

No. 18-750

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IN THE  
Supreme Court of the United States

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JTEKT CORPORATION,

*Petitioner,*

v.

GKN AUTOMOTIVE LTD.,

*Respondent.*

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

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**BRIEF OF ASKELADDEN L.L.C. AS *AMICUS CURIAE*  
IN SUPPORT OF PETITIONER**

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## QUESTION PRESENTED

Can the Federal Circuit refuse to hear an appeal by a petitioner from an adverse final decision in a Patent Office inter partes review on the basis of lack of a patent-inflicted injury in fact when Congress has

(i) statutorily created the right for parties dissatisfied with a final decision of the Patent Office to appeal to the Federal Circuit,

(ii) statutorily created the right to have the Director of the Patent Office cancel patent claims when the petitioner has met its burden to show unpatentability of those claims, and

(iii) statutorily created an estoppel prohibiting the petitioner from again challenging the patent claims?

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## INTEREST OF AMICUS CURIAE

Askeladden L.L.C. (“Askeladden”) is a wholly owned subsidiary of The Clearing House Payments Company L.L.C. (“TCH”). Since its founding in 1853, TCH has delivered safe and reliable payments systems, facilitated bank-led payments innovations, and provided thought leadership on strategic payments issues.<sup>1</sup>

Today, TCH is the only private-sector ACH and wire operator in the United States, clearing and settling nearly \$2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume. TCH continues to leverage its unique capabilities to support bank-led innovation, including launching its RTP® system that modernizes core payments capabilities for all U.S. financial institutions. As the country’s oldest banking trade association, TCH also provides informed advocacy and thought leadership on critical payments-related issues facing financial institutions today. TCH is owned by 24 financial institutions and supports hundreds of banks and credit unions through its core systems and related services.

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<sup>1</sup> Pursuant to Rule 37.6, Askeladden affirms that no counsel for a party authored this brief in whole or in part, and no one other than Askeladden or its counsel made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Rule 37.2(a), counsel of record for all parties received notice of Askeladden’s intention to file this brief. Petitioner and Respondent have consented to the filing of this *amicus curiae* brief in support of Petitioner.

Askeladden founded the Patent Quality Initiative (“PQI”) as an education, information, and advocacy effort to improve the understanding, use, and reliability of patents in financial services and elsewhere.

Through PQI, Askeladden strives to improve the patent system by challenging the validity of low-quality patents and by promoting improved patent holder behavior, while also supporting effective intellectual property practices and improved innovation rights. To that end, Askeladden regularly files amicus briefs in cases presenting important issues of patent law.

One such issue is when a “dissatisfied” petitioner has standing to challenge an adverse decision in an inter partes review (“IPR”) proceeding as raised by Appellant here, and by RPX Corp. in its Petition for Certiorari in *RPX Corp. v. ChanBond LLC* (No. 17-1686) (“*RPX Cert.*”).<sup>2</sup>

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<sup>2</sup> The Solicitor General’s views in the *RPX Cert.* are expected soon based on this Court’s invitation.

## SUMMARY OF ARGUMENTS

Askeladden submits this *amicus* brief in support of JTEKT's Petition for a Writ of Certiorari being granted, along with the currently pending *RPX* Cert. (No. 17-1686). The issue raised is whether meeting the statutory requirements of Section 319 of Title 35 of the United States Code is an intangible injury-in-fact that is enough to meet the "case or controversy" requirements of Article III of the U.S. Constitution.

While Askeladden offers no opinions on the ultimate merits of JTEKT's underlying IPR petition, it supports JTEKT's right as a "dissatisfied" party to the IPR proceeding to appeal the adverse decision by the Patent Trial and Appeal Board ("PTAB"). That decision denied JTEKT the Congressionally authorized relief it requested from the Government, namely, the cancellation of patent claims. JTEKT was denied the opportunity to argue the merits of its appeal by the Court of Appeals for the Federal Circuit ("Federal Circuit"), which held that JTEKT lacked sufficient injury-in-fact for standing to pursue its appeal. (Appendix to Pet. ("App.") 1a-8a).

I. JTEKT was authorized by Congress to petition the Government (via the PTAB) for relief (cancellation of patent claims) in the IPR proceeding below and, as a dissatisfied party, to appeal an adverse final written decision denying the requested relief.

