

No. 22-203

IN THE
Supreme Court of the United States

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

Petitioners,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,

Respondent.

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

BRIEF OF UNIFIED PATENTS, LLC,
AS *AMICUS CURIAE*
IN SUPPORT OF PETITIONERS

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**BRIEF OF UNIFIED PATENTS, LLC,
AS *AMICUS CURIAE*
IN SUPPORT OF PETITIONERS**

INTERESTS OF *AMICUS CURIAE*¹

Unified Patents, LLC is a membership organization dedicated to deterring non-practicing entities (“NPEs”) from extracting nuisance settlements from operating companies based on low-quality, likely invalid patents. Unified’s more than 3,000 members are Fortune 500 companies, start-ups, automakers, industry groups, medical device manufacturers, cable companies, banks, open-source developers, manufacturers, and others dedicated to reducing the drain on the U.S. economy of patents of dubious validity.

Unified studies the ever-evolving business models, financial backings, and practices of NPEs. *See, e.g.*, Unified Patents, *2021 Litigation Annual Report*, <https://portal.unifiedpatents.com/litigation/annual-report>; Unified Patents, *2021 Patent Dispute Report: Year in Review*, <https://www.unifiedpatents.com/insights/2022/1/3/2021-patent-dispute-report-year-in-review> (“2021 Year in Review”).

As part of its deterrence mission, Unified files post-issuance administrative challenges to NPE

¹ Pursuant to this Court’s Rule 37.2(a), all parties received timely notice of and consented in writing to the filing of this brief. Pursuant to this Court’s Rule 37.6, *amicus* states that this brief was not authored in whole or in part by counsel for any party, and that no person or entity other than *amicus* or its counsel made a monetary contribution intended to fund the preparation or submission of this brief.

patents it believes are unpatentable or invalid, both domestically and abroad. Unified thereby pursues and frequently exonerates “the important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain.” *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969).

Unified’s domestic challenges include inter partes review (“IPR”) petitions filed before the Patent Office’s Patent Trial and Appeal Board (“PTAB”). These petitions challenge NPE patents Unified believes are unpatentable or invalid. Unified acts and litigates independently from its members. *See, e.g., Unified Patents, LLC. v. Uniloc USA, Inc. et al.*, IPR2018-00199, Paper No. 33, 10 (PTAB May 31, 2019) (Unified members not real parties in interest to IPRs filed by Unified); *id.* (collecting PTAB decisions).

In 2021, Unified was the fifth most frequent IPR petitioner, and it was by far the leading third-party filer. 2021 Patent Year in Review, Fig. 17.

Here, Unified is concerned with ensuring that petitioners and patent owners have a final, conclusive interpretation of the estoppel provisions that apply to patent claims that are in the patent after IPRs and related Patent Office proceedings.

SUMMARY OF ARGUMENT

Congress designed post-issuance patent proceedings to allow any member of the public to challenge patent claims before the expert agency that issued the patent. For example, an operating company that is sued on a patent may file a petition with the Patent Office seeking inter partes review of particular patent claims. The Patent Office may institute proceedings against the challenged claim(s) if the petition shows a reasonable likelihood of prevailing with respect to at least one challenged patent claim. During an IPR, the patent owner may defend the claims as they appear in the patent, or it may move to cancel any challenged claim or propose a reasonable number of substitute claims that do not enlarge the scope of the patent.

Barring a timely settlement, the PTAB will issue a final written decision concerning the patentability of any challenged or new claim. The Director may review that decision under *Arthrex*. More typically, she will cancel any challenged claim the PTAB finds unpatentable, confirm any challenged claim the PTAB finds patentable, and incorporate any patentable new claim in the patent.

Congress also created estoppel consequences for the unsuccessful petitioner. By statute, the petitioner may not later assert that any claim upheld in the final written decision is invalid on any ground that the petitioner raised or reasonably could have raised during that IPR.

