

No. 23-135

In the Supreme Court of the United States

INTEL CORPORATION, ET AL., PETITIONERS

v.

KATHERINE K. VIDAL, UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY
AND DIRECTOR,
UNITED STATES PATENT AND TRADEMARK OFFICE

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

BRIEF FOR THE RESPONDENT IN OPPOSITION

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QUESTION PRESENTED

In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress authorized the United States Patent and Trademark Office (USPTO) to reconsider the patentability of an invention claimed in an issued patent at the request of a third party through an administrative process called inter partes review. Under the AIA, “[t]he determination by the Director [of the USPTO] whether to institute an inter partes review under this section shall be final and nonappealable.” 35 U.S.C. 314(d). The Director has delegated her authority over institution of inter partes review to the Patent Trial and Appeal Board (Board) and has identified certain non-dispositive factors for the Board to consider when deciding whether to institute particular inter partes reviews. The question presented is as follows:

Whether judicial review is available over claims alleging that the factors identified by the Director violate the Administrative Procedure Act, 5 U.S.C. 551 *et seq.*, because they are arbitrary and capricious or inconsistent with statutory provisions governing inter partes review.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-25a) is reported at 63 F.4th 1. The opinion of the district court (Pet. App. 27a-39a) is not published but is available at 2021 WL 5232241.

JURISDICTION

The judgment of the court of appeals was entered on March 13, 2023. On June 5, 2023, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including August 10, 2023, and the petition was filed on that date. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. a. The Patent Act of 1952 (Patent Act), ch. 950, Pub. L. No. 82-593, 66 Stat. 792 (35 U.S.C. 1 *et seq.*), charges the U.S. Patent and Trademark Office (USPTO) with examining applications for patents and directs it to issue a patent if the statutory criteria are satisfied. 35 U.S.C. 131. Federal law has long permitted the USPTO to reconsider the patentability of inventions claimed in issued patents. In the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, Congress substantially expanded those procedures, in an effort to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” H.R. Rep. No. 98, 112th Cong., 1st Sess. 40 (2011); see *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1370 (2018); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 267-268 (2016).

The AIA adopted new procedures for third parties to challenge the patentability of claims in issued patents. Such challenges are heard and decided by the Patent Trial and Appeal Board (Board). Among other mechanisms for USPTO reconsideration of issued patents, the AIA established inter partes review. Through inter partes review, any “person who is not the owner of a patent,” 35 U.S.C. 311(a), may “ask the [USPTO] to reexamine the claims in an already-issued patent and to cancel any claim that the agency finds to be unpatentable in light of prior art,” *Cuozzo*, 579 U.S. at 265; see 35 U.S.C. 311.

b. When a petition for inter partes review is filed, the USPTO first must determine whether to institute inter partes review. 35 U.S.C. 314(a). The Director has

delegated that responsibility to the Board. 37 C.F.R. 42.4(a). But the Director retains ultimate authority over institution and can reverse decisions made by the Board as her delegatee. See *In re Palo Alto Networks, Inc.*, 44 F.4th 1369, 1375 & n.3 (Fed. Cir. 2022).

The AIA places some restrictions on the agency’s authority to institute inter partes review. See *Cuozzo*, 579 U.S. at 268, 273. The USPTO may institute review only if it determines that “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. 314(a). And inter partes review “may not be instituted” if (1) “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”; or (2) “the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” 35 U.S.C. 315(a)(1) and (b).

Those provisions identify certain circumstances in which inter partes review may *not* lawfully be instituted. The AIA identifies no circumstances, however, in which institution is *required*. Thus, even when a petition meets the statutory conditions for inter partes review, there is “no mandate” for the USPTO “to institute review.” *Cuozzo*, 579 U.S. at 273; see *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018); *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021), cert. denied, 142 S. Ct. 874 (2022); Pet. App. 3a (citing *Mylan* and observing that, even when the AIA’s requirements for inter partes review are satisfied, “the statute uses no language commanding institution”). Nor does the statute specify any criteria that

the agency must consider in deciding whether to institute review in cases where that is a lawful option. Instead, “Congress has committed the decision to institute inter partes review to the Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021).

