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## COVID-19 coverage

For the most current news and analysis related to the coronavirus, visit the free COVID-19 resource center at TR.com. The website provides the latest on court closings, federal and state legislative responses to the virus, legal analysis of the most important issues, and other topics.

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## COPYRIGHT

## Attorneys react to high court's copyright ban for annotated state laws

By Patrick H.J. Hughes

The U.S. Supreme Court has held that the annotations contained in Georgia's legal codes are ineligible for copyright protection, and attorneys say the decision could have unintended consequences.

***Georgia et al. v. Public.Resource.Org Inc., No. 18-1150, 2020 WL 1978707 (U.S. Apr. 27, 2020).***

In a 5-4 decision, the justices on April 27 said the ruling was based on the principle that government edicts are not restricted by a private property right because "no one can own the law."

"Because Georgia's annotations are authored by an arm of the Legislature in the course of its legislative duties, the government edicts doctrine

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REUTERS/Molly Riley

## EXPERT ANALYSIS

## Supreme Court's new profits awards standard unlikely to affect trademark litigation strategy

Holland & Hart attorney Andrea Anderson gives a rundown of the U.S. Supreme Court's recent ruling on trademark infringement awards and explains the potential ramifications of the decision.

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## EXPERT ANALYSIS

## In the age of digital interconnectivity, API is front and center

Venable attorneys Meaghan H. Kent and Thai-Hoa X. Su discuss some of the legal issues involved in the development and protection of software that enables communication between computer applications.

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# Supreme Court’s new profits awards standard unlikely to affect trademark litigation strategy

By **Andrea Anderson, Esq.**  
*Holland & Hart*

In *Romag Fasteners Inc. v. Fossil Inc.*, No. 18-1233, 2020 WL 1942012 (U.S. Apr. 23, 2020), the U.S. Supreme Court held that, in a trademark infringement suit, a finding of willful infringement is not a prerequisite to an award of the infringer’s profits, pursuant to Section 35(a) of the Lanham Act, 15 U.S.C.A. § 1117(a).

Rather, the high court determined that, in accordance with the plain language of the Lanham Act, courts should make their decision on a profits award in accordance with the principles of equity, which will necessarily include the defendant’s intent but will likely also include many other factors, such as reputational harm to the plaintiff.

The *Romag* decision theoretically makes it easier for plaintiffs to obtain a monetary award upon proving the defendant’s infringement.

But as a practical matter, the most likely monetary exposure for an infringing defendant remains limited to the cost of defense of the lawsuit coupled with the potential expense associated with rebranding and perhaps pulling back product and advertising already in market.

## THE LITIGATION

In *Romag*, after a jury trial, the plaintiff obtained a verdict of trademark infringement against defendant Fossil as the result of Fossil’s incorporation of counterfeit Romag fasteners in its handbags.

The jury found that Fossil had acted “in callous disregard” of Romag’s rights. However, the jury declined to find the infringement “willful” as the district court defined that term.

Absent a jury finding of willful infringement, the district court denied Romag’s request for an award of Fossil’s profits, ruling that an award of defendant’s profits is available under the Lanham Act only upon a finding of “willful infringement.”

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Profits awards will likely continue to be limited to fairly egregious cases.

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The U.S. Court of Appeals for the Federal Circuit, applying 2nd Circuit law, affirmed, in accordance with the 2nd Circuit’s established precedent requiring a willfulness finding as a precondition for a profits award.

Courts in the 8th, 9th, 10th, and District of Columbia circuits similarly require a willfulness finding before awarding defendants’ profits in trademark infringement suits.

By contrast, courts in the 3rd, 4th, 5th, 6th, 7th, and 11th circuits have articulated no such requirement. Rather, these courts consider willfulness along with other equitable factors in determining whether an award of an infringer’s profits is justified.

The Supreme Court granted certiorari in *Romag* to resolve this circuit split.

## THE SUPREME COURT’S DECISION

In reaching its decision, the high court predictably examined the plain language of the Lanham Act and immediately found no willfulness requirement in the provision governing a profits award in an infringement action.

Rather, Section 35(a) states that “the plaintiff shall be entitled ... subject to the principles of equity, to recover defendant’s profits.” The statute by its plain meaning does not precondition a profits award against a defendant on any particular state of mind.

Writing for the court, Justice Neil Gorsuch noted that the court usually does not “read into statutes words that aren’t there.”

The court went on to note that, in other sections of the Lanham Act, Congress has carefully specified the requisite mental states for other damages awards.

Under Section 35(b) of the Lanham Act, 15 U.S.C.A. § 1117(b), for example, a court may treble an award of actual damages for use of a counterfeit mark where a defendant acts intentionally and with knowledge.

Likewise, under Section 35(c) of the act, 15 U.S.C.A. § 1117(c), a court may treble a statutory damages award for counterfeiting where the defendant’s use of the counterfeit mark was willful.

Because Congress included intent requirements for some types of monetary awards in the Lanham Act, the court reasoned that the omission of a requirement for willful infringement from Section 35(a) was clearly deliberate.

And while it’s possible that policy considerations may counsel in favor of a willfulness requirement for a profits award, this policy aspect was clearly the purview of Congress and not the court.



**Andrea Anderson** is a partner in **Holland & Hart**’s intellectual property group in Boulder, Colorado. She provides strategic counsel to large brands worldwide and assists clients with all aspects of brand creation and protection. She can be reached at [aanderson@hollandhart.com](mailto:aanderson@hollandhart.com).

In closing, the court noted that, in trademark cases as in other cases, district courts may certainly look to a defendant's mental state when exercising their discretion in choosing an appropriate equitable remedy, such as a profits award.

But by no means is a particular mental state of the defendant required for a profits award under the Lanham Act. The defendant's intent may simply be a consideration.

## PRACTICAL EFFECTS

In the aftermath of *Romag*, should the trademark community expect a flood of judicial decisions awarding an infringing defendant's profits to a plaintiff? Probably not, as the defendant's mental state will still certainly play a role in the courts' equitable deliberations. Profits awards will likely

continue to be limited to fairly egregious cases.

Will the removal of the willfulness requirement significantly change the calculus for an accused infringer deciding whether to litigate or settle at the outset of a case? As a practical matter, it shouldn't — at least in cases that don't involve clear counterfeiting. This is because only a tiny percentage of trademark cases go to trial.

In fact, almost all settle even before discovery is completed. For example, in 2019, 4,379 trademark cases were filed in federal courts in the United States, according to a study conducted by Lex Machina Inc.

In that same year, only 62 trademark cases were resolved after or during trial, with the plaintiff prevailing in 39 of the 62 cases, according to the study.

These data suggest that fewer than 1% of trademark cases filed each year results in a decision in the plaintiff's favor, which means that the percentage of filed cases resulting in a profits award is likely significantly below 1%.

In almost every typical trademark case, the "real world" monetary exposure for defendants is limited to the cost of defending the action and the cost associated with a potential rebrand. And to be sure, these costs can be formidable.