Unfortunately, the estoppel portion of the statute has engendered judicial and academic debate. IPRs have a distinct beginning and end. Thus, estoppel

based on the grounds raised or that reasonably could have been raised “during” the IPR would appear to bar only what could have reasonably been raised once the IPR was instituted. If so, those estopped grounds are very limited, and they would, in at least one reading, only include the grounds raised in the IPR petition. Such a limit would appear to render the phrase “reasonably could have raised” superfluous.

The Federal Circuit has done little to resolve this ambiguity. In *Shaw*, a panel held that the statute’s plain language allowed only one interpretation: that grounds raised during the IPR could only include grounds actually argued after the institution of the IPR. This interpretation excluded, for example, grounds that were in the petition but which the PTAB did not permit in the IPR. After this Court’s decision in *SAS Institute*, which held that the PTAB could not institute an IPR on a subset of challenged claims, the Federal Circuit panel, in this case, reversed *Shaw*. The decision below held that *Shaw’s* interpretation must be changed because if “during” means “between institution and final decision,” then the words “reasonably could have raised” would be superfluous.

The en banc Federal Circuit has neither blessed nor considered this new interpretation, despite having the opportunity to do so here. Thus, the questions surrounding the second panel’s interpretation will linger until this Court steps in.

The patent system requires a clear decision on the scope of IPR estoppel. This is a matter of pure statutory construction, fairly presented by the present case. *Amicus* takes no position at this stage of the proceeding on the correct interpretation. At this point, it is better to have a rule firmly established,

regardless of what the rule is, than to have dueling interpretations that linger in the law. Only this Court can provide that surety.

ARGUMENT

The Federal Circuit has exclusive jurisdiction over nearly all patent appeals, including all appeals from inter partes review, post-grant review, and reexamination of issued patents. *See* 28 U.S.C. § 1295(a). Because of that exclusivity, the Federal Circuit’s rules are “a matter of special importance to the entire Nation.” *See Cardinal Chem. Co. v. Morton Int’l, Inc.*, 508 U.S. 83, 89 (1993).

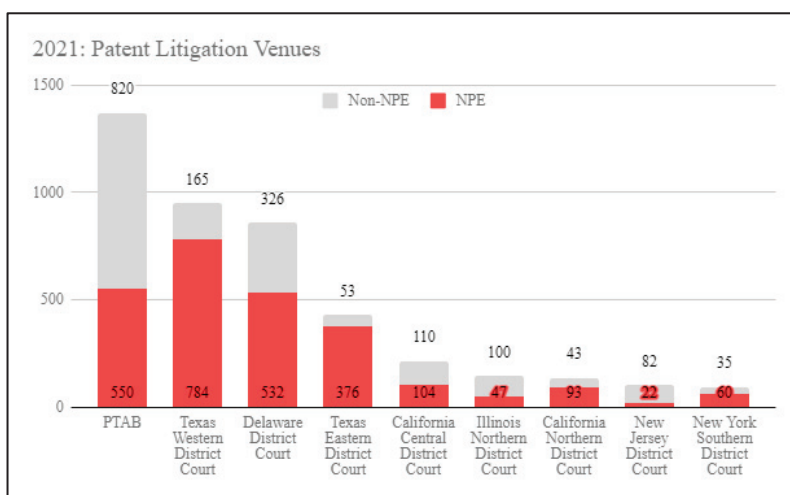
That importance is heightened when a Federal Circuit panel reverses a prior panel regarding the proper construction of the statute governing inter partes review—and the en banc court neither reviews nor confirms the about-face. As a practical matter, no circuit split will develop on this important patent law issue, and the en banc Federal Circuit has shown no appetite to address the panel decision. *See, e.g.*, App. 102a-103a (denying en banc review); *see also Intuitive Surgical, Inc. v. Ethicon LLC*, 25 F.4th 1035, 1042 (Fed. Cir. 2022) (The estoppel holding in *Shaw* has been “abrogated by subsequent Supreme Court case law.”) (citing the decision below).

In *SAS Institute*, among other IPR cases, this Court “granted certiorari to decide the question ourselves.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354 (2018). It should do so again here.