A. JTEKT filed a petition requesting IPR of claims 1-7 of U.S. Patent No. 8,215,440 ("the '440

patent”) pursuant to the statutory scheme devised by Congress in the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), codified in part in 35 U.S.C. §§311–319 and corresponding regulations 37 C.F.R. §42.100 *et seq.* (App. 10a). The PTAB instituted an IPR of the challenged claims (*id.*), and ultimately entered a final written decision holding that some of the challenged claims (2-3) are not unpatentable (App. 9a-56a; *see also* App. 2a-3a).<sup>3</sup>

B. Thereafter, JTEKT, as a “dissatisfied party” under 35 U.S.C. §319, timely appealed to the Federal Circuit. At the request of Patent owner GKN Automotive, Ltd. (“GKN”), the Federal Circuit dismissed the appeal “[b]ecause JTEKT lacks standing to appeal.” (App. 2a). The Federal Circuit thereafter summarily denied JTEKT’s petition for panel hearing and rehearing en banc. (App. 58). Askeladden submitted an amicus brief in support of rehearing below. (CAFC No. 17-1828, ECF No. 63).

On December 7, 2018, JTEKT filed this Petition for a Writ of Certiorari.

II. The Federal Circuit’s decision below dismissing JTEKT’s appeal for lack of standing is the latest in its growing line of decisions (App. 4a-5a) that (i) conflict with this Court’s precedent (*compare* App. 5a-6a, *with* Section II *infra*), (ii) ignores Congressional intent and (iii) ignores the statutory

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<sup>3</sup> While not pertinent here, the PTAB also held that claims 6-7 of the ’440 patent are unpatentable. (*Id.*). Claims 1 and 4-5 were previously disclaimed after institution. (App. 10a, 17a n.3).

penalties imposed on JTEKT as an unsuccessful petitioner who is “dissatisfied” (35 U.S.C. §§315(e), 319).

A. Led into error by earlier erroneous decisions in *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258 (Fed. Cir. 2014), and *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168 (Fed. Cir. 2017), the panel below created an artificial and myopic “injury-in-fact” test that limits standing to when there is an imminent risk of “a possible infringement suit.” (App. 4a-5a). Like the earlier decisions (and the decision in the *RPX* Cert.), the panel ignored Congress’ definition in 35 U.S.C. §319 of an “injury-in-fact,” namely, an IPR petitioner’s “dissatisfaction” with the Government’s (PTAB) presumably improper denial of the relief sought (cancellation of patent claims). (*Cf.* App. 4a-5a, 8a).

As this Court recently explained:

A party **dissatisfied** with the Board’s decision can seek judicial review in the Court of Appeals for the Federal Circuit. §319. Any party to the inter partes review can be a party in the Federal Circuit. *Ibid.*

*Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365, 1372 (2018).<sup>4</sup>

Although “Congress cannot erase the Article III’s standing requirements by statutorily granting the right to sue to a plaintiff who would not

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<sup>4</sup> All emphasis added.

otherwise have standing,” nonetheless, “[i]n determining whether an intangible harm constitutes injury in fact, both history and the judgment of Congress play important roles.” *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1547-49 (2016) (citation omitted).

Thus, Congress may identify intangible harms that meet minimum Article III requirements, and may even “elevat[e] to the status of legally cognizable injuries concrete, *de facto* injuries that were previously inadequate in law.” *Id.* at 1549 (quoting *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 578 (1992)).

That is what Congress has done here. It has defined a party’s “dissatisfaction” with an adverse final written decision in an IPR as a sufficient intangible injury that confers standing on that party to appeal.

B. Further, the Federal Circuit’s decision is in conflict with this Court’s prior decisions that uphold Congress’ authority to enact statutes creating legal rights, and confirm that invasion of these statutory rights can confer Article III standing even though no injury would exist absent the statute. The Court’s other concerns in *Lujan* and *Spokeo* are also met because Sections 141(c) and 319 limit the right to appeal to a “party” to the IPR proceeding, and to the “decision.” Unlike other cases, the dispute here is not political.

The Federal Circuit decisions also conflict with authority of by the Court of Appeals for the D.C.

Circuit (“D.C. Circuit”). This Court’s intervention is necessary to address this circuit split.

C. The Federal Circuit’s jurisprudence is also contrary to the legislative intent, in which Congress ensured appellate rights to all parties to an IPR. *See* 35 U.S.C. §319.

D. Separately, the PTAB’s finding that claims of the ‘440 Patent are not unpatentable invokes statutory estoppel against JTEKT under 35 U.S.C. §315(e). This estoppel is a real injury that “supplie[s] the personal stake in the appeal required by Art. III.” *Compare Deposit Guar. Nat’l Bank v. Roper*, 445 U.S. 326, 337 (1980), *with* App. 8a.

III. This issue, which is also raised in the *RPX* Cert. case, is ripe for decision by this Court.

A. This issue is important to preserve the appellate protection that this Court found is crucial to the constitutionality of IPR proceedings.