But it is the specter of these real costs and not just the theoretical possibility of a profits award that should continue to drive defendants' litigation and settlement strategies, along with other practical considerations and competitive marketplace realities. **WJ**



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# In the age of digital interconnectivity, API is front and center

By Meaghan H. Kent, Esq., and Thai-Hoa X. Su, Esq.  
Venable LLP

In today's digital world, APIs, or application programming interfaces, play a rapidly growing role in meeting our need for more interconnectivity.

APIs are software intermediaries that allow different programs and applications to share data — communicating and interacting with each other to expand business functionalities.

As we all grow increasingly reliant on remote access and work, API will continue to serve as an essential element of facilitating business and everyday life.

To that end, every business needs to consider how best to protect this valuable resource. In this article, we discuss several ways in which legal issues surrounding APIs arise and how businesses can better protect their APIs.

## COPYRIGHT LAW

Computer programs are protected as literary works under U.S. copyright law. Even though software can be considered functional, Congress provided in the Copyright Act that software code itself is protected by copyright and can be registered as a textual work. This includes API code.

It is worth noting that the U.S. Supreme Court has granted certiorari in the long-running *Oracle v. Google* case, involving Google's use of Java API in creating Android.

The case is set to decide two key issues related to API:

- (1) Whether the structure, sequence, and organization of the Java API packages are copyrightable (see *Oracle Am., Inc. v. Google Inc.*, 750 F.3d 1339 (Fed. Cir. 2014)); and
- (2) whether Google's use of the Java API packages was a fair use (see *Oracle Am., Inc. v. Google LLC*, 886 F.3d 1179 (Fed. Cir. 2018)).

The briefing in that case is complete, including from dozens of amici, and oral argument was set to occur on Tuesday, March 24, 2020; however, that argument has been postponed in light of COVID-19 restrictions.

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As we all grow increasingly reliant on remote access and work, API will continue to serve as an essential element of facilitating business and everyday life.

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Once argued and decided, there may be further clarity on the scope of API copyrightability, though it is generally expected that API will remain protected by copyright.

Since APIs are copyrightable, the typical bundle of rights exists for the copyright

owner, including the right to limit the use, copying, distribution, and creation of derivative works.

That is, only copyright owners have the right to make derivative works, which are works based on or derived from one or more pre-existing works.

For instance, in the API context, someone who copies an API and uses it without permission, such as by incorporating it into their own code, infringes that API (see *Oracle v. Google*).

## TRADEMARK LAW

Trademarks are words, logos or other designations that identify the source of a product or service.

The owner of the trademark has the right to control the use of the trademark to prevent consumers from becoming confused as to the source, sponsorship, or affiliation of goods or services associated with the mark.

Trademark issues also arise with APIs. One example occurs when a developer incorporates an API into their code then advertises or claims interconnectivity with the API and its source.

If the API was used without permission and the interconnectivity is not authorized, the trademark use is also unauthorized, as it creates a false association or endorsement.

## CONTRACT LAW

A contract is a legally binding agreement, written or oral, between two parties that creates mutual obligations.

Contract law is usually implicated in the API world in two forms:

- (1) API licensing agreements and
- (2) a website or application's terms of use (TOUs).



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In the first example, a licensing agreement is a written contract between two parties, in which a property owner allows another party to use that property under defined parameters.

The ability to develop third-party APIs using a company's data is usually heavily regulated through API licenses. API licenses are important because they allow data owners to set the expectations and standards for third-party developers.

Most licenses allow data owners to unilaterally amend the terms at any time, which can protect data owners if, down the road, changes need to be made to the data itself or to the type of access developers have.

Companies should be wary of allowing developers liberal access to their data, as circumstances can quickly change in the ever-evolving API world.

For example, in 2011, Twitter had originally given developers very liberal access to their API, but some developers started copying Twitter's API interface to compete with Twitter. Twitter later had to change the terms of its API license to restrict developer use.

In the second example, companies can be vulnerable to third parties reverse engineering APIs or scraping data from websites or applications to create their own API without a license.

Data scraping is a method in which a computer program extracts data from output generated from another program. Any information that can be viewed on a website or application is vulnerable to scraping.

Aside from implementing security measures to block data scraping, companies can legally protect themselves by having TOUs that expressly prohibit reverse engineering and the scraping of information or data.

A developer that engages in reverse engineering and data scraping is legally bound by those terms and could be liable for breach.

## THE COMPUTER FRAUD AND ABUSE ACT

Where API developers do not have a data owner's permission to use its data or integrate with its programs or applications or when they engage in data scraping, such integration and scraping may serve as the basis of a Computer Fraud and Abuse Act (CFAA) claim.

The CFAA prohibits the intentional unauthorized access or exceeding authorized access to a protected computer and obtaining information from that computer.

The CFAA is generally a criminal statute, and to qualify as a civil action, the violation must have resulted in a "loss" of at least \$5,000 during any one-year period.

"Loss" has been defined as "any reasonable costs to any victim, including responding to an offense, conducting a damage assessment, and restoring the data, program, system, or information to its condition prior to the offense and any revenue lost, cost incurred, or other consequential damages incurred because of interruption of service[.]" 18 U.S.C. §1030.

When analyzing CFAA claims, courts typically consider whether a defendant has violated a website, program, or application's TOU as part of the "unauthorized access" or "exceeds authorized access" analysis.

For example, in *Craigslist, Inc. v. Naturemarket, Inc.*, the court found that "Plaintiff alleged that Defendants accessed its computers in violation of the TOUs, and therefore without authorization."

In contrast, in *Cvent, Inc. v. Eventbrite, Inc.*, the court found the TOUs were "not displayed on the website in any way in which a reasonable user could be expected to notice them" because they were "buried at the bottom of the first page, in extremely fine print."

Thus, to strengthen the basis for a CFAA claim, data owners should have TOUs that clearly deny users' ability to integrate with, modify, make derivative works of, or access information and data on their website, program, or application, including explicit provisions against data scraping, unless users have been granted such rights in a licensing agreement, and be sure that the TOUs are conspicuous and agreed to by the user.

With our rapidly increasing reliance on remote access and interconnectivity, businesses must take a second look at how they are currently protecting and how they can better protect API as a valuable resource.

Please contact the authors or others in Venable's Intellectual Property Division with questions or for assistance in ensuring that you have the appropriate protections in place. [WJ](#)

# Justices nix time-bar appeals, say alternative leaves 'bad patents enforceable'

By Patrick H.J. Hughes

Patent Trial and Appeal Board decisions on whether or not a petition to institute an inter partes review is time-barred are "final and nonappealable," the U.S. Supreme Court ruled April 20.

***Thryv Inc. v. Click-to-Call Technologies LP et al.*, No. 18-916, 2020 WL 1906544 (U.S. Apr. 20, 2020).**

In a 7-2 decision, the justices held that Congress' objective in enacting the time limitation in Section 315(b) of the Patent Act, 35 U.S.C.A. § 315(b), was to have the Patent and Trademark Office decide whether the PTAB should institute an IPR.



Kramer Levin attorney Irena Royzman said the decision "carries us another step down the road of ceding core judicial powers to agency officials."