I. THE PATENT SYSTEM REQUIRES A CLEAR DECISION ON THE SCOPE OF IPR ESTOPPEL

The PTAB is the Nation’s busiest venue for patent disputes. Each year the PTAB considers over 1,000

petitions challenging issued patents. *See* 2021 Patent Year in Review, Fig. 3 (reproduced below). In 2021, the PTAB received over 1,300 challenges to issued patents, primarily in the form of IPR petitions. *Id.* By comparison, no district court received even 1,000 patent complaints. And only two such courts received over 500 complaints.



The Patent Office typically institutes proceedings on about 60% of the petitions it receives. *See* USPTO, PTAB Trial Statistics FY21 End of Year Outcome Roundup IPR, PGR, CBM, at 6, https://www.uspto.gov/sites/default/files/documents/p-tab_aia_fy2021_roundup.pdf. For the 40% of petitions not instituted, the patent claims remain unchanged, and no estoppel applies. About 30% of instituted petitions—and about 30% of petitions overall—are settled before a final decision on patentability. *Id.* at 11. There are no estoppel consequences for these petitions.

Nearly 30% of petitions lead to final written decisions (“FWDs”). Of these FWDs, about one-third confirm some or all challenged claims as patentable. *Id.* In absolute numbers, in Fiscal 2021, the Office received 1200 petitions; instituted proceedings on 702 petitions. Nearly 300 cases were mooted by pre-institution settlement; 200 instituted cases were settled, and another 100 were dismissed or ended by a request for adverse judgment. *Id.* Final written decisions held all challenged claims unpatentable in 235 proceedings and confirmed all or some claims patentable in 160 proceedings.² *Id.*

These 160 FWDs confirming patentable claims each apply estoppel to the unsuccessful petitioners. In some cases, that may not matter. But most PTAB cases—85% by the Patent Office’s last count—have a co-pending district court litigation. *See, e.g.*, David Ruschke & Scott R. Boalick, PTAB Update (Nov. 9, 2017), https://www.uspto.gov/sites/default/files/documents/20171109_PPAC_PTAB_Update.pdf (“Approximately 85% of IPRs in Fiscal Year 2017 have a co-pending district court case”). Some of these litigations will settle in view of the FWD. But in many other cases, the district court will attempt to enforce estoppel under Section 315, and the extent of estoppel will become a contested issue.

² Slight discrepancies in the numbers are attributable to the Patent Office use of fiscal year data, and to the time lag between filing petitions and institution/final decisions. In other words, the Office received 1200 petitions in FY2021, but it did not act on, let alone complete, them all. Instead, it issued around 1400 decisions disposing of petitions that were filed in FY2021 and prior fiscal years.

Thus, a conservative estimate would be that the extent of estoppel could be an issue in about 100 patent litigations per year. *Shaw* did not end estoppel disputes, and the panel decision below is very unlikely to do so. *See, e.g.*, Dennis Crouch, *Estoppel; Pre-SAS Partial Institution Cases; and Rethinking Caltech, Patently-O* (Sep. 20, 2022) (discussing an en banc petition in another case raising estoppel and challenging the failure of the panel below to honor the plain-language holding of *Shaw*), <https://patentlyo.com/patent/2022/09/estoppel-institution-rethinking.html>.

II. THE PETITION PRESENTS A STRONG CASE THAT THE FEDERAL CIRCUIT FAILED TO ADDRESS

As petitioner points out, inter partes reviews have a clear beginning and end. Petition at 14-16. “The IPR does not begin until it is instituted.” *Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1300 (Fed. Cir. 2016) (citing *Cuozzo*, 793 F.3d at 1272). A petition for inter partes review is filed under Section 311. The petition may request the cancelation of patented claims only on grounds of anticipation or obviousness under Sections 102 and 103, and only on the basis of patents or printed publications. *See* 35 U.S.C. § 311(b). Thus, inter partes review petitions may not include other grounds of unpatentability (e.g., lack of enablement under Section 112) that are available only against “substitute claims” a patent owner may present in a post-institution motion to amend. *See* 35 U.S.C. § 316(d). Section 312(a) requires the petitioner to identify each claim challenged and the ground(s) on which each challenge is based. The patent owner may file a “preliminary response” identifying any “failure

of the petition to meet any requirement of this chapter [§§ 311-319].” 35 U.S.C. § 313.