B. The Federal Circuit has established its view on this subject, and consistently follows its prior erroneous line of cases.

Accordingly, Askeladden urges this Court to take JTEKT’s Petition, together with the *RPX* Cert. (No. 17-1686) and determine whether 35 U.S.C. §319 provides a sufficient constitutional basis to allow **any** dissatisfied petitioner in an IPR to appeal an adverse final written decision to the Federal Circuit.



## ARGUMENT

### I. CONGRESS AUTHORIZED JTEKT TO PETITION THE GOVERNMENT TO DECLARE CLAIMS INVALID, AND TO APPEAL AN ADVERSE FINAL WRITTEN DECISION WITH WHICH IT IS DISSATISFIED

#### A. JTEKT Properly Filed a Petition for IPR and Participated in the Proceeding

With the enactment of the AIA, Congress created IPR proceedings, where any petitioner may request the Government to take “a second look at an earlier administrative grant of a patent.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2144 (2016). “Any person other than the patent owner can file a petition for inter partes review.” *Oil States*, 138 S. Ct. at 1371 (citing 35 U.S.C. §311(a) (2012 ed.)). Section 311(a) allows for anyone who is not otherwise statutorily barred or estopped to file an IPR petition with the Government.

JTEKT, as petitioner, was authorized to petition the government to “initiate the proceeding” and participate in the IPR proceedings below, even without “a concrete stake in the outcome; indeed, they may lack constitutional standing.” *Cuozzo*, 136 S. Ct. at 2143-44 (citing 35 U.S.C. §311(a). *Cf. Consumer Watchdog*, 753 F.3d at 1261-62; App. 3a.

Pursuant to 35 U.S.C. §§311-312, JTEKT paid a substantial governmental filing fee (more than \$20,000) and filed an IPR petition to the Government

through the PTAB, requesting that claims 1-7 of the '440 patent be declared invalid. (App. 10a).

Pursuant to 35 U.S.C. §314, the PTAB, as the delegate of the Director of the U.S. Patent and Trademark Office (“PTO”), found a reasonable likelihood that JTEKT would prevail with respect to at least one challenged claim, and instituted an IPR proceeding. (App. 10a.). *Oil States*, 138 S. Ct. at 1371 & n.1.

“The new statute provides a challenger [like JTEKT] with broader participation rights [than prior proceedings].” *Cuozzo*, 136 S. Ct. at 2137. Specifically, Congress granted JTEKT, as petitioner, the right to participate in the IPR proceeding, with both an opportunity to submit comments (35 U.S.C. §316(a)(13); *see also* 37 C.F.R. §42.23) and the right to participate in an oral hearing (35 U.S.C. §316(a)(10); *see also* 37 C.F.R. §42.70). *Oil States*, 138 S. Ct. at 1371.

Thus, as authorized by Congress, JTEKT filed a post-Institution Reply (*cf.* App. 6a), and participated in an oral hearing before the PTAB. *See* 35 U.S.C. §316(a)(10), (13); 37 C.F.R. §42.70); *see also Oil States*, 138 S. Ct. at 1371.<sup>5</sup>

Thereafter, the PTAB entered a final written decision pursuant to 35 U.S.C. §318(a) that was unfavorable, in part, to JTEKT. The PTAB held that

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<sup>5</sup> As discussed below in Section II.C, these broader participation rights were key elements of the AIA. *See, e.g.*, S. Rep. No. 110-259, at 19-20 (2008); H.R. Rep. No. 112-98, at 98 (2011).

JTEKT had not demonstrated by a preponderance of the evidence that claims 2-3 of the '440 patent are unpatentable. (*See* App. 11a, 56a).<sup>6</sup>

JTEKT is dissatisfied with the PTAB's denial of the relief requested in its IPR petition, and thus, sought review by the Federal Circuit.

**B. JTEKT, as a “Dissatisfied” Party, Was Improperly Denied Its Statutory Right to Appeal the PTAB’s Adverse Final Written Decision**

In addition to granting petitioners the right to petition and participate at the PTAB, Congress explicitly permitted an appeal to the Federal Circuit by any party to an IPR that suffers the intangible injury of being “dissatisfied” with an adverse final written decision by the PTAB. 35 U.S.C. §319 *see also Oil States*, 138 S. Ct. at 1372 (“A party dissatisfied with the Board’s decision can seek judicial review in the Court of Appeals for the Federal Circuit.” (citing 35 U.S.C. §319)). Congress further provided that any party to an IPR has the right to be a party to its appeal. *Id.*

Pursuant to Section 319, as a dissatisfied party to the IPR, JTEKT exercised its statutorily created right by filing a timely Notice of Appeal with the Director and the PTAB, as well as with the Clerk’s office of the Federal Circuit. (*Cf.* App. 3a).

