

No. 18-999

In the
Supreme Court of the United States

ATLANTA GAS LIGHT COMPANY,

PETITIONER,

v.

BENNETT REGULATOR GUARDS, INC.,

RESPONDENT.

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

REPLY BRIEF FOR PETITIONER

HOLMES J. HAWKINS, III
RUSSELL BLYTHE
KING & SPALDING LLP
1180 Peachtree St., NE
Atlanta, GA 30309
(404) 572-4600

JEFFREY S. BUCHOLTZ
Counsel of Record
JOSHUA N. MITCHELL
KING & SPALDING LLP
1700 Pennsylvania Av. NW
Washington, DC 20006
(202) 737-0500
jbucholtz@kslaw.com

Counsel for Petitioner

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REPLY BRIEF

On an issue that has attracted (at last count) four petitions for certiorari and several prominent amici supporting those petitions, Bennett’s newly retained appellate counsel argues that there is nothing to see here.

In reality, as the Federal Circuit recognized in going en banc to decide them, the questions presented here are exceptionally important. On the first question presented, petitioners in each of the four cases, amici, and the government all agree: the Federal Circuit exceeded its jurisdiction when it arrogated to itself the power to review the Patent Trial and Appeal Board’s decision to institute inter partes review. And the fact that the Patent Office has changed its mind about how to apply the § 315(b) time bar merely underscores that the application of that provision belongs in the discretion of the Board.

Moreover, to the extent courts are empowered to review that decision, the better reading of § 315(b) is the one that treats dismissal without prejudice the same way other circuits have always treated it—and the way the Federal Circuit and the Board treated it until *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321, 1328 n.3 (Fed. Cir. 2018) (footnote en banc). A dismissal without prejudice leaves the parties in the same legal position as though no action had ever been brought. It therefore results in a “tabula rasa” and does not trigger the time bar. Certiorari is appropriate on both questions.

I. This Court Should Review Whether The Federal Circuit Exceeded Its Jurisdiction.

1. Bennett nowhere seriously argues that the first question presented is unimportant. The closest it comes is touting this Court's denial of a petition raising a similar question in *RPX Corp. v. Applications in Internet Time, LLC*, No. 18-1075. That petition, however, raised only one of the two questions presented here. Moreover, it did so in an interlocutory posture while merits proceedings continue before the Board. *See RPX Corp. Pet. 9.*

In any event, whatever the Court's reasons for denying the *RPX* petition, three days later the Court requested a response to a petition raising *both* questions presented here. *See Order, Superior Comms., Inc. v. Voltstar Techs., Inc.* (No. 18-1027) (U.S. Mar. 21, 2019). And since then, the Solicitor General, too, has reached the same legal conclusion as Atlanta Gas Light—that the Federal Circuit “lacked jurisdiction” to reconsider the Board's § 315(b) determination. Br. of Fed. Respondent at 17–18, *Dex Media, Inc. v. Click-to-Call Techs., LP* (No. 18-916) (U.S. May 1, 2019) (“SG Br.”).

Although the government asserts that the question is not important enough to warrant the Court's attention, its reasons for seeking a denial of certiorari are unconvincing. The Federal Circuit's decision to exceed its jurisdiction is no less wrong, and no less important, merely because the government currently agrees with the conclusion the Federal Circuit reached on the other question presented—the question the Solicitor General agrees that the court had no jurisdiction to reach. The whole point of jurisdictional limits is to ensure that courts do not

decide certain questions, full stop; whether one agrees with a court’s decision on an issue the court had no authority to decide is irrelevant. *Cf. Steel Co. v. Citizens for a Better Env.*, 523 U.S. 83, 101–02 (1998) (“For a court to pronounce upon the meaning or the constitutionality of a state or federal law when it has no jurisdiction to do so is, by very definition, for a court to act *ultra vires*.”). Further, the fact that the Director reversed the Patent Office’s position once on the second question presented underscores that he (or his successor) could do so again—and, as explained below, his former position is better reasoned than his current one.