Under Section 314(a), the Director first reviews the petition and the patent owner’s preliminary response, if any. The Director then determines “whether to institute an inter partes review.” 35 U.S.C. § 315(b). If the Director decides to institute, she must notify the petitioner of that decision and “the date on which the review shall commence.” *Id.* § 314(c). Thus, the parties are notified of when the IPR begins at institution.

Similarly, the IPR has a clear ending. While the Patent Office may terminate and end an IPR as a result of settlement, such settlements are not subject to the estoppel provisions. Only an IPR that “results in a final written decision under section 318(a)” invokes estoppel. *See* 35 U.S.C. § 315(e)(1), (2). The final written decision—after Director review, appeal, or the time for appeal has passed—leads the Office to publish a “certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.” 35 U.S.C. § 318(b). This sequence indicates that, absent appellate review, the IPR ends with the final written decision.

Thus, the petitioner’s argument that the statutory phrase “during that inter partes review” must fall between the beginning of the IPR and the end must be seriously considered. *See* Pet. at 14-16.

A. The scope of IPR estoppel has been the subject of legitimate academic and judicial debate

The scope of estoppel under Section 315 has long been the subject of academic debate. Professor Laser has published perhaps the most comprehensive analysis. *See* Christa J. Laser, *The Scope of IPR Estoppel: A Statutory, Historical, and Normative Analysis*, 70 Fla. L. Rev. 1127 (2019). Her work, published after both *Shaw* and this Court's decision in *SAS Institute*, explores the statutory language, canons of surplusage and nullity, and legislative history; she provides a powerful case for reading the estoppel statute narrowly. *See id.* at 1139, 1143-1145, 1155, and 1173.

Professor Dolin responded to Professor Laser with his own thoughtful article. *See* Gregory Dolin, *Estopping Patent Harassment: A Response To Christa J. Laser*, 70 Fla. L. Rev. Forum 136 (2019). His work accepts her premise that the plain meaning of a statute is the meaning that reasonable people at the time the text was written would ordinarily ascribe to the term in the context in which it was written. *Id.* at 138. But the context, professor Dolin writes, was too narrowly viewed in Professor Laser's work. *Id.* He goes on to make a strong argument for reading the estoppel statute broadly. *Id.* at 139-143.

District courts have not all interpreted estoppel in the same way, even after *Shaw*. Some applied estoppel to grounds raised post-institution—the grounds that the Patent Office instituted—and grounds that could have been raised in the petition but were not. Others barred only those grounds that could have been raised post-institution. *See, e.g.,*

Cobalt Boats, LLC v. Sea Ray Boats, Inc., No. 2:15CV21, 2017 WL 2605977, at *3 (E.D. Va. June 5, 2017) (“The split in district courts is whether the rationale in Shaw means that grounds not raised in the initial IPR petition are similarly exempt from estoppel.”).

Specifically, some courts took *Shaw* at face value. They limited estoppel only to grounds raised or that could have been raised “during the IPR,” *i.e.*, after institution. App. 22a-23a (collecting cases); *Koninklijke Philips N.V. v. Wangs All. Corp.*, No. CV 14-12298-DJC, 2018 WL 283893, at *4 (D. Mass. Jan. 2, 2018) (“[T]he broader reading of the estoppel provision is foreclosed by Shaw. The Federal Circuit in Shaw held that the phrase ‘during inter partes review’ applies only to the period of time after the PTAB has instituted review.”). Grounds not in the petition could not reasonably be raised after institution so they could be presented in court.