"Allowing Section 315(b) appeals would tug against that objective, wasting the resources spent resolving patentability and leaving bad patents enforceable," Justice Ruth Bader Ginsburg wrote for the majority.

The ruling dissolves Click-to-Call Technologies LP's appeal of the PTAB's decision to institute an IPR of its patent.

Justice Neil Gorsuch wrote the dissent, which Justice Sonia Sotomayor joined.

## THIS RULING 'REMOVED ANOTHER RESTRAINT'

Attorneys not involved in the dispute offered their advice and interpretations of the decision.

Irena Royzman, an attorney in Kramer Levin's patent litigation practice, said the dissent summed up the result when it said the majority's decision "carries us another step down the road of ceding core judicial powers to agency officials and leaving the disposition of private rights and liberties to bureaucratic mercy."

She said "IPR challenges to patents that should have never gone forward will proceed without any recourse to patent owners on appeal."

"Now, virtually all Patent Office determinations regarding institution are final and nonappealable," Milbank LLP attorney Lauren Drake said. "The Supreme Court's decision prioritizes weeding out 'bad patent claims' over 'timeliness requirements.'"

Dorsey & Whitney attorney Clint Conner said the decision "lifted a cloud of uncertainty" that had existed over PTAB appeals. "Patent owners should put a priority on identifying grounds for challenging IPR petitions based on the one-year bar and presenting their best case to the PTAB on this issue in the first instance," he said.

"This time-bar statute, which at one time had a lot of teeth, is now merely a suggestion," Foley & Lardner attorney George E. Quillin said.

While Quillin was not involved in the immediate case, he represented Greene's Energy in *Oil States Energy Services LLC v. Greene's Energy Group LLC*, 138 S. Ct. 1365 (2018), a case Justice Gorsuch in his dissent

said had allowed "agency officials to withdraw already-issued patents subject to very limited judicial review."



"Now, virtually all Patent Office determinations regarding institution are final and nonappealable," Milbank LLP attorney Lauren Drake said.

Quillin said the Supreme Court's latest patent ruling "removed another restraint" on PTAB decisions.

## THE PATENT ACT

Justice Ginsburg spelled out the patent dispute that led to the high court's holding and the history of the Leahy-Smith America Invents Act, or AIA, which Congress enacted in 2011 to establish IPR proceedings.

The AIA added Section 319 to the Patent Act, 35 U.S.C.A. § 319, which says "a party dissatisfied" with the PTAB's "final written decision" may appeal to the U.S. Court of Appeals for the Federal Circuit.

But Section 314(b) of the act, 35 U.S.C.A. § 314(b), says the PTO director “shall determine whether to institute” an IPR. And Section 314(d) of the act, 35 U.S.C.A. § 314(d), says any decision “under this section” is “final and nonappealable.”



Dorsey & Whitney attorney Clint Conner said the decision “lifted a cloud of uncertainty” that had existed over PTAB appeals.

The Federal Circuit in *Wi-Fi One LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018), said Section 314(d) does not prohibit appeals brought under Section 315(b), which requires a petitioner to ask for an IPR within one year of being sued. The en banc opinion said the provisions were not “closely related.”

Click-to-Call had challenged the institution of an IPR of its patent for making voice communications through the internet. It said it had sued one of the petitioners for infringement more than one year before.

The PTAB nevertheless conducted the IPR and found Click-to-Call’s patent invalid. *Oracle Corp. v. Click-to-Call Techs.*, No. IPR2013-00312, 2014 WL 5490583 (P.T.A.B. Oct. 28, 2014).

The Federal Circuit, relying on its reasoning in *Wi-Fi One*, said Click-to-Call could appeal the institution decision. *Click-to-Call Techs. v. Igenio Inc.*, 899 F.3d 1321 (Fed. Cir. 2018).

Kilpatrick Townsend & Stockton attorneys Adam H. Charnes, Mitchell G. Stockwell and Amanda N. Brouillette filed a certiorari petition on behalf of the alleged infringers in January 2019.

Daniel L. Geysler and Peter J. Ayers filed the opposition brief on behalf of Click-to-Call.

The high court agreed in June to resolve the dispute.

### LEGISLATIVE INTENT

The Supreme Court majority disagreed with the Federal Circuit’s reasoning in *Wi-Fi One*. “Section 315(b)’s time limitation is integral to, indeed a condition on, institution,” it said.

The justices used the same reasoning in *Cuozzo Speed Technologies LLC v. Lee*, 136 S. Ct. 2131 (2016), which prohibited judicial review of institution decisions for other reasons. “*Cuozzo* is fatal to Click-to-Call’s interpretation,” the opinion said.

As with *Cuozzo*, the Supreme Court in Click-to-Call’s dispute looked to legislative intent and found Congress prioritized fast patent review.

“The AIA’s purpose and design strongly reinforce our conclusion,” the opinion said.

### DISSENT

The dissent took issue with giving an agency power to revoke an inventor’s property right.

In this case, the Supreme Court “closed the courthouse” on a patent owner who was not

merely unhappy with the PTAB’s decision, but who claimed the agency’s proceeding was “unlawful from the start,” the dissent said.



“This time-bar statute, which at one time had a lot of teeth, is now merely a suggestion,” Foley & Lardner attorney George E. Quillin said.

Judicial review has been a part of the system to prevent such unlawfulness since the country was founded, the dissent said. **WJ**

#### Attorneys:

*Petitioner:* Adam H. Charnes, Kilpatrick Townsend & Stockton, Dallas, TX; Mitchell G. Stockwell and Amanda N. Brouillette, Kilpatrick Townsend & Stockton, Atlanta, GA

*Respondents:* Daniel L. Geysler, Geysler PC, Dallas, TX; Paul J. Ayers, Law Office of Peter J. Ayers, Austin, TX

#### Related Filings:

Supreme Court opinion: 2020 WL 1906544  
Reply brief: 2019 WL 2176290  
Opposition brief: 2019 WL 2068018  
Certiorari petition: 2019 WL 211480  
Federal Circuit opinion: 899 F.3d 1321  
PTAB opinion: 2014 WL 5490583

**See Document Section A (P. 19) for the Supreme Court opinion.**



## Federal Circuit resuscitates CardioNet cardiac monitoring patent

(Reuters) – The U.S. Court of Appeals for the Federal Circuit on April 17 reinvigorated a patent dispute between rivals in the market for cardiac telemetry devices, saying a judge erred in invalidating one of the patents at issue.

**CardioNet LLC et al. v. InfoBionic Inc., No. 2019-1149, 2020 WL 1897237 (Fed. Cir. Apr. 17, 2020).**

A three-judge Federal Circuit panel reversed a ruling that invalidated a patent CardioNet LLC accused upstart competitor InfoBionic Inc. of infringing in a 2017 lawsuit.

U.S. District Judge Indira Talwani in Boston erred in determining that the CardioNet patent described an abstract idea not eligible for patent protection, the panel said. *CardioNet LLC v. InfoBionic Inc.*, 348 F. Supp. 3d 87 (D. Mass. 2018).