If the USPTO elects to institute inter partes review in a particular matter, the Board then conducts a trial-like proceeding to determine the patentability of the challenged claims. See 35 U.S.C. 316; 37 C.F.R. Pt. 42. At the end of the proceeding (unless the matter has been dismissed), the Board must “issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.” 35 U.S.C. 318(a). A party aggrieved by the Board’s final written decision may appeal that decision to the Federal Circuit. 35 U.S.C. 141(c), 319.

The AIA provides that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” 35 U.S.C. 314(d). The agency’s decision *not* to institute an inter partes review therefore may not be appealed. And in cases where the USPTO does institute a review and determines the patentability of the challenged claims, judicial review of the agency’s decision on patentability does not extend to the agency’s antecedent institution decision. See *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1377 (2020) (explaining that, in such appeals, the Federal Circuit may not review a contention “that the agency should have refused to institute inter partes review”); *Cuozzo*, 579 U.S. at 272-274. Section 314(d)’s bar on judicial review “applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and

interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Cuozzo*, 579 U.S. at 274-275.¹

c. The AIA states that “[t]he Director shall prescribe regulations * * * setting forth the standards for the showing of sufficient grounds to institute [an inter partes] review.” 35 U.S.C. 316(a)(2). The USPTO has complied with that requirement by conducting notice-and-comment rulemaking and then promulgating regulations. See 77 Fed. Reg. 48,680 (Aug. 14, 2012). Those regulations are not at issue here.

The Director is also “responsible for providing policy direction and management supervision for the Office and for the issuance of patents.” 35 U.S.C. 3(a)(2)(A). One way in which the Director discharges that responsibility is by designating Board opinions as precedential, thereby making them “binding Board authority in subsequent matters involving similar facts or issues.” Patent Trial and Appeal Board, Standard Operating Procedure 2 (Revision 11), at 7 (July 24, 2023), https://www.uspto.gov/sites/default/files/documents/20230724_ptab_sop2_rev11_.pdf.

As relevant here, the Director designated as precedential two Board decisions that identified factors for the Board to consider when deciding whether to institute particular inter partes reviews. See *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-19, 2020 WL 2126495 (P.T.A.B. Mar. 20, 2020); *NHK Spring Co. v. Intri-Plex Techs., Inc.*, No. IPR2018-752, 2018 WL 4373643

¹ The Court has reserved the possibility that judicial review of the USPTO’s institution decision may be available for constitutional claims. See *Cuozzo*, 579 U.S. at 275; see also *Mylan Labs. Ltd.*, 989 F.3d at 1382 (recognizing possibility of mandamus review for “colorable constitutional claims”).

(P.T.A.B. Sept. 12, 2018). Those decisions specifically address when “the advanced state” of parallel district-court litigation is a “factor that weighs in favor of denying” inter partes review. *NHK*, 2018 WL 4373643, at *7. In *NHK*, the Board explained that, when a district-court proceeding involving “the same prior art and arguments[] is nearing its final stages,” instituting inter partes review will generally “be an inefficient use of Board resources” and thus will contravene “an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation.” *Ibid.* (citation omitted).

In *Fintiv*, the Board set forth six “non-dispositive factors” to consider “[w]hen the patent owner raises an argument for discretionary denial under *NHK* due to an earlier trial date.” 2020 WL 2126495, at *2. The factors are: (1) “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted”; (2) “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision”; (3) “investment in the parallel proceeding by the court and the parties”; (4) “overlap between issues raised in the petition and in the parallel proceeding”; (5) “whether the petitioner and the defendant in the parallel proceeding are the same party”; and (6) “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Ibid.* “Th[o]se factors,” the Board explained, “relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* at *3. And they “should be weighed as part of a ‘balanced assessment of all relevant circumstances of the case, including the merits.’” *Id.* at *2 (citation omitted).

In June 2022, the Director announced “several clarifications” to the Board’s “current application of *Fintiv*.” Memorandum from Katherine K. Vidal to Members of the Board, *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation*, at 2 (June 21, 2022) (Vidal Memorandum).² And in April 2023, the Director issued an Advance Notice of Proposed Rulemaking addressing (among other things) the effect of parallel district-court litigation on institution decisions. See 88 Fed. Reg. 24,503, 24,513-24,517 (Apr. 21, 2023).