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<sup>6</sup> Prior to the PTAB’s Decision (App. 9a-56a), GKN disclaimed claims 1 and 4-5. (App. 10a, 17a n.3). In that Decision, the PTAB found Claims 6-7 unpatentable. (App. 10a-11a, 56a). Neither party challenged this finding on appeal. (App. 3a).

Thereafter, GKN filed a motion to dismiss the appeal for lack of jurisdiction. (CAFC No. 17-1828, ECF No. 17; App. 3a). After briefing on the motion, , GKN's motion to dismiss was denied in a non-precedential order (per J. Bryson) and the parties were instead directed "to address [the] standing issue in their [appeal] briefs." (CAFC No. 17-1828, ECF No. 23, at 2 ¶(1); App. 3a).

After further briefing of the standing issue, a panel of the Federal Circuit entered a precedential Opinion and Judgment (per J. Dyk, App. 1a-8a) dismissing the appeal "because JTEKT lacks standing to appeal." (App. 2a).

JTEKT petitioned the Federal Circuit for panel rehearing and rehearing *en banc*. Askeladden submitted an amicus brief in support below. (CAFC No. 17-1828, ECF No. 63). The Federal Circuit summarily denied JTEKT's petitions for panel rehearing and rehearing *en banc*. (App. 57a-58a).

Thereafter, JTEKT filed this Petition for a Writ of Certiorari.

## **II. THIS PETITION SHOULD BE GRANTED**

### **A. The Federal Circuit Applies Too Narrow an Injury-In-Fact Test**

The panel decision below (App. 1a-8a) is the latest in "a series of decisions, [where the Federal Circuit] ha[s] held the statute [35 U.S.C. §141(c)] cannot be read to dispense with the Article III injury-in-fact requirement for appeal to [that] court." (App. 4a).

As examples of these decisions, the panel cited *Phigenix*, 845 F.3d at 1175-76, requiring Petitioner/Appellant to be “at risk ‘of infringing the [patent at issue] ... or [other] action that would implicate the patent.’” The Panel also cited *Consumer Watchdog*, 753 F.3d at 1260, which involved an *inter partes* reexamination by a nonprofit organization which did not conduct research and was not a competitor of the patent owner. (App. 4a-5a).

The panel summarized this Federal Circuit jurisprudence as follows:

Our cases establish that typically in order to demonstrate the requisite injury [to confer standing] in an IPR appeal, the appellant/petitioner must show that it is engaged or will likely engage “in an[] activity that would give rise to a possible infringement suit,” *Consumer Watchdog*, 753 F.3d at 1262, or has contractual rights that are affected by a determination of patent validity, *see generally MedImmune*, 549 U.S at 137.

(App. 5a).

However, as this Court recognized in *Oil States*, Congress defined in the Patent Act the relevant “injury in fact” sufficient to enable a party to an IPR proceeding to appeal adverse Final Written Decision. Congress made no reference to patent-related issues, and instead simply states that a

“dissatisfied” party may appeal an adverse PTAB decision:

A party **dissatisfied** with the Board’s decision [here, JTEKT, as Petitioner] can seek judicial review in the Court of Appeals for the Federal Circuit. §319. Any party to the inter partes review can be a party in the Federal Circuit. *Ibid.*

*Oil States*, 138 S. Ct. at 1372.

Section 319 is unequivocal. Congress gave JTEKT, as a “dissatisfied” party, the right to appeal the PTAB’s adverse final written decision with respect to its request to cancel claims 2-3.

*Oil States* is not the first time that this Court has recognized that the intangible injury of being a “**dissatisfied**” party or a “**disappointed**” party to an adverse PTO decision is a sufficient basis for that party to appeal. *See, e.g., Cuozzo*, 136 S. Ct. at 2150 (Alito, J., concurring in part and dissenting in part) (“Any patent owner or challenger that is ‘**dissatisfied**’ with that decision may appeal to the Federal Circuit. §319.”; *inter partes* review); *Kappos v. Hyatt*, 132 S. Ct. 1690, 1694 (2012) (“If the Board also denies the application, the Patent Act gives the **disappointed** applicant two options for judicial review of the Board’s decision.”); *Dickinson v. Zurko*, 527 U.S. 150, 163-165 (1999) (discussing alternative paths a “**disappointed** applicant” can take when PTO denies its application).

