Amicus Br. 8; *see also* Reply Br. 7-8. Indeed, the decision below has already been applied by three Federal Circuit opinions and numerous district courts. *See* Reply Br. 8 (citing cases).<sup>2</sup> In this case alone, IPR estoppel was used to block Apple and Broadcom from presenting invalidity defenses and contextual evidence in a trial that led to a \$1.1 billion verdict. Pet. App. 7a, 12a.

Second, members of the bar have described the Federal Circuit’s decision here as causing a “sea change,” and being “one of the highest stakes patent infringement decisions in the past few years,” with “significant implications for defendants’ strategies across all patent litigation” “far beyond the named parties.”<sup>3</sup>

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<sup>2</sup> *See also, e.g., Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274, 1298 (Fed. Cir. 2023) (extending estoppel to any “grounds a skilled searcher conducting a diligent search reasonably could have been expected to discover”); *Singular Computing LLC v. Google LLC*, 2023 WL 2839282, at \*3, 5-8 (D. Mass. Apr. 6, 2023) (applying estoppel to references even when combined with prior art that could not have been presented to the Board); *Boston Sci. Corp.*, 2023 WL 1452172, at \*30-31.

<sup>3</sup> *See* Johnson, *Don’t Save the Best: Federal Circuit Confirms Broad IPR Estoppel*, Jones Day (Feb. 22, 2022), <https://tinyurl.com/bdzjh5zs>; Macedo et al., *ARE PTAB Alert*, Amster Rothstein & Ebenstein (updated Feb. 24, 2022), <https://tinyurl.com/3am6h4t6>; *IPR Estoppel Issues*, Baker Botts (May 1, 2023), <https://tinyurl.com/226ey6zd>.

Third, the government’s conjecture that “second-string” “grounds omitted from a petition are unlikely to be persuasive in subsequent litigation,” U.S. Br. 9, 21, has already been disproven. In *Click-to-Call Technologies LP v. Ingenio, Inc.*, the Federal Circuit invoked estoppel to revive a patent that had been *successfully invalidated* in district court. 45 F.4th 1363, 1367-1368 (Fed. Cir. 2022), *petition for cert. filed*, No. 22-873. Similarly, in *Intuitive Surgical, Inc. v. Ethicon LLC*, estoppel blocked consideration of a ground on which the Board had found a reasonable likelihood that the petitioner would prevail. *See* 25 F.4th 1035, 1038-1039, 1042-1043 (Fed. Cir. 2022); *see also* 35 U.S.C. § 314(a).

The primary effect of the Federal Circuit’s ruling is to shield invalid patents from further scrutiny. That runs contrary to the purpose of IPR, which “protects ‘the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.’” *Oil States Energy Servs., LLC v. Green’s Energy Grp., LLC*, 138 S. Ct. 1365, 1374 (2018).

The government is also wrong that estoppel cannot harm a petitioner when institution is denied because estoppel applies only if the Board issues a final written decision. U.S. Br. 12. For example, a final written decision in one IPR will trigger estoppel for all grounds that theoretically could have been squeezed into the petition. *See Intuitive Surgical*, 25 F.4th at 1041 (applying estoppel to ground in petition that did not result in final written decision, because it theoretically could have been added to a petition that did result in final decision).

Fourth, the government’s argument ignores the realities of patent litigation, in which patent owners’ theories can shift and significant invalidity grounds often come into focus only later in the case—after patent

owners have disclosed their claim construction arguments and subsequently unveiled their final infringement contentions. *E.g.*, *Oplus Techs., Ltd. v. Vizio, Inc.*, 782 F.3d 1371, 1374 (Fed. Cir. 2015) (describing a plaintiff’s “litigation positions, expert positions, and infringement contentions [as] a constantly moving target, ‘a frustrating game of Whac-A-Mole throughout the litigation’”). The Federal Circuit’s decision restricts the ability to challenge patents that the patent owner’s own shifting theories indicate are invalid.

### **III. THIS CASE IS A GOOD VEHICLE AND PRESENTS A PURE QUESTION OF STATUTORY INTERPRETATION**

This case presents a pure question of statutory interpretation, and the government does not identify any vehicle problems or impediments to addressing that question.

The issue of Apple filing eight petitions is a red herring. Apple’s petitions had to cover more than 70 claims across multiple patents because Caltech had not yet narrowed its case. On each of the two patents that remain in the case, Apple filed only two petitions, each of which was subject to the PTO’s strict word limits. The salient point is not how many petitions Apple filed, but how many *more* it would have needed to file to preserve its rights if the Federal Circuit’s decision had been in place.

More importantly, the Federal Circuit’s decision did not rest on the fact that Apple filed multiple petitions. The Federal Circuit based its estoppel ruling solely on its misinterpretation of the statute, which now governs every patent case nationwide.

\* \* \*

Apple filed its petitions requesting IPR at a time when the Federal Circuit’s prior precedent—*Shaw*

*Industries Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)—governed. To rule against Apple, the Federal Circuit overruled *Shaw* without any request or warning. This ruling not only changed the rules on the fly, but it leaves parties guessing what future developments might cause the Federal Circuit to change the rules again or double down on its broad application of estoppel. That type of uncertainty is untenable in a system where parties make decisions every day in high-stakes cases about whether and how to pursue their rights in the administrative proceedings Congress created “to weed out bad patents efficiently.” *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S. Ct. 1367, 1374 (2020).

The important issue of statutory interpretation in this case deserves more complete consideration than it received from the Federal Circuit and needs to be settled definitively, and as soon as possible, at the highest level of the judiciary. The government’s views can be considered when this Court reviews the question on the merits, but this Court should not defer to the government’s misinterpretation of the statute to foreclose its own complete consideration of the issue after full briefing and argument in merits proceedings.

**CONCLUSION**

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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