2. Petitioners are Intel Corporation, Edwards Lifesciences Corporation, and Edwards Lifesciences, LLC, technology companies that have previously filed inter partes review petitions. C.A. App. 1135 ¶¶ 26-27, 1143 ¶ 62.³ In some of those cases, the USPTO denied institution of inter partes review based on the *Fintiv* factors. *Id.* at 1141-1143, ¶¶ 56-61. Petitioner Intel Corporation sought judicial review of certain of those denials, specifically “challeng[ing] the Board’s application of the so-called *Fintiv* factors,” but the Federal Circuit held that Section 314(d) barred such review. See, e.g., *Intel Corp. v. VLSI Tech. LLC*, No. 21-1614, 2021 WL 5968443, at *1 (Fed. Cir. May 5, 2021). Intel then filed a petition for a writ of certiorari, which this

² https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

³ Apple, Cisco, and Google were plaintiffs and appellants in the lower courts but are not petitioners here. They have filed letters in this Court stating that they maintain their interest in the case, support granting the petition, and intend to seek all available relief if the Court grants the petition. See, e.g., Letter from Counsel for Respondent Cisco Systems to Scott S. Harris, Clerk of Court (Sept. 14, 2023).

Court denied. See *Intel Corp. v. VLSI Tech. LLC*, 142 S. Ct. 1363 (2022) (21-888). Petitioners predict that “[t]he Board is likely to deny at least some of [their] pending or future [inter partes review] petitions under the [*Fintiv* factors].” C.A. App. 1143 ¶ 62.

Petitioners sued the Director in the United States District Court for the Northern District of California, alleging three violations of the Administrative Procedure Act (APA), 5 U.S.C. 551 *et seq.* Petitioners contended that the *Fintiv* factors: (1) exceed the Director’s authority under the AIA; (2) are arbitrary and capricious; and (3) were impermissibly issued without notice and comment. Pet. App. 32a-33a.

The district court granted the government’s motion to dismiss. Pet. App. 27a-39a. The court held that petitioners’ claims were unreviewable under Section 314(d) and this Court’s decision in *Cuozzo*. *Id.* at 37a-39a. The court explained that, “[t]o inquire into the lawfulness of the [*Fintiv* factors], [it] would have to analyze ‘questions that are closely tied to the application and interpretation of statutes related to the [Director’s] decision to initiate inter partes review.’” *Id.* at 39a (quoting *Cuozzo*, 579 U.S. at 275) (fourth set of brackets in original). The court concluded that Section 314(d) and *Cuozzo* “forbid[]” such an analysis. *Ibid.*

3. The court of appeals affirmed in part and reversed and remanded in part. Pet. App. 1a-25a.

a. The court of appeals held that petitioners’ statutory-authority and arbitrary-and-capricious claims are unreviewable. Pet. App. 13a-17a. The court explained that both of those claims “focus directly and expressly on institution standards, nothing else.” *Id.* at 14a. The court concluded that this Court’s decisions interpreting Section 314(d) establish a “principle of unreviewability”

applicable to such claims. *Ibid.* “Nothing in [that] unreviewability principle,” the court emphasized, “turns on whether the Director has provided an explanation” for the decision not to institute inter partes review, as the Director did with the *Fintiv* factors. *Id.* at 16a.

The court of appeals acknowledged that “[t]he present case, unlike *Thryv* and *Cuozzo*, does not involve a petition-specific challenge, i.e., a challenge to a Director determination whether to institute a review requested in an individual petition.” Pet. App. 16a. The court concluded, however, that the AIA’s “preclusion of review * * * must encompass preclusion of review of the content-focused challenges to the instructions at issue here.” *Ibid.* In reaching that conclusion, the court emphasized “the inevitability and congressional expectation of the Director’s delegation of the institution decision, given the large number of institution decisions the Director would otherwise have to make personally, in highly technical matters involving significant records, while fulfilling many other responsibilities.” *Ibid.* The court further explained that, in light of that practical need for delegation, guidance from the Director to her delegatee “is crucial for ensuring that [institution] determinations will overwhelmingly be made in accordance with the policy choices about institution [the Director] would follow if she were making the determinations herself.” *Id.* at 17a. The court observed that, if the Director had invoked the *Fintiv* factors in explaining an institution decision that she had made personally, “the decision would be unreviewable for being contrary to statute or arbitrary and capricious.” *Ibid.* The court concluded that, “[f]or the [inter partes review] system to function with the delegations that are inevitable and congressionally expected, the same conclusion must