Sidley Austin's Ching-Lee Fukuda and Bradford Badke represent CardioNet. InfoBionic is represented by Charles Sanders, Gabriel Bell and Max Grant of Latham & Watkins.

Conshohocken, Pennsylvania-based CardioNet is a subsidiary of BioTelemetry Inc., a publicly traded company with about \$440 million in annual revenue. CardioNet is the leader in the multibillion-dollar market for cardiac telemetry devices used to remotely monitor heart activity.

Founded in 2011, Waltham, Massachusetts-based InfoBionic has said it is trying to disrupt the industry and threaten CardioNet's market share through a competing product that delivers patient data on-demand directly to physicians.

CardioNet sued InfoBionic in 2015, accusing it of infringing six of its patents and luring away former employees to misappropriate trade secrets. All of CardioNet's claims in that case have been dismissed or dropped because of rulings against it from Judge Talwani or the U.S. Patent and Trademark Office's Patent Trial and Appeal Board, but CardioNet has pending appeals of those adverse decisions.

CardioNet added to the dispute in 2017 U.S. Patent No. 7,941,207, which became

the subject of a separate case before Judge Talwani.

The '207 patent describes techniques of monitoring electrical activity in the heart to detect the presence of atrial fibrillation or atrial flutter.

Judge Talwani granted a motion to dismiss filed by InfoBionic's lawyers at Latham in 2018, saying CardioNet's claimed invention amounted to nothing more than using a computer to analyze heart function data in a way doctors had been doing for decades without a computer.

CardioNet appealed, saying its patent was directed to a specific, improved monitoring device and was not abstract.

The panel agreed, saying the CardioNet patent was not directed to automating known techniques, and remanded the case to Judge Talwani.

"[N]othing in the record supports the District Court's fact finding (and InfoBionic's assertion) that doctors long used the claimed diagnostic processes," U.S. Circuit Judge Kara Fernandez Stoll wrote on behalf of the panel, which also included U.S. Circuit Judges S. Jay Plager and Timothy Dyk.

In a partial dissent, Judge Dyk said he agreed with the outcome but criticized the majority decision for including "confusing dicta" on the role of extrinsic evidence, like prior art, in the patent-eligibility analysis. **WJ**

*(Reporting by Jan Wolfe)*

#### Attorneys:

**Plaintiffs-appellants:** Ching-Lee Fukuda and Bradford Badke, Sidley Austin LLP, New York, NY

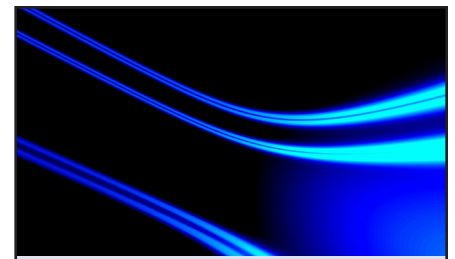
**Defendant-appellee:** Gabriel Bell and Max Grant, Latham & Watkins, Washington, DC; Charles Sanders, Latham & Watkins, Boston, MA

#### Related Filings:

Federal Circuit opinion: 2020 WL 1897237

District Court opinion: 348 F. Supp. 3d 87

First amended complaint: 2017 WL 3405293



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# Federal Circuit revives cellphone-case design patents

By Patrick H.J. Hughes

Cellphone-cover designer Spigen Korea Co.'s design patents were prematurely invalidated as obvious without proper consideration of differences between prior art and the patents at issue, the top patent appeals court has ruled.

***Spigen Korea Co. v. Ultraproof Inc. et al.*, Nos. 2019-1435 and 2019-1717, 2020 WL 1897238 (Fed. Cir. Apr. 17, 2020).**

In a split decision, the U.S. Court of Appeals for the Federal Circuit on April 17 reversed and remanded a lower court win for defendant Ultraproof Inc. and other accused infringers of three design patents.

U.S. District Judge David O. Carter of the Central District of California had granted the defendants' summary judgment motion, saying Spigen presented an "unavailing" argument about modifications over prior art. *Spigen Korea Co. v. Lijun Liu*, No. 16-cv-9185, 2018 WL 8130608 (C.D. Cal. Dec. 12, 2018).

The Federal Circuit said the judge erred in dismissing Spigen's argument that there was a factual dispute that should have precluded a summary judgment ruling.

"In the light of the competing evidence in the record, a reasonable fact finder could conclude that the [prior art] and the Spigen design patents have substantial differences, and, thus, are not basically the same," U.S. Circuit Judge Jimmie V. Reyna wrote for the appellate panel majority.

## A FINDING OF OBVIOUSNESS

Spigen was represented by Joshua D. Curry, Brian G. Arnold, Josephine Brosas and Jean Kim of Lewis Brisbois Bisgaard & Smith.

Ultraproof and other related defendants were represented by Benjamin A. Campbell, Edward L. Bishop and James J. Jagoda of Bishop Diehl & Lee.

Spigen owns U.S. Design Patent Nos. D771,607; D775,620; and D776,648, each of which is called "case for electronic device."

In 2016 and 2017, Spigen filed separate suits against Ultraproof and several other defendants, alleging either direct infringement or induced infringement of five patents, two of which were not addressed by the Federal Circuit panel.

The defendants moved for summary judgment, arguing that it would have been obvious to an ordinary designer after observing the prior art to create Spigen's designs.

Spigen provided an expert witness who said there were secondary considerations involving a hybrid design that differentiated the design patents from the prior art the defendants cited.

Judge Carter sided with the defendants, saying Spigen was required to show a nexus between the '607, '620 and '648 design patents and the secondary considerations, and failed to do so.

"As such, secondary considerations do not alter a finding of obviousness," Judge Carter said.

He nevertheless denied the defendants their bid for attorney fees. *Spigen Korea Co. v. Lijun Liu*, No. 16-cv-9185, 2019 WL 1877441 (C.D. Cal. Feb. 26, 2019).

Both sides appealed.

## 'BASICALLY THE SAME'

One underlying factual issue that the Federal Circuit said a court should consider for an obviousness ruling is whether a prior art design qualifies as a "primary reference."

The Federal Circuit in *High Point Design LLC v. Buyers Direct Inc.*, 730 F.3d 1301 (Fed. Cir. 2013), defined "primary reference" as "a single reference that creates 'basically the

same' visual impression" as the claimed design.

Finding the prior art was "basically the same" as the design patents in this case was a mistake because, "based on the competing evidence before the District Court, a reasonable fact finder could find otherwise," Judge Reyna said in his opinion.

Spigen's expert said they were not "at all similar, let alone basically the same." Judge Reyna noted the expert's testimony about differences in front, rear and side chamfers, as well as other differences.

While the defendants argued that Spigen's designs were also in a printed publication before the filing date, Judge Reyna said a factual dispute existed over that issue, so the District Court judge correctly rejected the argument as inappropriate at the summary judgment phase.