Significantly, the Federal Circuit's failure to permit the judicial review authorized by Congress in 35 U.S.C. §319 stands in stark contrast to this Court's opinion in *Oil States* that is informed by, and relies in part upon, the Federal Circuit's judicial review of a final written decision when finding IPRs constitutional:

[B]ecause the Patent Act **provides for judicial review by the Federal Circuit, see 35 U.S.C. §319**, we need not consider whether inter partes review would be constitutional “without any sort of intervention by a court at any stage of the proceedings.”

*Oil States*, 138 S. Ct. at 1379 (quoting *Atlas Roofing Co. v. Occupational Safety and Health Review Comm'n*, 430 U.S. 442, 455 n.13 (1977)).

The Federal Circuit failed to consider the Congressionally defined injury-in-fact in 35 U.S.C. §319, namely, a party being “**dissatisfied**” with the PTAB's final written decision. The Federal Circuit also failed to address whether this definition promulgated by Congress exceeds the constitutional limits of Article III standing. *See Phigenix*, 845 F.3d at 1175-76 (discussing only Section 141(c) and ignoring the language and analysis of Section 319 and the intangible injury of being “dissatisfied”).

**These omissions are significant.** *Spokeo* explains that Congress can define an intangible injury that is sufficient to give Article III standing to a party in a proceeding to participate in a challenge

to an adverse decision, even where standing would not exist but for Congress' definition:

In addition, because Congress is well positioned to identify intangible harms that meet minimum Article III requirements, its judgment is also instructive and important. Thus, we said in *Lujan* that Congress may “elevat[e] to the status of legally cognizable injuries concrete, *de facto* injuries that were previously inadequate in law.” 504 U.S. at 578, 112 S. Ct. 2130, 119 L. Ed. 2d 351. Similarly, Justice Kennedy’s concurrence in that case explained that **“Congress has the power to define injuries and articulate chains of causation that will give rise to a case or controversy where none existed before.”** *Id.*, at 580, 112 S. Ct. 2130, 119 L. Ed. 2d 351 (opinion concurring in part and concurring in judgment).

*Spokeo*, 136 S. Ct. at 1549.

Thus, the Federal Circuit’s failure in its “line of cases” (App. 4a-5a) to consider the fact that Congress defined the dissatisfaction of a petitioner as an intangible injury that is a sufficient injury-in-fact to appeal is clear error and contrary to this Court’s directives in *Spokeo*.

The Federal Circuit’s analysis compounds this error by engrafting an extra-statutory requirement



that an unsuccessful petitioner must be an accused infringer. (App. 5a). “[I]f Congress wanted to adopt [the Federal Circuit’s] approach it knew exactly how to do so.” *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018). This is exactly what Congress did with covered business method patent review (“CBM”) proceedings, requiring a petitioner to be an **accused infringer**. See AIA §18(a)(1)(B). There is no such requirement under the AIA provisions governing IPRs, including 35 U.S.C. §319. The Federal Circuit’s extra-statutory requirement is against the clear legislative intent and should not be endorsed.

#### **B. The Federal Circuit’s Analysis Conflicts with This Court’s Precedent and Other Circuits’ Decisions**

The Federal Circuit’s line of authority is in conflict with this Court’s prior decisions (i) upholding Congress’ authority to enact statutes creating legal rights, and (ii) confirming that the invasion of those statutory rights can confer Article III standing even though no injury would exist without the statute. See *Warth v. Seldin*, 422 U.S. 490, 514 (1975) (“Congress may create a statutory right or entitlement the alleged deprivation of which can confer standing to sue even where the plaintiff would have suffered no judicially cognizable injury in the absence of statute.”); *Linda R.S. v. Richard D.*, 410 U.S. 614, 617 n.3 (1973) (“Congress may enact statutes creating legal rights, the invasion of which creates standing, even though no injury would exist without the statute.”); see also *Lujan*, 504 U.S. at 561-62 (“When the suit is one challenging the legality of government action or inaction, the nature and

extent of facts that must be averred (at the summary judgment stage) or proved (at the trial stage) in order to establish standing depends considerably upon **whether the plaintiff is himself an object of the action (or forgone action) at issue. If he is, there is ordinarily little question that the action or inaction has caused him injury, and that a judgment preventing or requiring the action will redress it.**)”.

In *Lujan*, this Court set out a three-part test to determine standing under Article III:

1. “[T]he plaintiff must have suffered an ‘injury in fact’—an invasion of a legally protected interest which is (a) concrete and particularized, and (b) ‘actual or imminent, not “conjectural” or “hypothetical””;
2. “[T]here must be a causal connection between the injury and the conduct complained of—the injury has to be ‘fairly ... trace[able] to the challenged action of the defendant, and not ... the result [of] the independent action of some third party not before the court’”; and
3. “[I]t must be ‘likely,’ as opposed to merely ‘speculative,’ that the injury will be ‘redressed by a favorable decision.’”

