No. 23-135

# In The
# Supreme Court of the United States

INTEL CORPORATION, EDWARDS LIFESCIENCES CORPORATION, EDWARDS LIFESCIENCES LLC,

*Petitioners,*

v.

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

*Respondent.*

**On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit**

## BRIEF OF THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION AND HIGH TECH INVENTORS ALLIANCE AS *AMICI CURIAE* IN SUPPORT OF *CERTIORARI*

JOSHUA LANDAU
*Counsel of Record*
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION
25 Massachusetts Ave. NW
Suite 300C
Washington, DC 20001
(202) 470-3622 | jlandau@ccianet.org
*Counsel for Amici Curiae*

COCKLE LEGAL BRIEFS (800) 225-6964
WWW.COCKLELEGALBRIEFS.COM

TABLE OF CONTENTS

TABLE OF AUTHORITIES

TABLE OF AUTHORITIES—Continued

## INTERESTS OF *AMICI CURIAE*[1]

The Computer & Communications Industry Association ("CCIA") is an international nonprofit association representing a broad cross-section of computer, communications, and Internet industry firms that collectively employ more than 1.6 million workers and invest more than $100 billion in research and development annually.[2] CCIA regularly files *amicus* briefs in this and other courts to promote balanced patent policies that reward, rather than stifle, innovation.

The High Tech Inventors Alliance ("HTIA")[3] represents leading technology providers and exists to promote a more efficient, effective, and inclusive patent system. HTIA member companies are some of the world's largest funders of corporate research and development, collectively investing more than $146 billion in these activities annually. They are also some of the world's largest patent owners and collectively hold nearly 350,000 patents.

---

[1] Pursuant to Supreme Court Rule 37.2(a), this brief was filed with at least 10 days notice to all parties. Pursuant to Rule 37.6, no counsel for any party authored this brief in whole or part; no party or counsel made a monetary contribution intended to fund its preparation or submission; and no person other than *amici* made such a contribution. Petitioner Intel is a member of both CCIA and HTIA, but took no part in the preparation and submission of this brief.

[2] CCIA's members are listed at https://www.ccianet.org/members.

[3] HTIA's members are listed at https://www.hightechinventors.com.

In 2011, Congress passed the America Invents Act ("AIA"). The AIA established a system for requesting review of the patentability of issued patents. *Amici*'s members have employed that system to mitigate the substantial risks created by patents that should not have been issued. This system avoids unnecessary litigation costs and allows innovators to devote more money to research and development of new products and technologies.

Congress created a balanced system. The AIA dictates who can challenge patents before the USPTO's Patent Trial and Appeal Board ("PTAB"), as well as setting out when and under what circumstances they may do so. But the Federal Circuit's decision in the underlying case will permit the USPTO to substitute its own policy preferences for those of Congress by adopting rules that are inconsistent with the statute by insulating those rules from any form of judicial review.

*Amici* and their members seek to make certain that the USPTO correctly implements the AIA review system that Congress envisioned. This objective can only be achieved if judicial review is available to ensure that the USPTO's rules comply with the statute Congress wrote.

## SUMMARY OF ARGUMENT

This Court has been clear: when "a party believes the Patent Office has engaged in 'shenanigans' by exceeding its statutory bounds, judicial review remains

available consistent with the Administrative Procedure Act." *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018) (citing *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141 (2016)). This case presents precisely such a situation.

Contrary to the Federal Circuit's opinion, the bar on appeals set forth in 35 U.S.C. § 314(d) does not prevent such a challenge. The § 314(d) bar prevents appeal of the "determination by the Director whether to institute an inter partes review under this section," but this case does not involve any such determination. Unlike the review at issue in *Thryv, Inc. v. Click-to-Call Techs., LP*, the requested judicial review here is not "an appeal of the agency's decision 'to institute an inter partes review'" and would not unwind any past agency determination. 140 S. Ct. 1367, 1373 (2020). Instead, the plaintiffs in this case seek review of the substantive rules that the agency relies on in that decision-making process. Unreviewability of a decision does not "enable the agency to act outside its statutory limits" without any judicial oversight. *SAS*, 138 S. Ct. at 1359 (citing *Cuozzo*, 136 S. Ct. at 2141). Indeed, in *Cuozzo* itself, this Court reviewed whether the Office had the authority under the America Invents Act to set forth the broadest reasonable interpretation rule.