follow for the instructions given by the Director to the Board as delegatee.” *Ibid.*

b. The court of appeals reversed and remanded for further consideration of petitioners’ notice-and-comment claim. Pet. App. 18a-25a. The court found that Apple—which was a plaintiff-appellant below but is not a petitioner here—had Article III standing to press that claim. *Id.* at 21a-24a. The court did not address petitioners’ standing. The court concluded that, while the AIA precludes “judicial review of the substance of the Director’s institution discretion,” that principle does not extend to the procedural issue of “whether to use notice-and-comment rulemaking to announce instructions for the institution decision.” *Id.* at 19a.

ARGUMENT

In 2022, this Court denied three petitions for writs of certiorari raising challenges to the *Fintiv* factors. See *Intel Corp. v. VLSI Tech. LLC*, 142 S. Ct. 1363 (21-888); *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 142 S. Ct. 874 (21-202); *Apple Inc. v. Optis Cellular Tech., LLC*, 142 S. Ct. 859 (2022) (21-118). The petitioners in those cases challenged individual decisions in which the Board declined to institute inter partes review. The Court should reject petitioners’ attempt to obtain a different result by raising the same basic arguments in a freestanding APA challenge to the Director’s guidance.

Contrary to petitioners’ assertion (Pet. 14-20), the decision below does not conflict with decisions of this Court and other courts of appeals interpreting judicial-review provisions in other statutes. And in any event, review of the question presented is unwarranted in this case because of its interlocutory posture and petitioners’ questionable claim to Article III standing. The petition for a writ of certiorari should be denied.

1. The court of appeals correctly held that Section 314(d) precludes review of petitioners’ statutory-authority and arbitrary-and-capricious claims. The APA’s judicial-review provisions do not apply where another “statute[] preclude[s] judicial review.” 5 U.S.C. 701(a)(1). That is the case where “the congressional intent to preclude judicial review is ‘fairly discernible’ in the [other statute’s] * * * legislative scheme.” *Block v. Community Nutrition Inst.*, 467 U.S. 340, 351 (1984); see *Elgin v. Department of Treasury*, 567 U.S. 1, 10 (2012). Such an intent is fairly discernible here.

a. The AIA generally allows judicial review of final Board decisions when the Board institutes inter partes review and determines whether the challenged claims are patentable. See 35 U.S.C. 318, 319. But the AIA creates no mechanism for review of the Board’s decisions whether to institute review in the first instance. To the contrary, Section 314(d) provides that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” 35 U.S.C. 314(d). That provision bars judicial review “where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 274-275 (2016). Applying that principle, this Court has held that “[t]he agency’s application of § 315(b)’s time limit * * * is closely related to its decision whether to institute inter partes review and is therefore rendered nonappealable by § 314(d).” *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1370 (2020).

Here, the core contention in petitioners’ complaint is that the *Fintiv* factors “override[] the congressional judgments embodied in §§ 315(a) and (b).” C.A. App. 1145 ¶ 68. Specifically, petitioners claim that the *Fintiv* factors conflict with Section 315(b)’s instruction that “[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner * * * is served with a complaint alleging infringement of the patent.” 35 U.S.C. 315(b); see C.A. App. 1144 ¶ 66. Petitioners read that instruction as a congressional determination “that, so long as the [inter partes review] petition is filed within a year after a lawsuit against the petitioner starts, [inter partes review] is appropriate.” C.A. App. 1144 ¶ 66; see *id.* at 1147 ¶ 77 (arbitrary-and-capricious claim asserting that the *Fintiv* factors “force[] infringement defendants to file [inter partes review] petitions earlier in litigation”).