Other district courts attempted to limit *Shaw* to its facts and allowed petitioners to present only those grounds that were in the petition but not instituted. These courts typically excluded any ground that the petitioner reasonably could have raised in the petition but did not. *See* App. 25 n.11; *Milwaukee Elec. Tool Corp. v. Snap-On Inc.*, 271 F. Supp.3d 990, 1029 (E.D. Wis. 2017) (“[T]hough *Shaw’s* plain language prevents IPR estoppel being applied to non-instituted grounds, the Court can preserve some measure of the policy goals animating the creation of IPR by holding that a petitioner is estopped from asserting invalidity contentions based on prior art that it could reasonably have included in its IPR petition but did not.”). Thus, the only exceptions to estoppel in these courts were

grounds raised in the petition but not instituted by the PTAB.

Another aspect of estoppel that the district courts have grappled with is the standard for measuring what “reasonably” could have been raised. Courts typically inquire whether the patents and printed publications asserted were something the defendant knew about or a skilled searcher exercising reasonable diligence could have been expected to discover, as the panel below seemed to suggest. App. 25a; *see also SiOnyx, LLC v. Hamamatsu Photonics K.K.*, 330 F.Supp.3d 574, 602 (D. Mass. 2018); *IOENGINE, LLC v. PayPal Holdings, Inc.*, ___ F.Supp.3d ___, 2022 WL 2800861, *28 (D. Del. June 15, 2022). But within this framework, the courts still disagree about what constitutes reasonable diligence. *Compare Wi-LAN USA, Inc. v. LG Electronics, Inc.*, 421 F.Supp.3d 911, 925 (S.D. Cal. Nov. 4, 2019) (“[T]he fact that LG eventually found the three references at issue through a prior art search is compelling evidence itself that LG reasonably could have discovered these references through a diligent search.”) *with Palomar Tech., Inc. v. MRSI Sys., LLC*, No. 18-10236-FDS, 2020 WL 2115625, *3 (D. Mass. May 4, 2020) (“The touchstone is reasonableness, not perfection. Accordingly, the appropriate standard for the objective prong is one of probability, not possibility: that is, whether it is more probable than not that a skilled searcher conducting a diligent search reasonably could have been expected to discover the disputed reference.”).

The boundaries of what constitutes “reasonable diligence” were not central to this case, where it was “undisputed that Apple and Broadcom were aware of

the prior art references that they sought to raise in the district court when Apple filed its IPR petitions.” App. 25a. But when observing a change in the law, the *en banc* court may outline the correct standard so district courts can comfortably apply it to different fact patterns. *See, e.g., Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1349 (Fed. Cir. 2015) (overruling cases regarding the interpretation of means-plus-function claims, outlining new standard including a converse example not applicable to the facts in the case). With the panel reversal of *Shaw*, the district courts will remain divided.

Thus, this Court may look to the academy and the lower courts for fully developed arguments focused on how “reasonably could have raised during that inter partes review” is to be interpreted and the ramifications of the various interpretations. This is in addition to the guidance provided by the parties, *Shaw* itself, and the panel opinion below, which appears to be the Federal Circuit’s last word on the issue.

B. The Federal Circuit has not properly resolved the question

Amicus is concerned with the Federal Circuit’s approach to overturning precedent in this case. The Federal Circuit was established as “a court of nationwide geographic jurisdiction, created and chartered with the hope and intent that stability and uniformity would be achieved in all fields of law within its substantive jurisdiction.” *South Corp. v. United States*, 690 F.2d 1368, 1371 (Fed. Cir. 1982) (en banc). As part of that effort, in its first published opinion, the en banc court adopted as binding

precedent the case law of its predecessor courts. *Id.* at 1369.

The Federal Circuit then recognized that proceeding without precedent, “deciding each legal principle anew,” would “deprive” the “public of the stability and predictability essential to the effort of a free society to live under a rule of law.” *Id.* at 1370. The decision acknowledged “the power of this court, sitting in banc, to overrule an earlier holding with appropriate explication of the factors compelling removal of that holding as precedent.” *Id.* at 1370 n.2. But even then, the new Circuit would be guided by this Court’s stare decisis principles:

Very weighty considerations underlie the principle that courts should not lightly overrule past decisions. Among these are the desirability that the law furnish a clear guide for the conduct of individuals, to enable them to plan their affairs with assurance against untoward surprise; the importance of furthering fair and expeditious adjudication by eliminating the need to relitigate every relevant proposition in every case; and the necessity of maintaining public faith in the judiciary as a source of impersonal and reasoned judgments.