If rules that pertain to non-appealable decisions are themselves unreviewable, the Equal Employment Opportunity Commission ("EEOC") could issue an unreviewable rule that treated taking no action at all as

"conciliation", contrary to this Court's decision in *Mach Mining*. *Mach Mining, LLC v. EEOC*, 575 U.S. 480 (2015). The Department of Health and Human Services could set forth an unreviewable rule regarding reimbursement rates that contradicted the statutory rates, contrary to this Court's decision in *Am. Hosp. Ass'n v. Becerra*, 142 S. Ct. 1896 (2022). And the Department of Homeland Security could unreviewably rescind a rule establishing DAPA in an arbitrary and capricious fashion. *Dep't of Homeland Security v. Regents of Univ. of Cal.*, 140 S. Ct. 1891 (2020).

It may be that the rules being challenged in this case are permissible under the America Invents Act and the Administrative Procedure Act. *Amici* submit that they are not. But "legal lapses and violations occur, and especially so when they have no consequence." *Mach*, 575 U.S. at 488. This Court has assured the public, including petitioners and *amici*, that judicial review remains available when a party believes that the Patent Office has exceeded its statutory authority. The petitioners in this case have set forth a reasoned argument that the Patent Office has done so, and *amici* concur with their conclusion.

Absent action here by this Court, its prior promise that judicial review remains available will become nothing more than empty dicta, and Justice Gorsuch's prediction that "the Board can err; it can even act in defiance of plain congressional limits on its authority" and "a court can do nothing about it" will come true. *Thryv*, 140 S. Ct. at 1380 (Gorsuch, J., dissenting).

Therefore, *amici* respectfully urge the Court to grant *certiorari*, vacate the Federal Circuit's erroneous determination that the AIA precludes review of the rules in question, and remand the case for judicial review of whether the challenged rules are, in fact, an example of impermissible "shenanigans."

## ARGUMENT

### I. IN ITS PRIOR DECISIONS, THIS COURT CLEARLY STATED THAT JUDICIAL REVIEW WOULD REMAIN AVAILABLE

In several recent decisions, this Court has addressed the *inter partes* review procedure. In *Cuozzo*, it was presented with a challenge to both an institution decision and to a rule of claim interpretation closely related to the institution decision. *Cuozzo*, 136 S. Ct. at 2136. In *SAS*, it was presented with a challenge to both a non-institution decision and to the rule the PTAB applied in deciding to institute on only some claims. *SAS*, 138 S. Ct. at 1359, 1361. And in *Thryv*, again, this Court was presented with a challenge to both an institution decision and to a rule of interpretation that permitted that institution decision. *Thryv*, 140 S. Ct. at 1370, 1375.

In each case, there was significant concern over the scope of the non-appealability bar of § 314(d).

### A. This Court Has Repeatedly Expressed Assurances That Judicial Review Would Remain Available

In *Cuozzo*, Justices Alito and Sotomayor voiced concerns that the Court's opinion would "shield the Patent Office's compliance—or noncompliance—with these limits from all judicial scrutiny." *Cuozzo*, 136 S. Ct. at 2149. The majority disagreed, responding that its interpretation of § 314(d) would not "enable the agency to act outside its statutory limits" and that it precluded review only in cases 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*, 136 S. Ct. at 2141. The majority then proceeded to review the broadest reasonable interpretation rule. Because this rule controls the scope of the claims for purposes of determining whether the petitioner has shown a reasonable likelihood of success under 35 U.S.C. § 314(a), institution decisions depend directly upon this rule.