Moreover, as the government itself recognizes, its new position will not eliminate disputes about the interpretation and application of § 315(b). SG Br. 18–19. Disputes about who qualifies as a privy or a real party in interest are common and unavoidable given the undefined nature of those terms and the infinite array of fact patterns to which they must be applied. *See* Br. Amicus Curiae of Intel Corp. at 20–21 (No. 18-999) (U.S. Mar. 4, 2019) (“Intel Br.”). Disputes will also arise concerning what constitutes “service” and what constitutes a “complaint.” *See* Pet. 28–29. Section 314(d) is supposed to make the Board the decider. But if the Court denies review, owners of invalidated patents will continue to argue that the Board never should have instituted IPR and the Federal Circuit will continue to exercise nonexistent jurisdiction to re-decide those issues. The Solicitor General’s recommendation to deny certiorari suggests that the government may have other fish to fry, but the question whether the appeal bar permits the Federal Circuit to revisit the Board’s institution

decisions will not go away and will require this Court's attention.

The Court has before it now several petitions, including this one, that offer it the opportunity to resolve this important question on fully developed records. There is no reason to wait for a case presenting the appeal-bar question in the specific context of a dispute about who qualifies as a privy or real party in interest. When a patent owner makes a § 315(b) challenge to a decision to institute IPR on an argument that a complaint was served more than a year earlier, nothing in the appeal bar distinguishes a complaint served on the IPR petitioner from one served on its privy. Either way, the Board has to determine, as part of its decision whether to institute IPR, whether § 315(b) bars institution. And either way, § 314(d) bars the Federal Circuit from second-guessing the Board's institution decision. The Court should grant certiorari now and curb the Federal Circuit's overreach before that court tangles the law with a further corpus of cases exercising jurisdiction denied by Congress. Delaying the inevitable need to resolve the appeal-bar question would only guarantee that litigants and the Federal Circuit will devote time and resources to relitigating and redeciding issues that—in Atlanta Gas Light's view and the Solicitor General's—the Court will eventually conclude are off-limits to the Federal Circuit.

Bennett's other attempt to downplay the case's importance is its observation that the Federal Circuit's decision to enlarge its jurisdiction over an appeal from the *Patent* Trial and Appeal Board “does not conflict with the decisions of any other courts of appeals.” BIO 6. Well, of course not. The lack of a

circuit split on a patent-specific question—limited to appeals from the Board, to boot—simply reflects the fact that no other court of appeals can hear patent cases. 28 U.S.C. § 1295(a)(4)(A). And the full court *has* split in the only place where the issue could arise. *See Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1377 (Fed. Cir. 2018) (Hughes, J., dissenting, joined by Lourie, Bryson, & Dyk, JJ.). There is thus no further percolation to await.

2. Because Bennett cannot seriously dispute the question’s importance or the certainty that it will recur, it instead seeks to preemptively litigate the merits at the petition stage. But its arguments fail.

Congress’s obvious intent in enacting § 314(d) was to prevent the waste of judicial resources on relitigating technical points already decided by the Board—the kind of procedural wrangling that has occupied the Federal Circuit’s time and led four petitioners to this Court. In *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016), this Court noted its “doubt that Congress” would have given the Patent Office “significant power to revisit and revise earlier patent grants” if “the agency’s final decision could be unwound under some minor statutory technicality related to its preliminary decision to institute inter partes review.” *Id.* at 2139–40. Here, the Patent Office “revisit[ed] and revis[ed]” its grant of Bennett’s patent, and the Federal Circuit has “unwound” that decision “under some minor statutory technicality related to [the Board’s] preliminary decision to institute inter partes review.” *See id.* Congress plainly did not intend this result.

In response, Bennett adopts an untenable reading of this Court’s decision in *Cuozzo*. In

Bennett’s view, with emphasis in original, *Cuozzo* “limits Section 314(d)’s bar to the Director’s institution decision *under Section 314(a)*.” BIO 6 n.3. But *Cuozzo* held that § 314(d)’s appeal bar prevented review of a determination *under § 312(a)(3)*. See 136 S. Ct. at 2139 (noting that patent owner argued that Board should not have instituted IPR because petition failed to set forth grounds for challenge “with particularity” as required by § 312(a)(3)). *Cuozzo* also *said* what it meant: it properly read the review bar in § 314(d) to cover both the § 314(a) determination *and* those situations “where a patent holder grounds its claim in *a statute closely related to that decision* to institute inter partes review.” *Id.* at 2142 (emphasis added).