The Federal Circuit's final determination was that a factual dispute existed over the patents' obviousness, so it remanded the case and dismissed the defendants' attorney fee bid as moot. [WJ](#)

### Attorneys:

**Plaintiff-appellant:** Joshua D. Curry, Lewis Brisbois Bisgaard & Smith, Atlanta, GA; Brian G. Arnold, Josephine Brosas and Jean Kim, Lewis Brisbois Bisgaard & Smith, Los Angeles, CA

**Defendants-cross-appellants:** Benjamin A. Campbell, Edward L. Bishop and James J. Jagoda, Bishop Diehl & Lee, Schaumburg, IL

### Related Filings:

Federal Circuit opinion: 2020 WL 1897238  
District Court opinion (attorney fees): 2019 WL 1877441

District Court opinion (obviousness): 2018 WL 8130608

**See Document Section B (P. 36) for the Federal Circuit opinion.**

# Health care providers' statute-of-limitations defense deemed premature

By Patrick H.J. Hughes

A professional photographer has persuaded a Tennessee federal judge not to dismiss his copyright infringement claims against a pair of hospital system operators he had accused in 2016 of impermissibly posting one of his pictures online.

***Oppenheimer v. Mountain States Health Alliance et al., No. 19-cv-189, 2020 WL 1867235 (E.D. Tenn. Apr. 14, 2020).***

Mountain States Health Alliance and its affiliate Ballad Health presented a statute-of-limitations defense that U.S. District Judge Curtis L. Collier of the Eastern District of Tennessee on April 14 said did not warrant the suit's dismissal at this stage of the litigation.

Normally a three-year-limitations period applies to copyright claims, and photographer David Oppenheimer admitted to noticing his works online more than three years before he filed his complaint.

But before the limitations period had ended, the parties assented to a tolling agreement, which the judge said had to be part of the plaintiff's claim for the defendants to assert its terms at the pleading stage.

## 4 DAYS TOO LATE?

Oppenheimer creates and licenses travel and aerial photographs of sites around the United States.

He was represented by attorneys Dana A. LeJune of LeJune Law Firm and Richard G. Sanders of Aaron & Sanders.

Matthew D. Zapadka and Paige W. Mills of Bass, Berry & Sims represented Tennessee hospital system operators Mountain States and Ballad.

Oppenheimer says in his suit that on Aug. 25, 2016, he noticed a photo he took in 2013 had appeared on several of the defendants' websites, so he sent a cease-and-desist letter.

He says the health care companies copied and reproduced the photo online in violation of the Copyright Act.

He also says the defendants had removed the copyright notice from the face of the photo and his copyright management information from within the metadata in violation of Section 1202(b) of the Digital Millennium Copyright Act, 17 U.S.C.A. § 1202(b).

"Through several other attempted communications with the defendants, it became clear that they were uninterested in avoiding litigation through a negotiated settlement," Oppenheimer's complaint said.

The "attempted communications" included a tolling agreement between Oppenheimer and Mountain States that they signed Aug. 21, 2019, extending the three-year limitations period for bringing copyright suits.

The defendants contended that the agreement required Oppenheimer to bring his suit on or before Oct. 20, 2019. Instead, he filed his suit Oct. 24, 2019, four days too late, the defendants said in their motion to dismiss.

Oppenheimer countered that, under the agreement, a suit can be brought within three years of the Oct. 20 date, so his suit was timely.

The tolling agreement has to be mentioned or attached to the complaint for it to be considered as an affirmative defense in a motion to dismiss, Judge Collier said.

While the complaint mentioned the pre-suit communications, the judge said such a document had to be "integral to the plaintiff's claim itself, not to defendants' affirmative defense to that claim."

The judge therefore denied the dismissal motion as premature. **WJ**

### Attorneys:

*Plaintiff:* Dana A. LeJune, LeJune Law Firm, Houston, TX; Richard G. Sanders, Aaron & Sanders, Nashville, TN

*Defendants:* Matthew D. Zapadka and Paige W. Mills, Bass, Berry & Sims, Washington, DC

### Related Filings:

Opinion: 2020 WL 1867235

# Car review firm sues to slam brakes on marketer's alleged infringement

By D. Darrell Hill

A digital marketing firm posted an auto research company's reviews and other vehicle-related content to a car dealership's webpages without permission, according to a copyright infringement lawsuit filed in Louisiana federal court.

***Advanta-Star Automotive Research Corp. of America v. DealerCMO Inc., No. 20-cv-1150, complaint filed, 2020 WL 1845902 (E.D. La. Apr. 9, 2020).***

Advanta-Star Automotive Research Corp. of America filed the suit April 9 in the U.S. District Court for the Eastern District of Louisiana, accusing DealerCMO Inc. of willfully violating copyright law.

The suit says DealerCMO not only intentionally infringed Advanta-Star's copyrighted work, but it also removed copyright management information in violation of the Digital Millennium Copyright Act, 17 U.S.C.A. § 1202.

## ENTIRE PARAGRAPHS COPIED, SUIT SAYS

Advanta-Star provides detailed automotive reviews and information on vehicle specs and features to paying subscribers. Dealerships use the content to help salespeople explain the differences between car makes and models to customers.

Advanta-Star's content is registered with the U.S. Copyright Office, pursuant to Section 411(a) of the Copyright Act, 17 U.S.C.A. § 411(a).

Advanta-Star says it sent DealerCMO multiple letters regarding the alleged copyright infringement beginning in

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Entire paragraphs on a Louisiana-based Hyundai dealer's website were identical to the research company's content, the suit says.

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According to the suit, web searches by Advanta-Star representatives uncovered the company's content, including text and data tables, on a Louisiana-based Hyundai dealer's webpages.

Entire paragraphs were identical to Advanta-Star's content, with no indication that the content belonged to the research company, the complaint says.

Stephen M. Dorvee of Arnall Golden Gregory LLP sent a demand letter to the Hyundai dealership on Advanta-Star's behalf. The dealership responded that DealerCMO was responsible for the webpages' content, according to the suit.

December 2019, but has yet to receive a substantive response.

The research firm seeks an order directing the immediate seizure of the infringing content and an injunction barring its further use. It also asks for an award of either the profits attributable to the infringement or statutory damages in an amount to be specified at trial, as well as attorney fees and costs. [WJ](#)

### Attorneys:

*Plaintiff:* Stephen M. Dorvee and Morgan E.M. Harrison, Arnall Golden Gregory LLP, Atlanta, GA

### Related Filings:

Complaint: 2020 WL 1845902



# 'Comic-Con' trademark owner beats appeal over generic argument

By Patrick H.J. Hughes

The San Diego Comic Convention, which has regularly held gatherings of comic-book and sci-fi fans each July since 1970, has defeated accusations that its "Comic-Con" trademark is generic, as a federal appeals panel affirmed a judge's ruling in its favor.

***San Diego Comic Convention v. Dan Farr Productions et al.*, No. 18-56221, 2020 WL 1910726 (9th Cir. Apr. 20, 2020).**

The 9th U.S. Circuit Court of Appeals on April 20 dismissed an appeal from Salt Lake City convention holder Dan Farr Productions, which said it could call its meeting the Salt Lake Comic Con because the Comic-Con mark was "generic ab initio."