In *SAS*, the dissent noted that the PTAB's partial institution power was itself a product of a rule issued by the Director. *SAS*, 138 S. Ct. at 1361. And the Director of the USPTO argued that the partial institution decision was unreviewable under § 314(d) and *Cuozzo*. *Id.* at 1359. The majority rejected the USPTO's reading of the statute and reassured the dissenters that "if a party believes the Patent Office has engaged in 'shenanigans' by exceeding its statutory bounds,

judicial review remains available consistent with the Administrative Procedure Act." *Id.* at 1359.

Finally, in *Thryv*, Justices Gorsuch and Sotomayor expressed concern that the ruling would result in a situation in which "the Board can err; it can even act in defiance of plain congressional limits on its authority" and "a court can do nothing about it." *Thryv*, 140 S. Ct. at 1380. While the majority opinion did not respond to this, it did note that § 314(d) "precludes appeals of the agency's institution decision." *Thryv*, 140 S. Ct. at n. 8.

### B. When This Court Has Applied The § 314(d) Appellate Bar, It Has Done So Only In The Context Of Challenges To A Specific Institution Decision

In each of *Cuozzo*, *SAS*, and *Thryv*, the underlying case involved a challenge to a specific institution decision. And in each case, the Court found that that decision was unreviewable. But in two of those cases, this Court also ruled on the permissibility of a general rule that was applied in reaching the institution decision—in *Cuozzo*, on the broadest reasonable interpretation rule, and in *SAS* on the partial institution rule. Only *Thryv* lacked such a ruling, though in that case the Court declined *certiorari* on the question that related to the permissibility of the rule itself.

Further, at least one other AIA case also included review of rules related to institution of AIA review. In *Return Mail, Inc. v. Postal Service*, 139 S. Ct. 1853 (2019), the Court addressed the question of whether

the Postal Service qualifies as a "person" who can file a petition under 35 U.S.C. § 311. This question is intimately tied to the institution decision, as only a permissible party may file a petition. And yet, the Court reviewed the rule applied by the USPTO and found that it was impermissible. On remand, the specific institution decision and final written decision that had been challenged were vacated.

In each of these cases, the general rules upon which the institution decision was based were treated as reviewable. And in every case except *Return Mail*, challenges to specific institution decisions were treated as barred. Throughout these cases, this Court has gone out of its way to provide explicit assurances that judicial review of agency actions that are inconsistent with the organic statute of the agency remain reviewable.

This accords with Congress's design. Congress intended to block review of the Director's actual determination of whether to institute a particular proceeding. However, it is extremely implausible that Congress intended to allow the adoption of extra-statutory rules outside of the rulemaking process without any possibility of judicial review simply because such rules relate to institution decisions.

## II. THE RULE APPLIED ACROSS THIS COURT'S CASES PERMITS REVIEW HERE

In *Cuozzo*, this Court first explicated the scope of the § 314(d) bar on review. And it held that its rule

"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*, 136 S. Ct. at 2141 (emphasis added). This statement alone illustrates why the challenge to the rules in this case is permissible—it is not an attack on a decision to institute *inter partes* review, nor is it an attempt to collaterally attack and reverse any particular institution decision. Rather, it is a challenge to a rule of general applicability adopted by the Director to govern how the PTAB makes such decisions.

This understanding of the scope of § 314(d) is consistent with the approach applied in prior cases. In *Cuozzo*, the Court reviewed a rule tied to institution—broadest reasonable interpretation—to determine whether the agency had the authority to issue such a rule. In *SAS*, the Court reviewed a rule tied to institution—relating to the practice of 'partial institution'—to determine whether the agency had the authority to employ that practice. In *Return Mail*, the Court reviewed yet another rule tied to institution—addressing whether governmental agencies were "persons" for purposes of § 311—to determine whether the agency had properly applied the statute. And in *Thryv*, this Court ruled only on the challenge to the institution decision and specifically declined to address the question of whether the underlying general rule, which had already been rescinded, was permissible.

The most logical reconciliation of this Court's decisions in *Cuozzo*, *SAS*, *Return Mail*, and *Thryv* requires the conclusion that challenges to specific institution decisions are barred, but suits under the Administrative Procedure Act alleging that an agency rule should be held unlawful and set aside under 5 U.S.C. § 706(2) because an agency action is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law" or "in excess of statutory jurisdiction, authority, or limitations, or short of statutory right" are not.