South Corp., 690 F.2d at 1370 (quoting *Moragne v. States Marine Lines, Inc.*, 398 U.S. 375, 403 (1970)).

In this case, however, the Federal Circuit panel neither invoked the en banc court’s power nor measured the “weighty considerations” that underlie

stare decisis. It had clear precedent describing the extent of the estoppel—based on the “plain language of the statute,” as the *Shaw* panel put it—under 35 U.S.C. § 315(e). *Shaw Indus.*, 817 F.3d at 1300. It undid that precedent with a mere panel decision expanding the scope of estoppel. Thus, the litigants here were not able to “plan their affairs with assurance against untoward surprise.” *Moragne*, 398 U.S. at 403. And future litigants will feel “the need to relitigate” the extent of estoppel in any district court case following an IPR confirming claims in the patent. *Id.*

The Federal Circuit has several mechanisms for en banc review of prior precedent. First, the parties may request referral to the en banc court for review of a “precedent-setting question[] of exceptional importance” during the initial appeal. Fed. Cir. R. 35(b). No party so requested. *See* Pet. at 11. The panel or a single judge may refer a question to the en banc court. Fed. Cir. R. 35, Practice Notes. The court may sua sponte order an initial hearing en banc. *Id.* The court below did none of these.

Such court-initiated hearings en banc need not involve the administrative burdens of further briefing or an en banc sitting. The Federal Circuit has an informal en banc process that typically leads to en banc footnotes regarding precise questions. *See, e.g., Francway v. Wilkie*, 940 F.3d 1304, 1307 n.1 (Fed. Cir. 2019) (the en banc court overruling two prior cases to the extent inconsistent with the panel decision). Such decisions need not be unanimous or uncontroversial. In *Click-To-Call Techs., LP v. Ingenio, Inc., YellowPages.com, LLC*, 899 F.3d 1321, 1328 n.3 (Fed. Cir. 2018), the en banc court provided a holding

regarding Section 315(b)'s time bar in IPRs over a lengthy dissent. *See id.* at 1350 (Dyk, J., dissenting as to en banc footnote). This Court later vacated because the time bar was closely related to the decision to institute and therefore was nonappealable under Section 314(d). *See Thryv, Inc v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1370 (2020).

This informal process is akin to the D.C. Circuit's use of the "*Irons*" footnote. *See, e.g., Irons v. Diamond*, 670 F.2d 265, 267-68 and n.11 (D.C. Cir. 1981). The en banc D.C. Circuit uses the *Irons* footnote, *inter alia*, when "overruling a more recent precedent which, due to an intervening Supreme Court decision, ... a panel is convinced is clearly an incorrect statement of current law." *Policy Statement on En Banc Endorsement of Panel Decisions*, U.S. Ct. Appeals D.C. Circuit (Jan. 17, 1996). Those are the precise conditions the panel here believed existed, yet it acted alone.

Here, none of the mechanisms for initial en banc review were invoked. The panel simply overruled a prior panel: "The panel here has the authority to overrule *Shaw* in light of *SAS*, without en banc action." App. 24a. When one party sought en banc review after the panel decision, it was summarily denied. App. 101a–102a.

Even by the Federal Circuit's own standard, the intervening Supreme Court case must be "clearly irreconcilable" with the prior precedent. App. 24a. That does not appear to be the case here.

To be sure, the panel faced this Court's decision in *SAS Institute*, which overruled the Federal Circuit's interpretation of Section 318(a) and required the

Patent Office to hear the petitioner’s challenge across all claims. App. 24a. But while “*SAS* did not explicitly overrule *Shaw* or address the scope of statutory estoppel under § 315(e)(2)” (App. 24a), it does not follow that this Court was unaware of the arguments by which the Federal Circuit has reversed itself. Indeed, the *SAS Institute* Court was well informed of the potential interplay between its decision and the estoppel provisions and case law.

