

No. 17-117

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

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AFFINITY LABS OF TEXAS, LLC, 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 order of the court of appeals (Pet. App. 1a) is not published in the *Federal Reporter* but is available at 680 Fed. Appx. 1017. The written decision of the Patent Trial and Appeal Board (Pet. App. 13a-45a) is not published in the *United States Patents Quarterly* but is available at 2014 WL 2968096.

**JURISDICTION**

The judgment of the court of appeals was entered on March 17, 2017. On June 15, 2017, the Chief Justice extended the time within which to file a petition for a writ of certiorari to and including July 14, 2017, and the petition was filed on that date. 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 PTO 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 replaced *inter partes* reexamination with *inter partes* review, see *Cuozzo*, 136 S. Ct. 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>1</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. 7,634,228 (the '228 patent), which relates to an audio system for managing media content. Pet. App. 14a-16a. Petitioner brought suit against Volkswagen Group of America, Inc., for infringement of the '228 patent. C.A. App. 7224. While the litigation was pending, Volkswagen petitioned for inter partes reexamination of the '228 patent. Pet. App. 14a. The USPTO granted the petition. Upon reexamination, a patent examiner confirmed two claims in the disputed patent and rejected all the other challenged claims. *Ibid.*<sup>2</sup>

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<sup>1</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).

<sup>2</sup> After the district court in petitioner's infringement action against Volkswagen returned a verdict in favor of petitioner, see C.A. App. 7224-7227, Volkswagen filed a notice of non-participation in the inter partes reexamination, *id.* at 7669 n.7. The USPTO declined to terminate the reexamination. *Id.* at 7673.

On appeal, the USPTO's Patent Trial and Appeal Board (Board) sustained the examiner's decision with respect to the claims that the examiner had found unpatentable. Pet. App. 13a-45a. Petitioner sought rehearing, and the Board affirmed its decision with respect to the bulk of the patent claims but vacated its rejection of several of the patent claims. *Id.* at 2a-12a.

The Federal Circuit affirmed the Board's decision in an unpublished order. Pet. App. 1a.

#### 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*, cert. granted, No. 16-712 (June 12, 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. While the USPTO invalidated claims in the '228 patent through inter partes examination, not 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. 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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