

No. _____

In the
Supreme Court of the United States

MACNEIL IP LLC,
Petitioner,

v.

YITA LLC,
Respondent.

**On Petition for Writ of Certiorari to the United
States Court of Appeals for the Federal Circuit**

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

In the case below, the United States Court of Appeals for the Federal Circuit reversed a Final Written Decision of the Patent Trial and Appeal Board because the Board’s “finding . . . rests on legal errors.” After correcting the legal errors, instead of remanding to the Board as required by this Court’s “ordinary remand rule,” the Federal Circuit re-evaluated what the Board described as “incredible” “compelling” and “strong” secondary considerations evidence, entered its own findings of fact, and reversed the Board on that basis to invalidate the patent, which involved WeatherTech®’s industry revolutionizing vehicle floor tray.

The questions presented are:

1. Is it legal error for the Federal Circuit to substitute its own findings of fact for those of an agency and reverse on that basis instead of remanding as required by this Court’s “ordinary remand rule” as set forth in *I.N.S. v. Orlando Ventura*, 537 U.S. 12, 18, 123 S. Ct. 353, 154 L.Ed.2d 272 (2002)?
2. Does the Federal Circuit’s expanding practice of reversing agency decisions in lieu of remand now conflict with the binding precedent of this Court?

PARTIES TO THE PROCEEDING

The Parties to this Proceeding are only those listed in the caption: Petitioner is MacNeil IP LLC, which was the Patent Owner in the *inter partes* review proceedings before the United States Patent and Trademark Office's Patent Trial and Appeal Board, and which was the Appellee before the U.S. Court of Appeals for the Federal Circuit.

Respondent to this Petition is Yita LLC, which was the Petitioner in the *inter partes* review proceedings before the United States Patent and Trademark Office's Patent Trial and Appeal Board, and which was the Appellant before the U.S. Court of Appeals for the Federal Circuit.

RULE 29.6 DISCLOSURE

Pursuant to Supreme Court Rule 29.6, Petitioner MacNeil IP LLC states that it does not have a parent corporation and that no publicly held corporation owns 10% or more of its stock.

RELATED PROCEEDINGS

Pursuant to Supreme Court Rule 14.1(b)(iii), Petitioner MacNeil IP LLC states that there is one proceeding currently pending related to this Petition: *MacNeil Automotive Products Limited et al. v. Yita LLC et al.*, Case No. 2:20-cv-00278-TSZ (W.D. Wash. Apr. 12, 2019), which is a patent infringement case premised in part upon the patent impacted by this Petition.

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PETITION FOR A WRIT OF CERTIORARI

Petitioner MacNeil IP LLC (“MacNeil”) petitions this Court for a writ of certiorari to the U.S. Court of Appeals for the Federal Circuit (“Federal Circuit”) to correct the Federal Circuit’s procedurally defective standard when determining whether to reverse or remand a matter on appeal, and to provide the Federal Circuit with the proper standard that is consistent with this Court’s precedent.

This Petition arises from only the most recent example of the Federal Circuit’s failure to remand matters when this Court’s binding precedent requires as much. Here, the Federal Circuit determined that a finding by the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board (“PTAB” or “Board”) could not be supported by substantial evidence, not because there was insufficient evidence in the record to support the finding, but rather because of an error of law made by the PTAB. Rather than remanding the matter to the PTAB with instructions to evaluate the evidence under the proper legal standard, the Federal Circuit instead made its own findings of fact for itself and reversed.

Starting from what was once a reasonable interpretation of this Court’s standard for remand, the Federal Circuit has now strayed too far. MacNeil respectfully submits that this Petition presents the Court with an appropriate and much-needed opportunity to correct what has become an increasingly problematic overextension of appellate review by the Federal Circuit, whose legal standard now impermissibly authorizes the substitution of its

own findings of fact for that of an agency's whenever an agency decision rests upon legal error.