Against *Cuozzo*’s holding, Bennett offers dicta from *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018). See BIO 3–4. To be clear, Atlanta Gas Light agrees with Bennett that the two decisions appear to point in different directions. Pet. 32–33. But the difficulty of squaring those dicta with *Cuozzo* is a further reason to grant certiorari, not to deny it. *Id.*

Bennett’s resort to an insupportably crabbed reading of *Cuozzo* is understandable, because it is Bennett’s only realistic merits argument. Grappling with what *Cuozzo* actually held would require reversal of the Federal Circuit’s decision—after all, a statute that governs when “[a]n inter partes review may ... be instituted” is self-evidently “a statute closely related to the decision to institute inter partes review.” Compare 35 U.S.C. § 315(b) with *Cuozzo*, 136 S. Ct. at 2142.

Bennett suggests in conclusion that Atlanta Gas Light’s position is that “Congress ... wished to erase

all judicial review over the IPR statutory framework.” BIO 7. This is an obvious straw-man: Atlanta Gas Light argues only that judicial review should be limited to *the final written decision*—namely, the review Congress entrusted to the courts. 35 U.S.C. § 319.

To prop up this straw-man, Bennett buries another misreading of *Cuozzo* in a footnote, suggesting that § 319 permits review of the “jurisdictional ruling” the Board made at the institution stage because the Board made that ruling again “in its final-written decision.” BIO 7 n.4. As an initial matter, *Cuozzo*, again, rejected that reading of the appeal bar as limited to interlocutory appeals. 136 S. Ct. at 2140 (“The dissent ... would limit the scope of the ‘No Appeal’ provision to *interlocutory* appeals, leaving a court free to review the initial decision to institute review in the context of the agency’s final decision.... We cannot accept this interpretation.”).

In addition, were Bennett being consistent, it would conclude that the language of § 319 *forecloses* its argument. Section 319, after all, permits appeal only of “the final written decision of the Patent Trial and Appeal Board *under section 318(a)*.” 35 U.S.C. § 319 (emphasis added). The italicized language parallels § 314(d)’s “under this section” language that Bennett contends limits the scope of the appeal bar to the preliminary merits (“reasonable likelihood”) determination made under § 314(a). But the “final written decision ... under section 318(a)” is “a final written decision *with respect to the patentability of any patent claim challenged by the petitioner . . .*” 35 U.S.C. § 318(a) (emphasis added). If the “under

section 318(a)” language had the meaning Bennett ascribes to § 314(d)’s “under this section” language, any appeal would be limited to the Board’s decision “with respect to the patentability” of the claims at issue—and Bennett still would be unable to appeal the Board’s decision to institute IPR as it relates to the time bar.

Because the question presented is important and recurring—and because the Federal Circuit got it wrong—certiorari should be granted.

II. The Split In Authority On The Effect Of Dismissal Of A Complaint Requires Resolution.

1. Certiorari is also appropriate on the second question presented. As Atlanta Gas Light detailed, the Federal Circuit’s decision in *Click-to-Call* abrogated that court’s own precedent and conflicted with the decisions of several other circuits. Pet. 25–26. The effect of a dismissal without prejudice is to leave the parties as though no action had been brought—“in the same legal position as if no suit had ever been filed.” *Dawson Farms, LLC v. Farm. Serv. Agency*, 504 F.3d 592, 601 (5th Cir. 2007); *see also Gerhardson v. Gopher News Co.*, 698 F.3d 1052, 1056 (8th Cir. 2012); *Graves v. Principi*, 294 F.3d 1350 (Fed. Cir. 2002); *Nat’l R.R. Passenger Corp. v. Int’l Ass’n of Machinists*, 915 F.2d 43, 48 (1st Cir. 1990). Congress is presumed to have legislated with this background principle in mind. *Mohamad v. Palestinian Auth.*, 566 U.S. 449, 457 (2012).