In other words, as this Court has already said, while § 314(d) precludes an appellant from attacking a particular institution decision, whether directly or via a collateral attack, it does not preclude a challenge to underlying rules of general application under the Administrative Procedure Act. Thus, judicial review of alleged agency "shenanigans" is permissible. As with the similar challenge in *SAS*, petitioners here assert that the Patent Office has adopted a rule that conflicts with the statute. And as with the challenge in *SAS*, they ask the courts to decide if the agency's rule is in fact in conflict with the statute. Nothing in this case or this Court's previous decisions suggests that Article III courts have been deprived of the power to make that determination.

## III. THE USPTO'S RELIANCE ON ITS DISCRETION DOES NOT INSULATE IT FROM REVIEW

Beyond the AIA cases above—*Cuozzo*, *SAS*, *Return Mail*, and *Thryv*—other cases from this Court point to the same result.

In *DHS v. Regents*, the government argued that the adoption or rescission of a rule setting forth its policy as to when it would or would not grant deferred action was unreviewable due to its discretion over individual enforcement decisions. *DHS*, 140 S. Ct. 1891. This Court rejected that assertion, holding that application of the agency's rule was not just a non-enforcement decision but included the creation of a process by which eligible parties would receive formal notice of eligibility. The Court also noted that, unlike individual non-enforcement decisions, the creation and rescission of a general rule is "an action [that] provides a focus for judicial review." *DHS*, 140 S. Ct. at 1906 (citing *Heckler v. Chaney*, 470 U.S. 821, 832 (1985)). Similarly, the agency rule here provides guidance as to when the agency will issue a formal notice that it will leave a patent in force and the adoption of the challenged rule provides a focus for judicial review.

In *Mach Mining*, the Government argued that it had unreviewable discretion to determine what constituted pre-suit conciliation. 575 U.S. at 487-88. This Court rejected that approach. While wide discretion exists, courts could still review whether the actions

actually taken complied with the agency's statutory obligations.

Finally, in *AHA v. Becerra*, Congress set forth a statutory formula for reimbursement rates. HHS argued that, nevertheless, they possessed unreviewable discretion to set the reimbursement rate. This Court disagreed. *Becerra*, 142 S. Ct. 1896. Similarly, in this case, Congress set forth a statutory time limit. In previous cases, including *SAS*, the Director argued that there are essentially no limits on her discretion, stating that "Section 314(a) establishes the only limitation on the USPTO's discretion whether to institute inter partes review." Brief of the Federal Respondent, *SAS Inst. v. Matal*, No. 16-969 at 26 (Sept. 5, 2017). In other words, the Director claims that she has unreviewable discretion to alter any non-§ 314(a) limitation on institution. *Becerra* requires this contention to be rejected, requiring the conclusion that judicial review is permitted.

In each of these cases, much like in this case, the government claimed that its discretion rendered its actions immune from review. And in each of those cases, this Court rejected that contention. *Amici* respectfully suggest that in this case the Court should similarly embrace the strong presumption in favor of judicial review by granting *certiorari*, vacating the lower court decisions that agency action is unavailable, and remanding for further proceedings consistent with this Court's case law.

## CONCLUSION

In the underlying proceeding, the petitioners have advanced a plausible case that the agency's rule is inconsistent with statute and outside of the discretion granted to it by Congress. This Court is not asked to determine if petitioners are correct in this assertion, but only to determine if their contention is susceptible to judicial review. And this Court's precedent is clear—it is.

Accordingly, *amici* respectfully urge this Court to grant *certiorari*, vacate the underlying decision, and remand this case to the court below for action consistent with precedent.

Respectfully submitted,

JOSHUA LANDAU
*Counsel of Record*
COMPUTER & COMMUNICATIONS
INDUSTRY ASSOCIATION
25 Massachusetts Ave. NW
Suite 300C
Washington, DC 20001
(202) 470-3622
jlandau@ccianet.org

*Counsel for Amici Curiae*

September 14, 2023