OPINIONS BELOW

The Opinion of the U.S. Court of Appeals for the Federal Circuit that is the subject of this Petition, 69 F.4th 1356 (Fed. Cir. 2023), is reproduced at App. 1-22. The PTAB's Final Written Decisions from which the appeal was taken are reproduced at App. 23-121 (*Yita LLC v. MacNeil IP LLC*, IPR2020-01139 (P.T.A.B. Jan. 3, 2022)) and App. 122-205 (*Yita LLC v. MacNeil IP LLC*, IPR2020-01142 (P.T.A.B. Jan. 3, 2022)). The Order of the U.S. Court of Appeals for the Federal Circuit denying panel rehearing and/or *en banc* review is reproduced at App. 206-207.

BASIS FOR JURISDICTION

The judgment of the Court of Appeals was entered on June 6, 2023 (App. 1). On July 6, 2023, MacNeil IP LLC timely filed its combined petition for panel rehearing and rehearing *en banc*, and the following day upon instruction from the Court of Appeals it timely filed its corrected combined petition for panel rehearing and rehearing *en banc* (App. 208 ("Combined Petition")). The Court of Appeals' Order denying MacNeil IP LLC's Combined Petition issued on August 8, 2023 (App. 207). This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

**CONSTITUTIONAL AND STATUTORY
PROVISIONS INVOLVED**

U.S. Const. art. I, § 8, cl. 8 provides in pertinent part:

The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Additionally, 35 U.S.C. § 2(a) vests exclusive authority to make patentability determinations with the United States Patent and Trademark Office:

35 U.S.C. § 2(a): In General. — The United States Patent and Trademark Office, subject to the policy direction of the Secretary of Commerce—

- (1) shall be responsible for the granting and issuing of patents and the registration of trademarks; and
- (2) shall be responsible for disseminating to the public information with respect to patents and trademarks.

35 U.S.C. §§ 311-319 set forth the statutory framework under which the United States Congress has delegated to the United States Patent and Trademark Office the authority to assess the patentability of any United States Patent issued more

than nine months previously. As those statutes apply here, they read in full as follows:

35 U.S.C. § 311(a): In General. – Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

35 U.S.C. § 311(b): Scope. – A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

35 U.S.C. § 318(a): Final Written Decision. – If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).

35 U.S.C. § 319 (Appeal) – A party dissatisfied with the final written decision of the Patent Trial and Appeal

Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the *inter partes* review shall have the right to be a party to the appeal.

35 U.S.C. § 141(c): Post-Grant and Inter Partes Reviews. – A party to an *inter partes* review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) may appeal the Board’s decision only to the United States Court of Appeals for the Federal Circuit.

STATEMENT OF THE CASE

The underlying action is an *inter partes* review proceeding (IPR2020-01139 (the “-1139 Proceeding”)) before the PTAB assessing the patentability of U.S. Patent No. 8,382,186 (“the ’186 Patent”). An appeal arising from a separate but related *inter partes* review proceeding before the PTAB (IPR2020-01142 (“the -1142 Proceeding”)) was consolidated with the appeal of the -1139 Proceeding and addressed in the same opinion by the Federal Circuit. (App. 1.) These proceedings were initiated with the PTAB under 35 U.S.C. §§ 311 *et seq.*, and they were reviewed by the Federal Circuit pursuant to 35 U.S.C. § 319 and 28 U.S.C. § 1295(a)(4)(A).

The Federal Circuit affirmed the decision of the -1142 Proceeding in its entirety, and neither Appellant nor Appellee below contest the propriety of the Federal

Circuit’s decision there. MacNeil takes issue with only those portions of the Federal Circuit’s opinion that address the -1139 Proceeding, and particularly with respect to the Federal Circuit’s (1) interpretation of the record from that proceeding, and (2) failure to remand to the PTAB for fact finding under the appropriate legal standard.

A. THE PARTIES AND THE TECHNOLOGY AT ISSUE

This Petition presents the question of whether the Federal Circuit—in making its own findings of fact and reversing a PTAB decision on that basis rather than remanding—disregarded this Court’s binding precedent to unduly invalidate the ’186 Patent. The ’186 Patent is embodied by MacNeil’s commercially successful WeatherTech® FLOORLINER™ vehicle floor tray.

After the commercial introduction of the product in 2004, competitors mimicked its patented features. From the time MacNeil obtained its intellectual property rights in the product, it has been vigorously defending these rights. Among those alleged to infringe these rights is *Inter Partes* Review (“IPR”) Petitioner Yita LLC (“Yita”).