Petitioners’ claims are “closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” *Cuozzo*, 579 U.S. at 275. Indeed, those claims principally turn on the same provision—Section 315(b)—that was at issue in *Thryv*. There, the Court recognized that “Section 315(b)’s time limitation is integral to, indeed a condition on, institution,” and accordingly held that Section 314(d) bars “a challenge based on § 315(b).” *Thryv*, 140 S. Ct. at 1373. Similarly here, in concluding that Section 315(b) does not preclude the USPTO from considering additional litigation-related circumstances in determining whether institution is warranted in particular cases, the agency was construing a statute “closely tied” to the USPTO’s institution decisions.

b. Petitioners emphasize (Pet. 22) that *Cuozzo* and *Thryv* involved “appeal[s] from final written decisions” in “particular cases.” Petitioners’ effort to distinguish those cases disregards the “congressional expectation of the Director’s delegation of the institution decision.” Pet. App. 16a. “When a statute delegates authority to a federal officer or agency, subdelegation to a subordinate federal officer or agency is presumptively permissible absent affirmative evidence of a contrary congressional intent.” *United States Telecom Ass’n v. FCC*, 359 F.3d 554, 565 (D.C. Cir.), cert. denied, 543 U.S. 925 (2004); see *United States v. Giordano*, 416 U.S. 505, 512-513 (1974). Here, subdelegation of the Director’s institution authority to other USPTO officials is not simply permissible but a practical necessity, “given the large number of institution decisions the Director would otherwise have to make personally, in highly technical matters involving significant records.” Pet. App. 16a.

To preserve her effective control over the agency in circumstances where delegation is a practical necessity, “the Director must be able to give guidance in the form of instructions to her delegatee(s)—the Board (or Board panels)—about how to make the institution determinations on her behalf.” Pet. App. 17a. “Such guidance is crucial for ensuring that [institution] determinations will overwhelmingly be made in accordance with the policy choices [the Director] would follow if she were making the determinations herself.” *Ibid.* If the Director invoked the *Fintiv* factors in explaining her own decision not to institute review in a particular case, her “decision would be unreviewable [under Section 314(d)] for being contrary to statute or arbitrary and capricious.” *Ibid.* To ensure that the practical need for delegation does not subvert Congress’s decision to

shield individual institution decisions from such review, “the same conclusion must follow for the instructions given by the Director to the Board as delegatee.” *Ibid.*

c. Petitioners’ contrary arguments lack merit. Petitioners rely (Pet. 20-22) on only one decision interpreting the AIA, *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018), but that decision does not help them. In *SAS Institute*, the Court held that under Section 318(a), “[w]hen the Patent Office initiates an inter partes review,” it must “resolve *all* of the claims in the case.” *Id.* at 1352-1353. The Court further held that Section 314(d) does not bar judicial review to ensure compliance with that requirement because “nothing in § 314(d) or *Cuozzo* withdraws [the Court’s] power to ensure that an inter partes review proceeds in accordance with the law’s demands.” *Id.* at 1359. But as in *Thryv*, “[t]hat reviewability holding is inapplicable here, for [petitioners] challenge[] not the manner in which the agency’s review ‘proceeds’ once instituted,” but instead the agency’s process in deciding whether to “institute[] review at all.” 140 S. Ct. at 1376.

Petitioners primarily rely (Pet. 14-18) on decisions construing statutory schemes other than the AIA. Contrary to petitioners’ suggestion (Pet. 15), those decisions do not establish any universal rule “that statutes barring review of specific agency actions do not bar review of agency standards governing those actions.” To the contrary, they turned on the particular “text, structure, and purpose” of the statutes at issue. *Elgin*, 567 U.S. at 10. In *Bowen v. Michigan Academy of Family Physicians*, 476 U.S. 667 (1986), for instance, the Court found “specific evidence” in “[t]he legislative history” that Congress intended “to foreclose review only of ‘amount determinations’” for certain benefit payments,

but not of “challenges to the validity of the Secretary’s instructions and regulations.” *Id.* at 680. Here, by contrast, there is no similar evidence of congressional intent to allow review of the Director’s guidance regarding factors her delegatee should consider in making particular institution decisions.⁴

Petitioners invoke the “‘strong presumption’” that “final agency action is subject to judicial review.” Pet. 14 (citation omitted); see Pet. 30-31. In *Cuozzo*, however, the Court “recognize[d]” that presumption and found that it was “overcome” by Section 314(d)’s “‘clear and convincing’ indications * * * that Congress intended to bar review.” 579 U.S. at 273 (citation omitted). To be sure, the Court reserved the question whether Section 314(d) would bar review of “constitutional” challenges or those “that depend on other less closely related statutes.” *Id.* at 275. But petitioners present no such challenges here.