*Lujan*, 504 U.S. at 560-61 (citations omitted); *see also Spokeo*, 136 S. Ct. at 1547; *Gill v. Whitford*, 138 S. Ct. 1916, 1929 (2018).

The test in *Lujan* and *Spokeo* is met by Sections 141(c) and 319, without the Federal Circuit’s additional extra-statutory requirements:

1. A “party dissatisfied” with an adverse PTAB final written decision has suffered an “injury in fact” under the express language of the statute, namely, the petitioner is “dissatisfied.” This injury is “concrete and particularized,” and “actual,” not “conjectural.” Indeed, the dissatisfied petitioner has been denied its request to cancel claims of a patent.

2. There is a direct causal connection between the petitioner’s dissatisfaction (*i.e.*, injury) and the PTAB’s decision to uphold the validity of the claims challenged by the petitioner (*i.e.*, the conduct complained of).

3. There is no question that the petitioner’s injury would be redressed if the Federal Circuit heard the appeal and reversed the PTAB’s decision, finding the challenged claims unpatentable.

A significant point overlooked by the Federal Circuit is that when Congress creates a statutory right or entitlement, and a party seeking judicial relief is allegedly deprived of such right or entitlement, there is “ordinarily little question” of meeting the standing requirement.<sup>7</sup> Indeed, when

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<sup>7</sup> “The decisions of the Federal Circuit conflict with Supreme Court decisions upholding Congress’ authority to enact statutes creating legal rights, and confirm that the invasion of these statutory rights can confer Article III standing even though no injury would exist without the statute.” Charles R. Macedo et al., *Article III Standing in Appeals from Inter Partes Review Proceedings to the US Court of Appeals for the Federal Circuit*, 13 J. INTELL. PROP. L. & PRAC. 940, 942 (2018) (citing *Warth*, 422 U.S. at 514; *Linda R.S.*, 410 U.S. at 617 n.3; *Lujan*, 504 U.S. at 561-62).

someone petitions the Government for some action<sup>8</sup> pursuant to its statutory right and is allegedly wrongfully denied relief, it is an easy case to find standing for the aggrieved petitioner. *See Warth*, 422 U.S. at 513-14; *Linda R.S.*, 410 U.S. 614; *Lujan*, 504 U.S. at 617 n.3; *Spokeo*, 136 S. Ct. at 1549; *Pub. Citizen v. United States Dep't of Justice*, 491 U.S. 440, 448-51 (1989); *see also Zivotofsky v. Sec'y of State*, 444 F.3d 614, 617-18 (D.C. Cir. 2006).

The Federal Circuit's analysis misses the point by failing to recognize and address that under *Lujan*, the PTAB's denial of JTEKT's petition makes JTEKT, as the unsuccessful petitioner, the object of the government action or inaction.

This Court has recognized such rights under the Federal Advisory Committee Act ("FACA"), 5 U.S.C. App. §1 *et seq.* (1982 ed. and Supp. V). *See Pub. Citizen*, 491 U.S. at 449 ("As when an agency denies requests for information under the Freedom of Information Act, refusal to permit appellants to scrutinize the ABA Committee's activities to the extent FACA allows constitutes a sufficiently distinct injury to provide standing to sue."). This Court recognized the same right under the Freedom of Information Act ("FOIA"), 5 U.S.C. §552. *See, e.g.,*

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<sup>8</sup> "For standing purposes, a loss of even a small amount of money is ordinarily an 'injury.'" *Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 983 (2017); *see also, e.g., McGowan v. Maryland*, 366 U.S. 420, 430-431 (1961) (\$5 fine plus costs enough to establish standing to assert an Establishment Clause challenge). Here, JTEKT was required to pay the USPTO a fee of over \$20,000 with its petition, and the relief it sought (cancellation of claims) was improperly denied.

*United States Dep't of Justice v. Reporters Comm. for Freedom of Press*, 489 U.S. 749, 754-55 (1989); *Dep't of Justice v. Julian*, 486 U.S. 1, 8 (1988); *United States v. Weber Aircraft Corp.*, 465 U.S. 792, 793-95 (1984); *FBI v. Abramson*, 456 U.S. 615, 621-31 (1982); *Dep't of the Air Force v. Rose*, 425 U.S. 352, 360-62 (1976); *see also Pub. Citizen*, 491 U.S. at 449 (“Our decisions interpreting the Freedom of Information Act have never suggested that those requesting information under it need show more than that they sought and were denied specific agency records.”).