U.S. District Judge Anthony J. Battaglia of the Southern District of California had granted SDCC's summary judgment motion on the issue. *San Diego Comic Convention v. Dan Farr Prods.*, No. 14-cv-1865, 2017 WL 4227000 (S.D. Cal. Sept. 22, 2017).

The judge concluded that Dan Farr submitted insufficient evidence to support the argument that "Comic-Con" was generic before the San Diego convention started using the term as a trademark.

"We find no error in that conclusion," U.S. Circuit Judge Sidney R. Thomas wrote for the unanimous panel.

Horvitz & Levy attorneys Peder K. Batalden, Eric S. Boorstin and John A. Taylor Jr. filed the appeal on behalf of defendants Daniel Farr and Bryan Brandenburg and their production company Dan Farr Productions.

Pillsbury Winthrop Shaw Pittman LLP attorneys Callie A. Bjurstrom, Peter Hahn, Michelle A. Herrera and Kevin M. Fong represented SDCC.

## GENERIC AB INITIO

"Cellophane" and "Yo-Yo" are examples of words that lost their trademark status because they became so commonly used

that the marks had become synonymous with the type of goods they describe.

The defendants, however, did not make this argument but instead said the term "Comic-Con" was generic ab initio, meaning the phrase never was a trademark.

While Comic-Con conventions have happened in San Diego for 50 years, the organization federally registered its first of numerous "Comic-Con" marks in 2007.

The defendants offered the generic argument as a defense after SDCC had accused them of infringement in 2013.

Estoppel was another defense they offered, because more than 100 other organizations had used the term without recourse.

The defendants also argued that SDCC had unclean hands when it registered its marks.

Judge Battaglia said the estoppel defense was "legally baseless" and its unclean-hands defense was "meritless." *San Diego Comic Convention v. Dan Farr Prods.*, No. 14-cv-1865, 2018 WL 4026387 (S.D. Cal. Aug. 23, 2018).

He also awarded SDCC nearly \$4 million in attorney fees and costs. *San Diego Comic Convention v. Dan Farr Prods.*, No. 14-cv-1865, 2018 WL 4078639 (S.D. Cal. Aug. 23, 2018).

## PANEL AFFIRMS

The appeals panel said it did not need to address whether the generic ab initio argument was cognizable. Because the defendants failed to show a triable issue of fact, summary judgment was proper, the panel said.

The panel also said the District Court correctly dismissed the unclean-hands



REUTERS/Mike Blake

**Attendees of Comic-Con International in San Diego arrive for opening day in 2016. A panel on April 20 affirmed a judge's ruling that the phrase "Comic-Con" was not generic before the comic book and sci-fi convention started using it as a trademark.**

defense because of the defendants' failure to provide sufficient evidence.

However, the panel said the attorney fee award was not correctly calculated, as it incorrectly included nontaxable costs for expert witnesses. The panel therefore remanded that ruling for reconsideration.

## WJ

### Attorneys:

**Plaintiff-counter-defendant-appellee:** Callie A. Bjurstrom, Peter Hahn and Michelle A. Herrera, Pillsbury Winthrop Shaw Pittman LLP, San Diego, CA; Kevin M. Fong, Pillsbury Winthrop Shaw Pittman LLP, San Francisco, CA

**Defendants-counter-claimants-appellants:** Peder K. Batalden, Eric S. Boorstin and John A. Taylor Jr., Horvitz & Levy, Burbank, CA

### Related Filings:

9th Circuit opinion: 2020 WL 1910726  
District Court order on attorney fees: 2018 WL 4078639  
District Court order on estoppel and unclean hands: 2018 WL 4026387  
District Court order generic: 2017 WL 4227000  
Complaint: 2014 WL 3953967

## Ford grabs koolford.com and fordescapes.com

By Patrick H.J. Hughes

Ford Motor Co. has persuaded the World Intellectual Property Organization to take a pair of domains that include “Ford” trademarks from a Caribbean company that owns at least 70 domains incorporating variations and misspellings of well-known marks.

***Ford Motor Co. v. Namescope Ltd., No. D2020-0029, 2020 WL 1912122 (WIPO Arb. Mar. 17, 2020).***

The WIPO Arbitration and Mediation Center said March 17 that Namescope Ltd., based in St. Kitts and Nevis, was using the domains koolford.com and fordescapes.com in bad faith.

Visitors to those domains had been redirected to ads for Ford’s competitors, according to the sole panelist appointed by WIPO to resolve the dispute.

Ford’s complaint, filed in January, cited other domain disputes that ended with the transfer of more than 40 domains from Namescope.

Ford said this showed a pattern of blocking registrations, but the panelist said it was more likely that Namescope was buying domains with “corrupted trademarks” to intentionally confuse the public, an act that constitutes a bad-faith use.

### FORD MAKES ITS MARK

In addition to a showing of bad faith, a complainant seeking a transfer must meet other criteria set by the Uniform Domain Name Dispute Resolution Policy, commonly called UDRP.

To succeed under the UDRP rules, a complainant must prove possession of rights to a trademark that is identical or confusingly similar to a disputed domain name, and must

show a registrant has no rights or legitimate interests in that domain name.

Ford has registered trademarks for the company name in the United States since 1909, and it federally registered an “Escape” trademark in 2001, soon after the company began selling Ford Escape vehicles.

John Kool Lincoln Mercury, a car dealership that operated two locations in Virginia for decades, was commonly known as “Kool Ford” until the locations closed in 2006 and 2010.

The WIPO panel acknowledged that the disputed domains were not identical to Ford’s marks, but Ford needed only to show it owned marks confusingly similar to the disputed domains, and WIPO affirmed the similarities despite the addition of the word “kool” or the letter “s.”

The panelist said Namescope’s business was “not clear,” but found the company was not using the domains to offer any bona fide goods or services and was not using them for a fair use.

WIPO agreed with Ford’s contention that there did not appear to be a legitimate reason for Namescope to use the domains, noting that Namescope had never been known by the names in the domains and it registered them after Ford had obtained rights in its trademarks.

Observations through an internet “wayback machine” showed the domains had been



REUTERS/Ginnette Riquelme

directed to websites with advertisements for cars from Volvo and Nissan, companies that compete with Ford.

The panelist said it was reasonable to conclude that Namescope was participating in a “common model” used to collect a share of advertising revenue. If Namescope did not have permission from the trademark owner, then it did not use the marks legitimately, the panel said.

While there was some evidence that Namescope was trying to sell at least one domain for a profit, the panel said the other uses alone “support a finding that the presently disputed domain names accord with a pattern and have been registered and used in bad faith.”

Finding Ford had met all of the UDRP criteria, the WIPO panelist ordered Namescope to transfer koolford.com and fordescapes.com to Ford. **WJ**

#### Related Filings:

Decision: 2020 WL 1912122

## Annotated state laws

CONTINUED FROM PAGE 1

puts them outside the reach of copyright protection,” Chief Justice John Roberts wrote for the majority.



Dorsey & Whitney attorney Jeffrey Cadwell said the justices’ decision does not mean no works created by government actors will be protected by copyright law.

