

No. 17-535

---

**In the Supreme Court of the United States**

---

TRANSPERFECT GLOBAL, INC., PETITIONER

*v.*

JOSEPH MATAL, INTERIM DIRECTOR, UNITED STATES  
PATENT AND TRADEMARK OFFICE

---

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

---

**BRIEF FOR THE RESPONDENT**

---

NOEL J. FRANCISCO

*Solicitor General*

*Counsel of Record*

CHAD A. READLER

*Acting Assistant Attorney*

*General*

MARK R. FREEMAN

WILLIAM E. HAVEMANN

*Attorneys*

*Department of Justice*

*Washington, D.C. 20530-0001*

*SupremeCtBriefs@usdoj.gov*

*(202) 514-2217*

---

### **QUESTION PRESENTED**

Whether post-grant review of covered business method patents comports with Article III and the Seventh Amendment.

# In the Supreme Court of the United States

---

No. 17-535

TRANSPERFECT GLOBAL, INC., PETITIONER

*v.*

JOSEPH MATAL, INTERIM DIRECTOR, UNITED STATES  
PATENT AND TRADEMARK OFFICE

---

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

---

## BRIEF FOR THE RESPONDENT

---

### OPINIONS BELOW

The decision of the court of appeals (Pet. App. 1a-22a) is not published in the Federal Reporter but is available at 2017 WL 2963553. The final decision of the Patent Trial and Appeal Board (Pet. App. 23a-56a) is not published in the United States Patents Quarterly but is available at 2015 WL 4381591.

### JURISDICTION

The judgment of the court of appeals was entered on July 12, 2017. The petition for a writ of certiorari was filed on October 10, 2017. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

### STATEMENT

1. Congress has created several mechanisms that allow the United States Patent and Trademark Office (USPTO) “to reexamine—and perhaps cancel—a patent

claim that it had previously allowed.” *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2137 (2016). In 1980, Congress created ex parte reexamination, under which any person may request reexamination of a United States patent on the basis of qualifying prior art. 35 U.S.C. 301, 302; see Act of Dec. 12, 1980, Pub. L. No. 96-517, 94 Stat. 3015 (35 U.S.C. Ch. 30). If the Director of the USPTO finds that such a request raises a “substantial new question of patentability affecting any claim,” a patent examiner reexamines the patent “according to the procedures established for initial examination.” 35 U.S.C. 303(a), 305; see 35 U.S.C. 304.

Congress later created “another, similar procedure, known as ‘inter partes reexamination.’” *Cuozzo*, 136 S. Ct. at 2137; see 35 U.S.C. 311-318 (2000). The USPTO could institute an inter partes reexamination based on a petition for such a review from a third party if the third party raised “a substantial new question of patentability” regarding an existing patent. 35 U.S.C. 312(a) (2000); see 35 U.S.C. 313 (2000). Inter partes reexamination differed from ex parte reexamination in that the third-party petitioner could participate in the inter partes proceeding and, after 2002, in any subsequent appeal. See *Cuozzo*, 136 S. Ct. at 2137; *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1332 (Fed. Cir. 2008).

In 2011, Congress enacted the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284, which created several new mechanisms of post-issuance patent review. The AIA replaced inter partes reexamination with inter partes review, see *Cuozzo*, 136 S. Ct. 2137. Under the AIA, third parties may seek inter partes review of any patent more than nine months after the patent’s issuance on the ground that

the patent is invalid based on lack of novelty or obviousness. 35 U.S.C. 311(b). The Director of the USPTO may institute an inter partes review if he determines that “there is a reasonable likelihood that the petitioner would prevail” with respect to at least one of its challenges to patent validity, 35 U.S.C. 314(a), and if no other provision of the AIA bars institution under the circumstances.