Yita is a distributor of Chinese manufacturing conglomerate Jinrong (SH) Automotive Development Co. Ltd (“Jinrong”). After learning of the commercialization of their infringing floor tray in the United States, MacNeil sued Yita and Jinrong for patent infringement in April 2019. That case is still pending in the United States District Court for the

Western District of Washington but is currently stayed.

B. THE -1139 AND -1142 PROCEEDINGS

As noted above, the petitions resulting in -1139 and -1142 Proceedings were consolidated by the Federal Circuit. For purposes of this Petition, only the details from the -1139 Proceeding are pertinent. There, the Board began by correctly noting the respective burdens of proof for the parties, the level of proof required, and the governing law applicable to obviousness determinations under 35 U.S.C. § 103:

A claim is unpatentable under § 103 if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

(App. 31 (citing *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007)).)

The Board also correctly cited to this Court's *Graham v. John Deere Co.* decision to note that obviousness determinations hinge on questions of fact:

The question of obviousness is resolved on the basis of underlying factual determinations, including (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of skill in the art; and (4) when in evidence,

objective indicia of non-obviousness (i.e., secondary considerations).

(App. 31 (citing *Graham*, 383 U.S. 1, 17-18 (1966)).)

The Board then methodically proceeded to assess each of the four *Graham* factors, taking each in turn. (App. 31-107.) With respect to each of the first three factors, the Board agreed with Yita's positions and found that Yita had made a *prima facie* case of obviousness as to all elements of Claim 1 of the '186 Patent. (*Id.*) The Board then extended its finding to conclude the same for all remaining claims of the '186 Patent.

The Board then correctly addressed the fourth and final *Graham* factor—secondary considerations of non-obviousness—which alone would rebut Yita's *prima facie* case of obviousness established by the first three *Graham* factors if MacNeil met its burden. (App. 107.) And in assessing *Graham*'s fourth factor, the Board began by determining whether the evidence submitted by MacNeil pertaining to its WeatherTech® FLOORLINER™ product could be used for secondary consideration purposes. (App. 105-106.)

The Board noted, “In order for [it] to accord substantial weight to secondary considerations, [MacNeil] must establish a ‘nexus’ to the claims, *i.e.*, there must be ‘a legally and factually sufficient connection’ between the evidence and the patented invention.” (App. 107, quoting *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019).) The Board continued, “[MacNeil] is entitled to a rebuttable presumption of nexus between the asserted evidence of secondary considerations and a patent

claim if the patentee shows that the asserted evidence is tied to a specific product and that the product ‘is the invention disclosed and claimed.’” (App. 107 (quoting *Fox Factory*, 944 F.3d at 1373).) It also accurately set forth the remainder of *Fox Factory*’s guidance regarding a presumption of nexus:

Patent Owner must also show that the product is coextensive with the claimed features. . . . “[T]he degree of correspondence between a product and the patent claim falls along a spectrum. At one end of the spectrum lies perfect or near perfect correspondence. At the other lies no or very little correspondence.” . . . However, a “patent claim is not coextensive with a product that includes a ‘critical’ unclaimed feature that is claimed by a different patent and that materially impacts the product’s functionality.”

(App. 107, quoting *Fox Factory*, 944 F.3d at 1373 (citations omitted).)

Based on the record evidence before it, the Board concluded that “[MacNeil] establishes that WeatherTech’s vehicle trays embody the claimed invention and are coextensive with the claims” and “entitled to a presumption of nexus.” (App. 109.) In arriving at that conclusion, the Board expressly rejected Yita’s contentions that MacNeil’s nexus was “destroyed” according to various theories (*id.*), and further recited Federal Circuit governing standards

regarding Yita's theories. Most notably, the Board rejected one of Yita's theories based on the following:

The fact that we find [the prior art] discloses the close conformance limitation [of the patented claims] does not establish that close conformance was well-known as [Yita] contends. The Federal Circuit instructs that "it is the claimed combination as a whole that serves as a nexus for objective evidence; proof of nexus is not limited to only when objective evidence is tied to the supposedly 'new' feature(s)." *WBIP LLC v. Kohler Co.*, 829 F.3d 1317, 1330 (Fed. Cir. 2016); see also *id.* at 1331 ("We further reject [the] . . . claim that objective evidence must be tied exclusively to claim elements that are not disclosed in a particular prior art reference in order for that evidence to carry substantial weight.")