Public.Resource.Org Inc., an advocate for improving public access to government records, had argued that government officials cannot hold copyrights in works they create in the course of their duties.

The opinion contained two dissents, one by Justice Clarence Thomas and one by Justice Ruth Bader Ginsburg.

### UNINTENDED CONSEQUENCES?

Attorneys not involved in the case offered their interpretations of the holding.

“A key takeaway is that authorship matters,” Dorsey & Whitney attorney Jeffrey Cadwell said. He clarified that the justices’ decision does not mean no works created by government actors will be protected by copyright law.

“As the court notes, works prepared by non-lawmaking officials employed by public

universities, libraries and tourism offices, for example, can still benefit from copyright protection,” he said.

Robins Kaplan LLP attorney David Martinez said it was interesting that the Supreme Court’s reason for leaving annotated codes unprotected was that they were “created by a legislative body.”

Yet, “the real author of the annotations was Matthew Bender & Co., a division of the LexisNexis Group, which was retained by the Georgia Code Revision Commission pursuant to a work-for-hire agreement,” he said. “Moreover, the annotations are not law. They are nonbinding, explanatory legal materials.”

Martinez said the Supreme Court may have unintentionally created a system whereby states are “disincentivized” to publish annotations, so “unofficial” annotated codes, which are often more expensive, might become a more available resource.



Robins Kaplan LLP attorney David Martinez said it was interesting that the Supreme Court’s reason for leaving annotated codes unprotected was that they were “created by a legislative body.”

Dykema attorney Marsha G. Gentner theorized that, because the Supreme Court’s holding applies only to annotated codes “authored” by state legislators, “there might be a way around this.”

“Perhaps a state, instead, could contract out for a ‘preferred vendor’ to create the annotations, with the requirement that the copyright be assigned to the state with an (exclusive, with the right to sublicense?) license back tied to a lower price,” she said.



Dykema attorney Marsha G. Gentner theorized that “a state could contract out for a ‘preferred vendor’ to create the annotations.”

B. Brett Heavner, an attorney at Finnegan, Henderson, Farabow, Garrett & Dunner, said “If state code annotations are widely available to the public without charge, then private legal publishers will have little incentive to continue to create such legal resources.”

He noted that the Supreme Court’s decision in *Callaghan v. Myers*, 128 U.S. 617 (1888), provides private publishers with copyright protection for annotations and commentary if they are created “independent of state cooperation.”

Heavner predicts that various parties could try to “tinker” with the current relationships the states have with private publishers so annotations and commentaries might become owned by the publishers and licensed to the states.

“This carries the risk that courts will find this new arrangement to simply be a legal

trick used to work around the intent of the government edicts doctrine," he said.



B. Brett Heavner, an attorney at Finnegan, Henderson, Farabow, Garrett & Dunner, said "If state code annotations are widely available to the public without charge, then private legal publishers will have little incentive to continue to create such legal resources."

McCarter & English attorney Erik Paul Belt said the decision might affect the role of legal publishers such as Westlaw that contract with states to publish state statutes.

"They may need to negotiate new contracts that ... give them the sole responsibility to author the annotations of state laws such that they, and not the state Legislatures, are the 'authors' of the annotations," he said.

Wolf Greenfield attorney John L. Strand said he is "hopeful that this decision has the result the plaintiff, Public.Resource.Org, sought — inexpensive or free access to all government publications."

#### 'ORDINARY PROCESS BY WHICH LAWS ARE ENACTED'

Public.Resource.Org lost its claim in district court for free access to the annotations of state statutes. *Code Revision Comm'n v. Public.Resource.Org*, 244 F. Supp. 3d 1350 (N.D. Ga. 2017).

The nonprofit won on appeal, however, convincing the 11th U.S. Circuit Court of Appeals that the annotations are not copyrightable. *Code Revision Comm'n v. Public.Resource.Org*, 906 F.3d 1229 (11th Cir. 2018).

The panel said it was relevant that the process the state of Georgia used to create the annotations was similar to "the ordinary process by which laws are enacted."

Meunier Carlin & Curfman attorneys Anthony B. Askew and Lisa C. Pavento filed a petition for certiorari on behalf of the state of Georgia.

Elizabeth H. Rader of Calliope Legal, along with Goldstein & Russell attorneys Thomas C. Goldstein and Eric F. Citron, represented the respondents.



McCarter & English attorney Erik Paul Belt said the decision might affect the role of legal publishers such as Westlaw that contract with states to publish state statutes.

#### MAJORITY AND 2 DISSENTS

The majority found the Georgia Code Revision Commission qualified as a legislator, who do not have copyright protection for such publications as floor statements, committee reports or proposed bills.

No matter who wrote or created the annotations, the commission arranged the

publication, so the annotations were a work for hire, the majority reasoned.

More than 130 years ago, the Supreme Court held in *Banks v. Manchester*, 128 U.S. 244 (1888), that such explanatory legal materials are not copyrightable if they are written by judges "in their capacity as judges."



Wolf Greenfield attorney John L. Strand said he is "hopeful that this decision has the result the plaintiff, Public.Resource.Org, sought — inexpensive or free access to all government publications."

"Because legislators, like judges, have the authority to make law, it follows that they, too, cannot be 'authors,'" the majority said.

Justice Thomas' dissent, joined by Justices Samuel Alito and Stephen Breyer, said the distinction lies in the fact that, while no one can own the law, the commission made it clear that the annotations do not qualify as law.

He described the annotations as summaries and consolidations of independent sources of legal information that "do not carry the binding force of law."

The annotations "serve a similar function to other copyrighted research tools provided by private parties such as the American Law Reports and Westlaw," he said.

Justice Ginsburg, joined by Justice Breyer, said in her dissent that the annotations



qualified for copyright protection because they were not created in a legislative capacity.

The annotations comment on statutes that the Legislature has already enacted, so they differ from floor statements, committee reports and proposed bills, she said.

Most important, the annotations' purpose is to provide a convenient reference for the public, rather than aid the Legislature in deciding whether a law should be enacted,

she said. They "do not rank as part of the Georgia's Legislature's lawmaking process."

**WJ**

**Attorneys:**

*Petitioners:* Anthony B. Askew, Lisa C. Pavento and Warren J. Thomas, Meunier Carlin & Curfman, Atlanta, GA; Daniel R. Ortiz, University of Virginia School of Law, Supreme Court Litigation Clinic, Charlottesville, VA; Jeremy C. Marwell, Joshua S. Johnston and Matthew X. Etchemendy, Vinson & Elkins, Washington, DC; John P. Elwood, Arnold & Porter Kaye Scholer, Washington, DC

*Respondent:* Elizabeth H. Rader, Calliope Legal, Washington, DC; Eric F. Citron, Thomas C. Goldstein and Erica Oleszczuk Evans, Goldstein & Russell, Bethesda, MD

**Related Filings:**

Supreme Court opinion: 2020 WL 1978707  
Reply brief: 2019 WL 2297303  
Opposition brief: 2019 WL 2121378  
Petition for certiorari: 2019 WL 1077396  
11th Circuit opinion: 906 F.3d 1229  
District Court opinion: 244 F.Supp.3d 1350  
Complaint: 2015 WL 4999975

## WESTLAW JOURNAL **WHITE COLLAR CRIME**



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# CLICK-TO-CALL

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2020 WL 1906544

Only the Westlaw citation is currently available.