2. The judgment below is correct for a separate and independent reason. The decision whether to institute inter partes review in circumstances where the AIA authorizes that course is committed to the USPTO’s discretion by law. 5 U.S.C. 701(a)(2). And just as the AIA provides no standard by which a court could assess the propriety of a particular exercise of agency discretion

⁴ The other decisions that petitioners cite (Pet. 16-18) are similarly inapposite. See *DHS v. Regents of Univ. of Cal.*, 140 S. Ct. 1891, 1906 (2020) (finding reviewable a challenge to “a program for conferring affirmative immigration relief,” while reserving the question whether “a non-enforcement policy” would be unreviewable); *McNary v. Haitian Refugee Ctr., Inc.*, 498 U.S. 479, 493 (1991) (finding reviewable certain constitutional and statutory challenges to agency procedures in light of multiple statutory provisions, including one that “would make no sense” under the contrary interpretation).

in this context, it provides no standard for reviewing the Director's guidance.⁵

Under the APA, judicial review is unavailable where the action at issue "is committed to agency discretion by law." 5 U.S.C. 701(a)(2). Section 701(a)(2) thus makes clear that "even where Congress has not affirmatively precluded review, review is not to be had if the statute is drawn so that a court would have no meaningful standard against which to judge the agency's exercise of discretion." *Heckler v. Chaney*, 470 U.S. 821, 830 (1985); see *id.* at 831 (review is precluded where there is "no law to apply"). Applying that principle, this Court has found that "certain categories of administrative decisions" are "committed to agency discretion." *Lincoln v. Vigil*, 508 U.S. 182, 191 (1993). For instance, agency "decision[s] not to undertake certain enforcement actions" are presumptively unreviewable, because such decisions "involve[] a complicated balancing of a number of factors which are peculiarly within [the agency's] expertise." *Chaney*, 470 U.S. at 831.

The same logic applies here. The AIA restricts the USPTO's institution discretion in some respects by identifying certain circumstances in which inter partes review may *not* be instituted. See p. 3, *supra*. But petitioners do not contend that the *Fintiv* factors will lead the Board to institute review in cases where the AIA does not authorize it. Rather, they argue that the factors reflect an unduly parsimonious approach to institution, and that the Director's guidance therefore is "likely to produce too many denials of institution requests." Pet. App. 2a; see Pet. 2 (asserting that the

⁵ The government raised this alternative argument in the court of appeals, but that court had no occasion to address it. See Pet. App. 17a-18a n.6.

Fintiv factors have “severely curtailed access to [inter partes review] in cases where an [inter partes review] petitioner challenges the validity of patent claims that are also at issue in district court litigation”).

As explained above, however, the AIA “uses no language commanding institution” in any circumstance. Pet. App. 3a. And where the USPTO determines that review could lawfully be instituted in a particular case, the statute identifies no criteria the agency should consider in making the discretionary judgment whether review should actually be instituted. Nor does the AIA set forth any standard for determining how many “denials of institution requests” would be “too many.” *Id.* at 2a. A court that attempted to review the Director’s guidance therefore “would have no meaningful standard against which to judge the [Director’s] exercise of discretion.” *Chaney*, 470 U.S. at 830.

In circumstances where the AIA authorizes inter partes review, the USPTO’s decision whether to institute review in a particular case is a “policy choice[],” Pet. App. 17a, that is based on “a complicated balancing of a number of factors,” such as resource constraints, predictive judgments about effects on the patent system, and “the proper ordering of [agency] priorities,” *Chaney*, 470 U.S. at 831-832. In addition, a decision not to institute inter partes review involves no “exercise [of the agency’s] coercive power over an individual’s liberty or property rights.” *Id.* at 832 (emphasis omitted). Because “[t]he agency is far better equipped than the courts” to make non-institution decisions, *id.* at 831, Section 701(a)(2) commits such decisions to the USPTO’s discretion.