(App. 109.)

On this basis, and because the Board also found that Yita had introduced no evidence to rebut MacNeil's assertion of nexus (App. 112), the Board concluded that the strong evidence of secondary considerations favoring patentability sufficiently rebutted Yita's *prima facie* case of obviousness. (App. 116.) Yita failed to establish the unpatentability of the claims of the '186 Patent. (*Id.*)

C. THE FEDERAL CIRCUIT APPEAL

The Federal Circuit reversed the Board's determination that Yita failed to demonstrate that the challenged claims were obvious. In doing so, however, the Federal Circuit conflated the findings of the -1139 and -1142 Proceedings to misconstrue the actual findings of the Board. (App. 14-18.) Notably, the Federal Circuit overlooked the Board's explicit finding that "WeatherTech's vehicle trays embody the claimed invention and are coextensive with the claims" (App. 108) and "entitled to a presumption of nexus" (App. 109), and instead misread Board dicta to find legal error in the Board's decision. (App. 15 ("The Board offered what can be viewed as two reasons. Both are legally incorrect.")) Whether the Federal Circuit was correct in finding legal error in the Board's reasoning is not the subject of this Petition. What is, however, is what happened next.

Instead of remanding the matter to the Board to revisit its determinations and conclusions under the appropriate legal standard, the Federal Circuit found as follows:

In sum, the secondary-consideration evidence was the only *Graham* factor that the Board deemed to weigh in favor of nonobviousness. ***For the reasons that we have explained***, the [Board's] finding of secondary considerations lacks substantial-evidence support under the proper legal standard. Because the Board determined that a relevant artisan would have been motivated to combine

the teachings of [the Prior Art References] to arrive at claims 1-7 of the '186 patent with a reasonable expectation of success, the Board's judgment that those claims are not unpatentable for obviousness must be reversed.

(App. 18 (emphasis added).)

The "reasons that [the Federal Circuit has] explained" were premised entirely on the Federal Circuit's own factual determinations made under the corrected legal standard. The Board had previously found that "the evidence [of secondary considerations] is due to the close conforming vehicle floor tray which is coextensive with the claims." (App. 112.) The Federal Circuit decided otherwise, by relying exclusively on findings of fact from a different proceeding (the -1142 Proceeding) to conclude "that MacNeil's secondary-consideration evidence 'relate[d] entirely' to the close-conformance limitation [of the tray] disclosed in the prior art." (App. 16.) Relying on its own finding of fact instead of the Board's, the Federal Circuit then concluded that the evidence was insufficient to negate Yita's *prima facie* case of obviousness, and therefore reversed instead of vacating and remanding the Board's decision. (App. 18.)

The record is devoid of any evidence that secondary considerations were linked exclusively to a known prior art feature. (See App. 110-112.) MacNeil raised this with the Federal Circuit as one of its bases for its Combined Petition. (*E.g.*, App. 235 (citing the

Joint Appendix below at 77 to reference “Yita’s ***unsupported contention*** that secondary considerations were attributable ***solely*** to the close-conformance limitations”).) MacNeil also raised the following issue, which is the basis of this Petition:

It was not proper under any standard for the [Federal Circuit] to substitute its own factual findings for that of the PTAB and outright reverse—especially when the decision rested in part on incorrect “presum[ptions]” . . . and particularly when the record does not support the Panel’s substituted factual findings. A remand for further proceedings was exactly the approach taken by the Court in *Rambus [Inc. v. Rea]*, 731 F.3d 1248 (Fed. Cir. 2013), where it vacated the PTAB’s finding of obviousness and remanded.

(App. 245 (citing *Rambus*, 731 F.3d at 1258).)

On this basis, MacNeil petitioned the Federal Circuit for reconsideration of the panel’s decision, or in the alternative, to remand the matter back “to the PTAB for further proceedings.” (App. 246.) MacNeil’s Combined Petition was denied in full on August 8, 2023. (App. 207.)

REASONS FOR GRANTING THE PETITION

This petition warrants a grant so that the Court can address and correct the Federal Circuit’s ongoing and procedurally improper practice of reversing PTAB decisions when vacation and remand would be

required under the Court's ordinary remand rule ("the Federal Circuit Practice").