Indeed, contrary to the reasoning offered by the Federal Circuit in its earlier decisions in, *e.g.*, *Phigenix*, 845 F.3d at 1175-76, and *Consumer Watchdog*, 753 F.3d at 1261-62, the allegedly improper denial of a petitioner’s statutorily approved petition to cancel one or more claims of an issued patent is no different in kind than the allegedly improper denial of a petitioner’s request for information under the FOIA or FACA. Thus, we respectfully submit that the Federal Circuit’s holding in *JTEKT* is in conflict with this Court’s precedent.

The D.C. Circuit has likewise determined that when Congress creates a statutory right, the deprivation of that right is enough to satisfy Article III standing. *See Zivotofsky*, 444 F.3d at 617-19 (holding that Appellant had Article III standing because the individual statutory right to have “Israel” listed as his place of birth on his passport, conferred to him by Congress, was violated). Thus, the Federal Circuit’s decision in *JTEKT* is not only contrary to Supreme Court precedent, but also

creates a circuit split over the meaning of such precedent.

At a minimum, this Court should grant JTEKT's Petition for a Writ of Certiorari to address this conflict.

### C. The Federal Circuit's Decision Is Contrary to the Legislative Intent of Sections 141(c) and 319

When Congress initially established the *ex parte* reexamination process in 1980, "a challenger that lost at the USPTO under reexamination had no right to appeal an examiner's, or the Patent Board's, decision either administratively or in court. Restrictions such as these made reexamination a much less favored avenue to challenge questionable patents than litigation." S. Rep. No. 110-259, at 18-19; *see also* H.R. Rep. No. 112-98, at 45.

Congress sought to improve the reexamination system in 1999 by creating a second procedure called *inter partes* reexamination. *See* S. Rep. No. 110-259, at 19. However, Congress did not initially provide any right to appeal the decision of the Patent Board to the Federal Circuit. *See* Patent and Trademark Office Authorization Act of 2002, Pub. L. No. 107-273, § 13106(a), 116 Stat. 1758, 1900-01 (2002); Megan M. La Belle, *Patent Law as Public Law*, 20 GEO. MASON L. REV. 41, 57 n.127 (2012) ("Although Congress did not provide the right to appeal to the Federal Circuit in the initial legislation, it amended the AIPA in 2002 to provide this and other rights in hopes of promoting greater use of the *inter partes*

reexamination proceeding.”); Nat’l Research Council, *A Patent System for the 21<sup>st</sup> Century* 96 (Merrill et al. eds. 2004) (“NAS Report”) (referring to the bar on appealing issues as a “disincentive” and “serious drawback” and noting that “[c]hallengers are loathe to forfeit an opportunity to litigate all of the potential validity issues if accused of infringement”). Indeed, “[b]ecause of the limitations on appeals, inter partes reexaminations [had] been rare; there were fewer than 25 requests in 2003.” NAS Report at 96.

Thereafter, “[t]he America Invents Act replaced inter partes reexamination with inter partes review, the procedure at issue here.” *Oil States*, 138 S. Ct. at 1371. In doing so, Congress recognized that the earlier *inter partes* reexamination system (from 1999-2002) had failed in part because it was ineffective and deterred use of the program. *See* S. Rep. No. 110-259, at 19-20. Recognizing that the restrictions on a challenger’s right to appeal had undermined earlier attempts to establish cost-effective alternatives to litigation, Congress adopted the IPR process to address the well-known shortcomings of pre-AIA proceedings and ensure robust utilization of the program. *See, e.g.*, S. Rep. No. 110-259, at 20 n.93 (“The post grant review system created by this Section adopts several of the recommendations, in whole or in part, made by the NAS Report.”).

Thus, Congress replaced the *inter partes* reexamination process with a review process designed to incentivize widespread pursuit of invalidity challenges. In particular, Congress

granted any “person who is not the owner of a patent”:

- the right to petition for institution of an IPR of a patent, 35 U.S.C. §311(a);
- the right to participate in that review if granted, 35 U.S.C. §316; and
- critically, the right to then appeal the PTAB’s final written decision to the Federal Circuit, 35 U.S.C. §319.

The language of the AIA further emphasizes the breadth of the appeal right, in providing that a “party dissatisfied with the final written decision ... may appeal the decision” and “[a]ny party to the ... the [IPR] shall have the right to be a party to the appeal.” *Id.*; *see also* 35 U.S.C. §141(c).

In doing so, Congress adopted “dissatisfaction” as a sufficient injury in fact for the object of the adverse ruling (i.e., a party to the proceeding) to have standing to appeal.

As its legislative backdrop, pre-AIA 35 U.S.C. §141 (1982), allowed a “**dissatisfied**” applicant to have standing to appeal. Similarly, 35 U.S.C. §145, allowed a “**disappointed**” patent applicant who was denied his petition for a patent to bring a district court action against the PTO. In *Kappos* and *Zurko*, the Court expressed no Article III standing concerns when considering Section 145 actions.