First, the Court understood that Section 315 “describes the relation of a petition for review and an instituted review to other proceedings involving the challenged patent.” *SAS Institute.*, 138 S. Ct. at 1361. *Amicus* notes that this phrasing does not support either construction. Rather, the reference to “petition” points toward Sections 315(a) and (b). The Office will not institute an IPR if the petition is filed after the petitioner seeks declaratory judgment of invalidity. 35 U.S.C. § 315(a)(1). A petition is time-barred if filed more than one year after the petitioner is served with a complaint alleging infringement after the patent. 35 U.S.C. § 315(b). In contrast, the reference to “instituted review” points to the estoppel provisions, which don’t address the petition but bar other proceedings after a final written decision in an instituted IPR. *See id.* § 315(e).

Second, Judge Newman’s dissent in the underlying *SAS Institute* panel decision relied on her reading of the estoppel provisions. *See SAS Institute*, 138 S. Ct. at 1354 (discussing the “vigorous dissent by Judge Newman”); *SAS Inst., Inc. v. ComplementSoft, LLC.*, 825 F.3d 1341, 1356-1360 (Fed. Cir. 2016) (Newman, J., dissenting, in part, arguing that the legislative history required broad estoppel).

Third, every party in *SAS Institute* included estoppel arguments to support its position. The petitioner argued for a broad interpretation of estoppel. *SAS Inst.*, No. 16-969, Brief for Petitioner 28-29 (July 20, 2017). The Government argued that the estoppel provisions applied claim-by-claim, so they did not support the petitioner’s view on partial institution. *Id.* Brief for Federal Respondent 29, 43 (Sep. 5, 2017). The private respondent, citing *Shaw*, argued for a narrow view of estoppel. *Id.* Brief for Respondent ComplementSoft 3, 15 (Sep. 5, 2017). The *amici* in *SAS Institute* likewise relied on estoppel and were likewise divided as to its proper extent. *Compare id.* Brief of *Amicus Curiae* Intellectual Property Owners Association In Support Of Petitioner 7 (July 27, 2017) (arguing that estoppel was too narrow under *Shaw*) with Brief of *Amicus Curiae* Houston Intellectual Property Law Association in Support of Respondents 15-16 (Sep. 12, 2017) (arguing narrow estoppel supports respondent, citing *Shaw*).

Had the Court considered its decision in *SAS Institute* to be “clearly irreconcilable” with the Federal Circuit’s estoppel case law, it likely would have reconciled the issue, or at least mentioned it. Instead, it was silent as to the extent of estoppel. This likely reflects the Court’s considered judgment that the two were not clearly irreconcilable, and it was better to leave further development of estoppel to the en banc court below or a future case. The en banc court below has declined to act—formally or informally—and the present case is that future case.

C. The Federal Circuit’s “superfluous words” reasoning is incomplete

The Federal Circuit decision relies on a single canon of claim construction:

In a regime in which the Board must institute on all challenged claims and the petition defines the IPR litigation, this interpretation is the only plausible reading of “reasonably could have been raised” and “in the IPR” that gives any meaning to those words.

App. 24a. This appears to invoke the canon against superfluous words in statutes. But there are numerous canons of statutory construction, and they don’t always agree. *See generally* Karl Llewellyn, *Remarks on the Theory of Appellate Decision and the Rules or Canons About How Statutes Are to be Construed*, 3 Vand. L. Rev. 395 (1950).

To the extent one canon is preeminent, it’s the canon invoked in *Shaw* that words in statutes are to be given their plain meaning: “The plain language of the statute prohibits the application of estoppel under these circumstances.” *Shaw*, 817 F.3d at 1300 (Fed. Cir. 2016).