In instances where, as here, the Federal Circuit vacates a Board's findings of fact because they were decided under an improper legal standard, the Federal Circuit Practice deprives the agency of its Congressionally delegated responsibility and authority to decide issues of patentability. Further, the Federal Circuit Practice, as it has evolved, can no longer be reconciled with this Court's binding precedent. For at least these reasons, the decision rendered by the Federal Circuit giving rise to this Petition has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's supervisory power.

**THE FEDERAL CIRCUIT'S PRACTICE
CANNOT BE RECONCILED WITH THIS
COURT'S PRECEDENT**

The Court is of course familiar with its own standard governing the propriety of reversing in lieu of vacating and remanding back to an administrative agency upon appellate review. Indeed, as the Court made abundantly clear eighty years ago, "[f]or purposes of affirming no less than reversing its orders, an appellate court cannot intrude upon the domain which Congress has exclusively entrusted to an administrative agency." *Sec. & Exch. Comm'n v. Chenery Corp.*, 318 U.S. 80, 88, 63 S. Ct. 454, 459, 87 L. Ed. 626 (1943). Since then, this Court has repeatedly cautioned appellate courts:

A court of appeals "is not generally empowered to conduct a *de novo* inquiry

into the matter being reviewed and to reach its own conclusions based on such an inquiry.” “Rather, ‘the proper course, except in rare circumstances, is to remand to the agency for additional investigation or explanation.’”

Gonzales v. Thomas, 547 U.S. 183, 186, 126 S. Ct. 1613, 164 L. Ed. 2d 358 (2006) (quoting *I.N.S. v. Orlando Ventura*, 537 U.S. 12, 16, 123 S. Ct. 353, 154 L.Ed.2d 272 (2002) (*per curiam*) (quoting *Florida Power & Light Co. v. Lorion*, 470 U.S. 729, 744, 105 S. Ct. 1598, 84 L.Ed.2d 643 (1985))).

The Court has referred to this standard as the “ordinary remand rule.” *Gonzales*, 547 U.S. at 187 (holding that “as in *Ventura*, the Court of Appeals should have applied the ‘ordinary remand rule’”).

It cannot reasonably be disputed that the United States Congress has “exclusively entrusted” authority to make patentability determinations under the laws of the United States to the United States Patent and Trademark Office. 35 U.S.C. § 2(a) (“The United States Patent and Trademark Office, subject to the policy direction of the Secretary of Commerce— (1) shall be responsible for the granting and issuing of patents. . . .”). Accordingly, the Federal Circuit—at least until recently—has traditionally adhered to the rule espoused in *Chenery* and its progeny to review PTAB decisions with proper deference. See *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1372, 200 L. Ed. 2d 671 (2018) (“the Federal Circuit assesses ‘the Board’s compliance with governing legal standards de novo and its underlying

factual determinations for substantial evidence” (quoting *Randall Mfg. v. Rea*, 733 F.3d 1355, 1362 (Fed. Cir. 2013)); see also, *Strand v. United States*, 706 F. App’x 996, 1000-1001 (Fed. Cir. 2019) (quoting and citing *Gonzales*, *Ventura*, and *Chenery*). It has even referenced and relied upon *Ventura*’s “ordinary remand rule” to enforce the same upon lower appellate courts. See, e.g., *Tadlock v. McDonough*, 5 F.4th 1327, 1333 (Fed. Cir. 2021) (citing *Chenery* to vacate and remand a decision from the United States Court of Appeals for Veterans Claims because “the Veterans Court exceeded its jurisdiction in making [a factual] determination in the first instance”). At the same time, however, the Federal Circuit has seen fit to carve exceptions to the Court’s ordinary remand rule.

In many cases, the Federal Circuit’s exceptions have been consistent with this Court’s views towards judicial efficiency and harmless error, such as affirming a lower court decision “when the error in question ‘clearly had no bearing on the procedure used or the substance of the decision reached.’” *Oracle Am., Inc. v. United States*, 975 F.3d 1279, 1291 (Fed. Cir. 2020) (quoting *Mass. Trustees of E. Gas & Fuel Assocs. v. United States*, 377 U.S. 235, 248, 84 S. Ct. 1236, 12 L. Ed. 2d 268 (1964)). But there are limits to the propriety of affirming or reversing without remand.