In short, Congress made the availability of appellate review a centerpiece and critical component of the IPR process, and the AIA “rests on the foundation that PTAB proceedings will substitute for district court proceedings, and that the Federal Circuit will provide full appellate review.” *Merck & Cie v. Gnosis S.P.A.*, 820 F.3d 432, 437 (Fed. Cir. 2016) (*en banc*) (Newman, J., dissenting).

**D. In Any Event, the Statutory Estoppel Arising from the Underlying Proceeding Separately Meets Article III’s “Injury-In-Fact” Requirements**

The statutory estoppel created under 35 U.S.C. §315(e) by the PTAB’s finding that claims 2-3 are not unpatentable is a separate specific and undeniably tangible injury-in-fact. (*Cf.* App. 8a). The Federal Circuit has improperly ignored this fact.

Here, JTEKT has “suffered ‘an invasion of a legally protected interest,’” namely, it is estopped from challenging the validity of claims 2-3 of the ‘440 Patent with published prior art in future proceedings. This is the epitome of an injury-in-fact. It is “‘concrete and particularized’ and ‘actual or imminent, not conjectural or hypothetical.’” *Spokeo*, 136 S. Ct. at 1548 (quoting *Lujan*, 504 U.S. at 560). *But see Consumer Watchdog*, 753 F.3d at 1261–63; App. 5a.

As a result, the patent owner can now unfairly sue the petitioner for patent infringement without facing invalidity arguments based on grounds raised in the IPR proceeding, even if the PTAB’s decision

would have been overturned had petitioner been permitted to appeal.

The estoppel created provides a sufficient personal stake to satisfy Article III's injury-in-fact concerns. *Cf. Clinton v. City of New York*, 524 U.S. 417, 430-431 (1998) ("Even if the outcome of the second trial is speculative, the reversal, like the President's cancellation, causes a significant immediate injury by depriving the defendant of the benefit of a favorable final judgment"); *Deposit Guar.*, 445 U.S. at 337 ("This concern [over future stare decisis or collateral-estoppel application on ruling on patent validity] supplied the personal stake in the appeal required by Art. III. It was satisfied fully when the petitioners secured an appellate decision eliminating the erroneous ruling from the decree."); *Nat'l Presto Indus. v. Dazey Corp.*, 107 F.3d 1576, 1579 (Fed. Cir. 1997) ("A party shows standing to appeal by demonstrating ... that it **suffered some actual or threatened injury** as a result of the appealed action. The threat of an unfavorable determination in future litigation **due to the res judicata effect** of an adverse judicial determination may be such an injury." (citations omitted)).

### III. THIS PETITION, ALONG WITH THE *RPX* CERT., IS AN APPROPRIATE VEHICLE

#### A. This Issue is Important and Impacts Many Petitioners

This issue is important and impacts many IPR petitioners. In addition to JTEKT and RPX, other

IPR petitioners are impacted, including associations like the Texas Association of Realtors,<sup>9</sup> public interest groups,<sup>10</sup> governmental bodies like the U.S. Departments of Justice and Homeland Security,<sup>11</sup> as well as operating companies seeking freedom to operate, as in the present case.

Moreover, should the Federal Circuit's jurisprudence remain unchallenged, its impact may be felt not just in the patent system, but also in other settings where Congress has conferred standing on analogous petitioners to the government for certain relief (for example, petitioners seeking to maintain the integrity of the FOIA or FACA).

**B. This Issue Is Now Ripe for This Court to Review Because the Federal Circuit Consistently Follows Its Previous Cases**

There is no reason to wait for further discourse at the Federal Circuit. As the *RPX* Cert. and this case demonstrate, the Federal Circuit continues to follow *Consumer Watchdog* and *Phigenix* without deviation.

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<sup>9</sup> See, e.g., *Tex. Ass'n of Realtors v. Uber Techs., Inc.*, Case IPR2016-00615.

<sup>10</sup> See, e.g., *Elec. Frontier Found. v. Personal Audio, LLC*, Case IPR2014-00070.

<sup>11</sup> See, e.g., *Dep't of Justice and Dep't of Homeland Sec. v. EnvisionIT, LLC*, Cases IPR2017-00160, IPR2017-00180, IPR2017-00183, IPR2017-00185, IPR2017-00186.

CONCLUSION

For these reasons and the reasons set forth in Askeladden's amicus brief in the *RPX* Cert. (No. 17-1686), this Court should grant JTEKT's and RPX's petitions.

Respectfully submitted,

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