The Director’s authority to fashion guidance for the Board, so as to ensure that the Board exercises its

institution discretion according to the same principles the Director would apply if she made the institution decisions herself, is similarly unconstrained. In *Chaney*, the Court held that judicial review was precluded where the plaintiffs challenged an agency’s policy of not pursuing enforcement actions with respect to a *class* of conduct (the provision and use of FDA-regulated drugs for lethal injections). 470 U.S. at 824-825. The same result is warranted here.

3. Petitioners suggest (Pet. 19-20) that the decision below conflicts with rulings of other courts of appeals. The decisions that petitioners cite construed statutory schemes that are meaningfully different from the one at issue here.

In *American Clinical Laboratory Association v. Azar*, 931 F.3d 1195 (D.C. Cir. 2019), the court held that “[s]everal features of” a Medicare statute showed that “Congress meant to bar challenges to the ‘establishment of payment amounts’ but not to prevent review of [a] rule delineating the data collection practices that precede and inform the setting of those amounts.” *Id.* at 1205. The court explained that “the statutory text” “separate[d]” the “data collection process” from the “establishment of payment amounts.” *Id.* at 1206. In particular, the court emphasized that the governing statute imposed specific requirements for the agency’s data-collection efforts. See *id.* at 1207. Here, by contrast, nothing in the AIA speaks to the discretionary criteria the USPTO should apply in making institution decisions, or to the Director’s formulation of guidance on that subject.⁶

⁶ The other D.C. Circuit decisions that petitioners cite are even less helpful to them. One held only that a *constitutional* claim was reviewable, while finding a statutory claim unreviewable. See *Lepre*

In *Hyatt v. OMB*, 908 F.3d 1165 (9th Cir. 2018), the court held that the Paperwork Reduction Act’s “bar on judicial review” was “demonstratively narrow in scope” and applied only to “a decision by the [Office of Management and Budget] to approve * * * a collection [of information] within an agency rule.” *Id.* at 1171. Because the agency action at issue fell outside that narrow category, the court found that “[j]udicial review * * * [was] not barred in th[at] case.” *Ibid.* But the court did not confront a circumstance like the one presented here, where the practical need for the Director to delegate her institution authority counsels against review of her guidance concerning the proper exercise of that delegated power. See Pet. App. 17a.

Finally, in *Sharkey v. Quarantillo*, 541 F.3d 75 (2d Cir. 2008), the court held that an Immigration and Nationality Act provision did not “strip courts of jurisdiction to review *nondiscretionary decisions* regarding an alien’s eligibility for [certain] relief.” *Id.* at 85 (citation omitted). Because the claim at issue there would not have “subject[ed] to judicial review any discretionary decision by the agency,” the court deemed it reviewable. *Ibid.* Here, by contrast, petitioners seek review on an issue—*i.e.*, whether and when to institute inter partes review in circumstances where the AIA would permit it—that “Congress has committed * * * to the

v. *DOL*, 275 F.3d 59, 67, 74 (D.C. Cir. 2001). Petitioners raise no constitutional claims here. The other determined—without any textual or structural analysis—that although denials of hospital reclassifications under a Medicare statute are unreviewable, “the general rules leading to the denial” are reviewable. *ParkView Med. Assocs., L.P., v. Shalala*, 158 F.3d 146, 148 (D.C. Cir. 1998); see also *Geisinger Cmty. Med. Ctr. v. Secretary of HHS*, 794 F.3d 383, 390 n.4 (3d Cir. 2015) (following *Parkview* with no independent analysis).

Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021).

4. Three additional considerations reinforce the conclusion that this Court’s review is not warranted here. First, the case comes to the Court in an interlocutory posture, as the court of appeals reversed and remanded on petitioners’ notice-and-comment claim. See Pet. 33 n.5 (acknowledging “[t]his case’s interlocutory posture”). That “interlocutory posture is a factor counseling against this Court’s review at this time.” *National Football League v. Ninth Inning, Inc.*, 141 S. Ct. 56, 57 (2020) (Kavanaugh, J., statement respecting the denial of certiorari); see *Abbott v. Veasey*, 580 U.S. 1104 (2017) (Roberts, C.J., statement respecting denial of certiorari). If petitioners prevail on remand, the agency could undertake a notice-and-comment process; petitioners could express their concerns about the *Fintiv* factors during that process; and the factors could change as a result. And if petitioners do not prevail on remand, they will have another opportunity to seek this Court’s review at that time.

