

No. 17-643

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

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AT&T INTELLECTUAL PROPERTY II, L.P., PETITIONER

*v.*

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

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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 FOR THE RESPONDENT**

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### **QUESTION PRESENTED**

Whether inter partes reexamination under the Patent Act comports with Article III and the Seventh Amendment.

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### OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-12a) is reported at 856 F.3d 991. The decision of the Patent Trial and Appeal Board (Pet. App. 13a-20a) is not published in the United States Patents Quarterly but is available at 2015 WL 9581533.

### JURISDICTION

The judgment of the court of appeals was entered on May 10, 2017. A petition for rehearing was denied on July 31, 2017 (Pet. App. 21a-22a). The petition for a writ of certiorari was filed on October 30, 2017 (a Monday). 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 (emphasis omitted); see 35 U.S.C. 311-318 (2000). The USPTO could institute an inter partes reexamination based on a petition from a third party that 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 replaced inter partes reexamination with inter partes review, see *Cuozzo*, 136 S. Ct. at 2137. The AIA permits third parties to 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).<sup>\*</sup> 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 challenger has “broader participation rights” in an inter partes review than the challenger would have had in an inter partes reexamination. *Cuozzo*, 136 S. Ct. at 2137. The final decision in an inter partes review may be appealed to the Federal Circuit. 35 U.S.C. 141, 319.

2. Petitioner owns U.S. Patent No. 7,454,071 (the ‘071 patent), which relates to a method of compressing and transmitting digital video data. Pet. App. 4a. In September 2012, “two days before the [AIA’s] *inter partes* review procedures went into effect,” LG Electronics, Inc. (LG), requested inter partes reexamination of the ‘071 patent on the ground that certain claims in the patent were anticipated by particular prior art. *Id.* at 5a. LG subsequently asked the USPTO to deny its request for reexamination on the ground that its request had misconstrued the prior art on which it relied. *Id.* at 5a-6a. The USPTO nevertheless instituted inter partes reexamination. *Id.* at 6a.

During the reexamination, the examiner concluded that the challenged patent claims were not anticipated by the prior art identified by LG but were anticipated by a different article of prior art. Pet. App. 6a. LG then withdrew from the reexamination proceedings. *Id.* at 7a. Petitioner appealed to the Patent Trial and Appeal

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<sup>\*</sup> The AIA created a separate mechanism, known as post-grant review, for challenges brought within nine months of patent issuance. 35 U.S.C. 321(c).

Board (PTAB), which affirmed the examiner's findings of anticipation. *Id.* at 13a-20a.

The Federal Circuit affirmed the PTAB's decision. Pet. App. 1a-12a. The court rejected petitioner's argument that the USPTO was barred from instituting inter partes reexamination over the objection of the requester. *Id.* at 9a-10a. The court also upheld the PTAB's conclusion that the challenged patent claims were anticipated by prior art. *Id.* at 10a-12a.

#### DISCUSSION

Petitioner contends (Pet. 4-5) 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 certiorari in *Oil States* to decide whether inter partes review violates Article III or the Seventh Amendment. Although the USPTO invalidated claims in the '071 patent through inter partes reexamination rather than inter partes review, this Court's decision in *Oil States* could inform the resolution of any Article III or Seventh Amendment challenge to inter partes reexamination. And 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.

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