To be sure, *Chenery* “does not invariably require a remand to the agency whenever a court holds that the agency’s action was based on legally improper grounds,” particularly where the reviewing court is simply “affirm[ing] the decision of an agency on a ground other than the ground given by the agency.” *Oracle*, 975 F.3d at 1290-91. Even in those instances,

however, the Federal Circuit itself has recognized that an affirmance is appropriate only where “it is clear that the agency would have reached the same decision if it had been aware that the ground it involved was legally unavailable, **or if the decision does not depend on making a finding of fact not previously made by the agency.**” *Id.* at 1291 (citing *Ford Motor Co. v. United States*, 811 F.3d 1371, 1380 (Fed. Cir. 2016); *Killip v. Off. Pers. Mgmt.*, 991 F.2d 1564, 1568-69 (Fed. Cir. 1993); *Ward v. Merit Sys. Prot. Bd.*, 981 F.2d 521, 528 (Fed. Cir. 1992) (emphasis added)). And if that were not enough, this Court has made abundantly clear that even in instances of affirmance, an appellate court commits legal error if it decides questions for itself that were unaddressed by the agency in the first instance. *E.g.*, *Gonzales*, 547 U.S. at 185-186 (granting certiorari, vacating, and remanding a Ninth Circuit case that decided a question on appeal in the first instance because “[t]he Ninth Circuit’s failure to remand is legally erroneous, and that error is ‘obvious in light of *Ventura*,’ itself a summary reversal”).

Notwithstanding the Court’s clear and consistent position on the propriety of remand in all but rare circumstances, the Federal Circuit continues to make exceptions for itself, and expand upon those exceptions. Indeed, the Federal Circuit has recently cited to its sister courts, as well as its own prior case law, to galvanize exceptions to *Ventura*’s “ordinary remand rule” that, to MacNeil’s knowledge, have never been authorized by this Court. *See, e.g.*, *Oracle*, 975 F.3d at 1291 (citing to *In re Watts*, 354 F.3d 1362, 1370 (Fed. Cir. 2004) “if there is no reason to believe

that the decision would have been different”; to *Fleshman v. West*, 138 F.3d 1429, 1433 (Fed. Cir. 1998) “it is clear that the agency would have reached the same result”; to *Bethlehem Steel Corp. v. Gorsuch*, 742 F.2d 1028, 1036 (7th Cir. 1984) “[if] the result is ‘foreordained’”; to *NLRB v. Am. Geri-Care, Inc.*, 697 F.2d 56, 64 (2d Cir. 1982) where there is no “significant chance that but for the error, the agency might have reached a different result,” and to *Kurzon v. U.S. Postal Serv.*, 539 F.2d 788, 796 (1st Cir.1976) where “the court is not in substantial doubt whether the administrative agency would have made the same ultimate finding with the erroneous finding removed”).

And the Federal Circuit’s exceptions are broadening further in its review of PTAB decisions. *See Corning v. Fast Felt Corp.*, 873 F.3d 896, 901, 903 (Fed. Cir. 2017) (“in this case, it is not necessary or appropriate to remand for the Board to reassess the evidence in light of the correct claim interpretation” because “[Appellee] did not ask for a remand if this court adopted a [different] claim construction” and because there was purportedly “only one permissible factual finding” supported by the record); *see also Amgen Inc. v. Vidal*, Case No. 2019-2171, 2022 WL 1112817, at *3 (Fed. Cir. Apr. 14, 2022) (citing *Corning* to conclude “that in circumstances ‘where only one answer is supported by substantial evidence and there is neither a request nor an apparent reason to grant a second recordmaking opportunity, reversal is warranted”); *Innovative Memory Syst., Inc. v. Micron Tech., Inc.*, 781 F. App’x 1013, 1018 (Fed. Cir. 2019) (citing *Corning* for same)).

Petitioner is aware of no circumstance, prior to the Federal Circuit's *Corning* decision flouting nearly eighty years of Supreme Court precedent, that requires a party to request a remand in order to ensure an appellate court does not exceed its legal authority to make its own factual findings under a corrected legal standard.