Second, there are substantial questions about petitioners’ Article III standing, which this Court would need to resolve in order to rule in their favor. The court of appeals determined only that Apple had standing to press a notice-and-comment claim, based on the premise that “when a plaintiff asserts an entitlement to a rulemaking, the redressability requirement for standing is relaxed.” Pet. App. 22a. But Apple is not a petitioner here; the notice-and-comment claim has been remanded to the district court; and petitioners are not entitled to a relaxed standing analysis for their current claims.

As to those claims, petitioners’ alleged injury is that the *Fintiv* factors “create[] a substantial risk that any given [inter partes review] petition will be denied, and [petitioners] will thereby be deprived of [inter partes review’s] benefits.” C.A. App. 1387. But the inability to have an issued patent reconsidered through the discretionary inter partes review process is a mere “deprivation of a procedural right,” which by itself “is insufficient to create Article III standing.” *Summers v. Earth Island Inst.*, 555 U.S. 488, 496 (2009); see, e.g., *AVX Corp. v. Presidio Components, Inc.*, 923 F.3d 1357, 1361 (Fed. Cir. 2019) (explaining that “[a]n [inter partes review] petitioner that lost on some or all of its challenges before the Board” lacks standing to seek judicial review absent a particularized injury stemming from the Board’s decision). The Board’s refusal to institute an inter partes review would injure petitioners only if (1) the review would have culminated in a final written decision finding the challenged patent claims unpatentable, and (2) the USPTO’s failure to cancel those claims caused petitioners concrete harm.

Even if the denial of an inter partes review petition can create a concrete and particularized injury in some cases, petitioners here allege only a risk that the Board will “deny at least some of [their] pending or future * * * petitions under the” *Fintiv* factors. C.A. App. 1143. But that alleged “risk of harm” is not “sufficiently imminent and substantial” for petitioners to obtain “forward-looking, injunctive relief.” *TransUnion LLC v. Ramirez*, 141 S. Ct. 2190, 2210 (2021). Indeed, even assuming that petitioners have filed *past* petitions that were denied based on the *Fintiv* factors, that “does nothing to establish a real and immediate threat that [they] would again” have a petition denied based on

those factors. *City of Los Angeles v. Lyons*, 461 U.S. 95, 105 (1983).

Finally, review is unwarranted here in light of the Director’s own ability to evaluate and revisit the *Fintiv* factors. In June 2022, during the pendency of this case, the Director issued updated guidance to the Board about application of the *Fintiv* factors. See p. 7, *supra*. That guidance directs the Board not to “rely on the *Fintiv* factors to discretionarily deny institution in view of parallel district court litigation where a petition presents compelling evidence of unpatentability.” Vidal Memorandum 2. It further states that, “when other relevant factors weigh against exercising discretion to deny institution or are neutral, the proximity to trial should not alone outweigh all of those other factors.” *Id.* at 8. And the guidance emphasizes that, because a “scheduled trial date” is often an unreliable guide to the trial’s actual proximity, the Board will consider submitted evidence of “the most recent statistics on median time-to-trial for civil actions in the [relevant] district court.” *Ibid.*

The guidance further observes that “[t]he Office expects to replace this interim guidance with rules after it has completed formal rulemaking.” Vidal Memorandum 9. The Director has since issued an Advance Notice of Proposed Rulemaking addressing (among other things) the effect of parallel district-court litigation on institution decisions. See 88 Fed. Reg. 24,503, 24,513-24,517 (Apr. 21, 2023). Particularly in light of the agency’s continuing evaluation of such issues and its ability to revisit the *Fintiv* factors, petitioners’ disapproval of the USPTO’s current approach cannot justify this Court’s intervention here.

CONCLUSION

The petition for a writ of certiorari should be denied.
Respectfully submitted.

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