But as petitioners point out, the decision below did not grapple with the competing principles underlying these canons. More to the point, the decision does not attempt to reconcile the Federal Circuit’s earlier view that “during the IPR” excluded the period between the filing of the petition and the proposition that its

reading of “reasonably could have been raised” is the only plausible one.

Also missing is an examination of the statute as a whole for what reasonably could have been raised under *Shaw’s* reading of the statute. Petitioner points out other plausible readings under *SAS Institute*. Pet. at 21-22 (e.g., abandoned grounds, citing *Laser*, 70 Fla. L. Rev. at 1144). The Director’s discretion and rule-making authority may also play a role in estoppel based on what “reasonably” could have been raised. Pet. at 29-30 (discretionary denial based on too-many grounds); *id.* at 30-31 (word limits imposed by rule).

Further, the Federal Circuit did not consider whether the patent owners’ ability to move to amend the claims—and the petitioners’ ability to oppose those amendments with new evidence and new grounds of unpatentability—was sufficient to give meaning and purpose to the phrase “reasonably could have raised.”

Under Section 316(d), “[d]uring an inter partes review,” the patent owner may move to amend the patent by canceling any challenged claims or proposing substitute claims. The substitute claims may not enlarge the scope of the patented claims. 35 U.S.C. § 316(d)(3). This generally means that substitute claims narrow existing claims by adding additional limitations.

The petitioner is entitled to oppose the patent owner’s motion, and because the substitute claims are different from the original, that opposition may include grounds of unpatentability not seen in the petition. *See Uniloc 2017 LLC v. Hulu, LLC*, 966 F.3d 1295, 1300, 1303-1304 (Fed. Cir. 2020) (affirming

Hulu's successful opposition to Uniloc's motion to amend based on the substitute claims being ineligible for patenting under Section 101). Since the motion, and therefore the opposition, only occur "[d]uring an inter partes review," the failure to raise grounds it reasonably could have raised may be held against the petitioner in subsequent proceedings on the substitute claims. *See* 35 U.S.C. § 316(d)(1). In other words, had Hulu failed to oppose the motion to amend, it may have been estopped from later challenging the substitute claims.

While patent owners do not present motions with substitute claims in every IPR, the petitioner's ability to raise new grounds, or not, against substitute claims is sufficient to give meaning to the bar on grounds that "reasonably could have been raised" during the IPR. *See SAS Institute*, 138 S. Ct. at 1357 (relying on patent owner's ability to cancel a claim under 316(d) to explain differences between Sections 314(a) and 318(a).)

Of course, one might argue that the estoppel provisions do not apply to substitute claims at all. Perhaps because Section 315(e) estoppel only applies to "a claim in a patent" and substitute claims aren't "in" the patent until after the final written decision. *See* 35 U.S.C. § 318(b). But that argument is one of several that the Federal Circuit could have considered and did not in so briefly overruling *Shaw*. Regardless, the acceptance of estoppel on substitute claims would give meaning to "reasonably could have" and do less damage to the statutory language than the decision below's implied rereading of "during that inter partes review."

III. THIS CASE IS AN EXCELLENT VEHICLE

The Court can settle this dispute now. Waiting would waste the resources of countless parties and the courts as petitioners subject to estoppel seek to preserve the issue for potential review by this Court or the Federal Circuit sitting en banc.

Experienced, one may even say exceptional attorneys represent both parties in the dispute.

The dispute here is one of statutory construction regarding a statute that the Court is very familiar with. *See, e.g., United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021); *Thryv*; *Return Mail, Inc. v. United States Postal Serv.*, 139 S. Ct. 1853 (2019); *SAS Institute*; *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365 (2018); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261 (2016).

Several construction doctrines are at play, but the basic argument is whether the statute's plain language or the need to avoid congressional use of superfluous words is paramount. This Court is best equipped to resolve this apparent conflict.

There is no reason for the patent system to await further litigation before the Court ultimately resolves this important issue.

CONCLUSION

The Court should grant the petition to ensure that the proper bounds of estoppel are applied in numerous district court actions each year.

Respectfully submitted.

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