Further, even if this Court's precedent provided appellate courts with sufficient discretion to reverse without remand unless expressly requested—and of course it does not—the Federal Circuit should not have reversed without remand here. As noted above, MacNeil expressly requested that the Federal Circuit remand the matter in its Combined Petition. (App. 246.)

As previously noted, the Federal Circuit's Practice appears to be a relatively recent development. *Compare Corning*, 873 F.3d at 901 (reversing in lieu of remand because parties failed to request remand) *with Electro Scientific Indus., Inc. v. Dynamic Details, Inc.*, 307 F.3d 1343, 1350 (Fed. Cir. 2002) (“this appellate court possesses no tools or mandate for fact-finding”) *and Dey., L.P. v. Sunovion Pharms., Inc.*, 715 F.3d 1351, 1360 n.5 (Fed. Cir. 2013) (vacating and remanding, rather than reversing, because “[a]lthough Sunovion may ultimately have nothing of significance to add to the record in response . . . , it should be given the opportunity to do so, and the district court should be given the opportunity to review its submission in the first instance in light of our opinion”). *See also* Combined Petition, App. 219 (“The Panel’s reversal of the PTAB’s finding of non-obviousness – rather than remanding – is contrary to

[the Federal Circuit's] precedent in *Rambus Inc. v. Rea*, 731 F.3d 1248 (Fed. Cir. 2013)."). Since *Corning*, however, the Federal Circuit has evidently become increasingly willing to forego remand in favor of imposing its own views of the record. This latest instance involving MacNeil and the '186 Patent is particularly troubling, and it is so for a number of reasons.

First, the Federal Circuit's panel opinion in this matter elected to reverse, rather than vacate and remand, the agency decision of the PTAB (the FWD) despite ***the panel acknowledging that it did not have a full understanding of the record.*** (App. 10 (where the Federal Circuit stated that the PTAB "concluded that the evidence on [] secondary considerations was 'persuasive of non-obviousness'" "***presumably*** because it already [committed legal error]") (emphasis added).) If the Federal Circuit was required to "presume" the basis for the Board's conclusions, it was obligated to remand at least to clarify the record.

Second, the Federal Circuit issued its decision to reverse rather than remand without acknowledging any reason or authority under which it was appropriate to do so. (App. 18.) Its failure to explain its departure from this Court's "ordinary remand rule" constitutes a significant departure from Federal Circuit cases decided even just one year ago. (*E.g.*, *Amgen Inc.*, 2022 WL 1112817, at *3 (citing to *Corning* to justify why reversal, rather than remand, was appropriate.)

Third, the Federal Circuit was informed of the impropriety of reversing an agency decision based on the mistaken presumption made by the Federal Circuit panel, and the court took no action to correct it. (*See* App. 242 (where MacNeil raised the issue in its Combined Petition); *see also* App. 207 (where Federal Circuit denied MacNeil's Combined Petition).)

Fourth, the Federal Circuit was also informed of the fact that a reversal, rather than remand, was contrary to even the Federal Circuit's own precedent (App. 219), and it still took no action to correct it. When MacNeil expressly requested remand to the PTAB in light of the panel's decision, the Federal Circuit took no action to correct course.

The foregoing, when assessed in its totality, at least suggests that the Federal Circuit has no issue with its increasing encroachment and impingement upon duties statutorily vested in the USPTO. A grant of this Petition presents the Court with an opportunity to correct the Federal Circuit's increasingly expansive view of its proper province.

CONCLUSION

MacNeil's petition for a writ of certiorari warrants a grant. The Federal Circuit Practice of reversing PTAB decisions premised on legal error instead of vacating and remanding so that the PTAB may assess the evidence under the proper legal standard runs contrary to this Court's precedent. Additionally, this case presents the latest example of the Federal Circuit Practice expanding beyond the limited purview of an appellate court. The Federal Circuit once recognized that it possesses no tools or

mandate for fact-finding. A grant of this Petition will provide the Court an ideal opportunity to remind the Federal Circuit—and all appellate courts—that the delegation of authority to an administrative agency by Congress should be respected, and exceptions to that principle should not gradually become the norm.

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Respectfully submitted,

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