In light of this authority, Bennett’s contention that this is a “splitless” question is wrong. BIO 8. The circuits *are* split on the question on which they *can* be

split—the effect of a dismissal without prejudice. Pet. 25–26. Bennett emphasizes that “[N]o other court of appeals has decided the effects of a dismissal without prejudice *for purposes of Section 315(b)*,” BIO 10, but that is because no other court of appeals has even arguable jurisdiction to decide this patent-law-specific question. The fact that the Federal Circuit has exclusive jurisdiction over patent appeals does not prevent the Court from regularly granting certiorari to resolve important questions of patent law. To the contrary, the fact that the Federal Circuit has already gone en banc to resolve this question and that no other court will confront it means that there is no reason to await further percolation.

2. Bennett also notes that the “USPTO itself now endorses” its position. BIO 8; *see also* SG Br. 12 (“In the Director’s view, the court of appeals’ interpretation represents the better reading of the statutory text ...”). The government now views § 315(b) as requiring no more than mere notice of a dispute. *See id.* (“Because ... service places the accused infringer on notice of potential infringement regardless of what follows, the court of appeals’ interpretation effectively addresses the ‘notice concerns’ underlying Section 315(b) ...”). As Atlanta Gas Light explained, that does not appear to be what Congress intended; instead, Congress’s concern—consistent with its purpose *throughout* the AIA—was to avoid wasting litigants’ and courts’ resources. Pet. 28–29.

The Patent Office’s previous position was not taken in ignorance but was a considered conclusion reached after a survey of the relevant authorities. *See Macauto U.S.A. v. BOS GMBH & KG*, No.

IPR2012-00004, 2013 WL 5947694, at *7 (P.T.A.B. 2013). And a future Director could revert to the Office’s original position—especially given the lack of compelling reasoning for the Office’s recent about-face. In short, the fact that the Board must accede to the Federal Circuit’s misreading absent this Court’s review is not a reason for this Court to deny review.

3. Bennett contends that “[t]he only party prejudiced by this rule is one who sits on its rights.” BIO 10. But that would be true only in a world where IPR was cost-free. In the real world, seeking IPR is an expensive proposition. *See* Pet. 31. Bennett accuses Atlanta Gas Light of “ignor[ing] the realities of litigation on the ground,” BIO 10, but Bennett itself ignores the very real dilemma the accused infringer of a bad patent must confront when faced with the prospect of spending hundreds of thousands of dollars to challenge the patent after the patent owner dismisses its infringement complaint.

Moreover, as amicus Intel explained, the Federal Circuit’s expansive and fact-bound approach to § 315(b)’s reference to service of a complaint on a “real party in interest[] or privy of the petitioner” will require companies to “monitor complaints filed against a broad range of affiliates” or lose out on the IPR rights Congress intended them to have. Intel Br. 21 (citing *Applications in Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336, 1351 (Fed. Cir. 2018) (defining “real party in interest”), *cert. denied* 139 S. Ct. 1366 (2019), and *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1319 (Fed. Cir. 2018) (defining “privy”)). When a complaint against an affiliate of some kind is quickly dismissed, a party often will have no way of predicting with any confidence

whether that defendant will later be deemed to have been a “real party in interest” or “privy.” If such a dismissal nonetheless triggers the time bar, even the “notice” function Bennett and the government erroneously ascribe to § 315(b) will go unsatisfied.

* * *

Bennett claims that “this is a straightforward and obvious denial.” BIO 2. But Bennett’s retention of experienced Supreme Court counsel to file an unsolicited brief in opposition tells a different story. Both questions presented are exceptionally important and ripe for review.

CONCLUSION

The Court should grant the petition.

Respectfully submitted.

HOLMES J. HAWKINS, III
RUSSELL BLYTHE
KING & SPALDING LLP
1180 Peachtree St., NE
Atlanta, GA 30309
(404) 572-4600

JEFFREY S. BUCHOLTZ
Counsel of Record
JOSHUA N. MITCHELL
KING & SPALDING LLP
1700 Pennsylvania Ave., NW
Washington, DC 20006
(202) 737-0500
jbucholtz@kslaw.com

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