The AIA created another review mechanism, known as post-grant review, for challenges brought within nine months of patent issuance. 35 U.S.C. 321(c). Any person other than the patent owner may petition for post-grant review, which the Director may institute if he determines that the petition “demonstrate[s] that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable” or that the “petition raises a novel or unsettled legal question that is important to other patents or patent applications.” 35 U.S.C. 324(a) and (b). The petitioner in a post-grant review proceeding may challenge a patent on any ground of invalidity. See 35 U.S.C. 321(b).

In addition, in an uncodified portion of the AIA, Congress created a “transitional post-grant review proceeding for review of the validity of covered business method patents,” known as covered business method (CBM) review. AIA § 18, 125 Stat. 329. Only a person who has “been sued for infringement of the patent or has been charged with infringement under that patent” may petition to institute a CBM review. § 18(a)(1)(B), 125 Stat. 330. The Director may institute a CBM review at any time during the term of the patent, rather than during only the nine-month window that applies in other post-grant review proceedings. See § 18(a)(1)(B), (E), and

(d), 125 Stat. 330-331. In other respects, Congress specified that the CBM procedure is to “be regarded as, and shall employ the standards and procedures of, a post-grant review.” § 18(a)(1), 125 Stat. 329. The CBM review program is set to expire in 2020—eight years after the Director issued regulations implementing the process. See § 18(a)(3)(A), 125 Stat. 330.

2. Petitioner owns U.S. Patent No. 6,857,022 (the ‘022 patent), which describes a method of ordering a translation of an electronic document by hyperlink. Pet. App. 1a-3a. Petitioner sued MotionPoint Corporation in the United States District Court for the Northern District of California for infringement of the ‘022 patent. *Id.* at 24a. MotionPoint then petitioned the USPTO for CBM review of the ‘022 patent. *Id.* at 23a-24a. The Patent Trial and Appeal Board (PTAB) granted the petition, conducted a CBM review, and issued a final written decision concluding that the challenged claims in the ‘022 patent were unpatentable under 35 U.S.C. 112 for lack of an adequate written description. Pet. App. 23a-56a. The PTAB concluded that MotionPoint had “shown by a preponderance of the evidence that one of ordinary skill in the art would not have understood from the written description of the ‘022 patent that the inventors had possession” of the claimed invention. *Id.* at 55a.

Petitioner appealed to the Federal Circuit. The parties subsequently settled, and the Director of the USPTO intervened to defend the PTAB’s decision. Pet. App. 2a; see 35 U.S.C. 143. On appeal, petitioner challenged the Board’s claim construction and patentability determination, but did not allege that CBM review violates Article III and the Seventh Amendment. Pet. C.A. Br. 1-38.

Following oral argument, the court of appeals affirmed in an unpublished opinion. Pet. App. 1a-22a. The court concluded that the PTAB had correctly construed the claims of the '022 patent, *id.* at 7a, and that the challenged claims were invalid for lack of an adequate written description, *id.* at 20a.

#### DISCUSSION

Petitioner contends (Pet. 2, 4) that the petition for a writ of certiorari should be held pending the resolution of *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, No. 16-712 (argued Nov. 27, 2017). This Court granted a petition for a writ of certiorari in *Oil States* to decide whether inter partes review violates Article III or the Seventh Amendment. The USPTO invalidated claims in the '022 patent through CBM review, not inter partes review, but this Court's decision in *Oil States* could inform the resolution of an Article III or Seventh Amendment challenge to CBM review. While petitioner did not preserve its constitutional challenge before the court of appeals, the court of appeals can address the application of forfeiture principles in the first instance if this case is ultimately remanded for further proceedings in light of *Oil States*. Accordingly, the government agrees that it is appropriate to hold this petition pending the Court's decision in *Oil States*.

**CONCLUSION**

The petition for a writ of certiorari should be held pending this Court's decision in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, No. 16-712, and then disposed of as appropriate in light of that decision.

Respectfully submitted.

NOEL J. FRANCISCO  
*Solicitor General*

CHAD A. READLER  
*Acting Assistant Attorney  
General*

MARK R. FREEMAN  
WILLIAM E. HAVEMANN  
*Attorneys*

DECEMBER 2017