Supreme Court of the United States.

THRYV, INC., fka Dex Media, Inc., Petitioner

v.

CLICK-TO-CALL TECHNOLOGIES, LP, et al.

No. 18-916

|

Argued December 9, 2019

|

Decided April 20, 2020

## Synopsis

**Background:** Challenger filed petition for inter partes review (IPR) of patent. The United States Patent and Trademark Office, Patent Trial and Appeal Board, 2014 WL 5490583, determined that IPR petition was not time-barred and found challenged claims unpatentable. Patent owner appealed. The United States Court of Appeals for the Federal Circuit, 622 Fed.Appx. 907, dismissed appeal. Patent owner filed petition for certiorari. The Supreme Court granted certiorari, vacated previous judgment, and remanded for further consideration. On remand, the Court of Appeals, 2016 WL 6803054, dismissed appeal. Owner petitioned for rehearing en banc, and panel rehearing was granted. The Court of Appeals, O'Malley, Circuit Judge, 899 F.3d 1321, vacated the final written decision and remanded with instructions to dismiss. Challenger petitioned for writ of certiorari.

**[Holding:]** The Supreme Court, Justice Ginsburg, held that challenge based on time-bar determination ranks as an appeal of the agency's decision to institute an inter partes review, and thus is nonappealable; abrogating *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364.

Vacated and remanded.

Justice Gorsuch filed a dissenting opinion, in which Justice Sotomayor joined.

West Headnotes (5)

**Patents** — Decisions reviewable; finality

A party generally cannot contend on appeal that the agency should have refused to institute an inter partes review. 35 U.S.C.A. § 314(d).

**[2] Patents** → Decisions reviewable; finality

A party's challenge based on a time-bar determination ranks as an appeal of the agency's decision to institute an inter partes review, and thus is nonappealable under statutory bar on judicial review of decision to institute inter partes review; abrogating *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364. 35 U.S.C.A. §§ 314(b), 314(d).

**[3] Patents** → Inter partes review

A challenge to a petition's timeliness under statute stating that inter partes review may not be instituted if the petition requesting the proceeding was filed more than one year after the date on which the petitioner, real party in interest, or privy of the petitioner was served with a complaint alleging infringement of the patent raises an ordinary dispute about the application of an institution-related statute. 35 U.S.C.A. §§ 314(b), 314(d).

**[4] Patents** → Decisions reviewable; finality

Statutory bar on judicial review of decision to institute inter partes review generally precludes appeals of the agency's institution decision, including, beyond genuine debate, appeals consisting of questions that are closely tied to the application and interpretation of statutes related to the institution decision. 35 U.S.C.A. § 314(d).

**[5] Patents** → In general; utility

US Patent 5,818,836. Cited.

## Syllabus\*

\*1 Inter partes review is an administrative process that permits a patent challenger to ask the U. S. Patent and Trademark Office to reconsider the validity of earlier granted patent claims. For inter partes review to proceed, the agency must agree to institute review. See 35 U. S. C. § 314. Among other conditions set by statute, if a request comes more than a year after suit against the requesting party for patent infringement, "[a]n inter partes review may not be instituted." § 315(b). The agency's "determination ... whether to institute an inter partes review under this section shall be final and nonappealable." § 314(d).

Entities associated with petitioner Thryv, Inc. sought inter partes review of a patent owned by respondent Click-to-Call Technologies, LP. Click-to-Call countered that the petition was untimely under § 315(b). The Patent Trial and Appeal Board (Board) disagreed and instituted review. After proceedings on the merits, the Board issued a final written decision reiterating its § 315(b) decision and canceling 13 of the patent's claims as obvious or lacking novelty. Click-to-Call appealed the Board's § 315(b) determination. Treating the Board's application of § 315(b) as judicially reviewable, the Court of Appeals concluded that the petition was untimely, vacated the Board's decision, and remanded with instructions to dismiss.

*Held:* Section 314(d) precludes judicial review of the agency's application of § 315(b)'s time prescription. Pp. 6–14.

(a) A party generally cannot contend on appeal that the agency should have refused "to institute an inter partes review." § 314(d). That follows from § 314(d)'s text and *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. \_\_\_. In *Cuozzo*, this Court explained that § 314(d) "preclud[es] review of the Patent Office's institution decisions"—at least "where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review." *Id.*, at \_\_\_. Pp. 6–7.

(b) The question here is whether a challenge based on § 315(b) ranks as an appeal of the agency's decision "to institute an inter partes review." § 314(d). There is no need to venture beyond *Cuozzo's* holding that § 314(d) bars review at least of matters "closely tied to the application and interpretation of statutes related to" the institution decision, 579 U. S., at \_\_\_. A § 315(b) challenge easily meets that measurement. Section 315(b), setting forth a circumstance in which "[a]n inter partes review may not be instituted," expressly governs institution and nothing more. Pp. 7–8.



(c) This conclusion is strongly reinforced by the statute's purpose and design. Congress designed inter partes review to weed out bad patent claims efficiently. Allowing § 315(b) appeals, however, would unwind agency proceedings determining patentability and leave bad patents enforceable. Pp. 8–10.

(d) In Click-to-Call's view, § 314(d)'s bar on judicial review is limited to the agency's threshold determination under § 314(a) of the question whether the petitioner has a reasonable likelihood of prevailing. *Cuozzo* is fatal to that interpretation, for the Court in that case held unreviewable the agency's application of a provision other than § 314(a). Contrary to Click-to-Call's contention, § 314(d)'s text does not limit the review bar to § 314(a). Rather than borrowing language from related provisions that would have achieved Click-to-Call's preferred meaning, Congress used broader language in § 314(d). Click-to-Call also insists that Congress intended judicial supervision of the agency's application of § 315(b), but the statute instead reflects a choice to entrust that issue to the agency. Finally, *SAS Institute Inc. v. Iancu*, 584 U. S. \_\_\_, offers Click-to-Call no assistance. Unlike the appeal held reviewable in *SAS Institute*, Click-to-Call's appeal challenges not the manner in which the agency's review proceeds once instituted, but whether the agency should have instituted review at all. Pp. 10–13.

\*2 (e) Click-to-Call argues in the alternative that its § 315(b) objection is authorized as an appeal from the Board's final written decision, which addressed the § 315(b) issue. Even labeled that way, Click-to-Call's appeal is still barred by § 314(d) because Click-to-Call's contention remains, essentially, that the agency should have refused to institute inter partes review. P. 14.

899 F. 3d 1321, vacated and remanded.

GINSBURG, J., delivered the opinion of the Court, in which ROBERTS, C. J., and BREYER, KAGAN, and KAVANAUGH, JJ., joined, and in which THOMAS and ALITO, JJ., joined except as to Part III–C. GORSUCH, J., filed a dissenting opinion, in which SOTOMAYOR, J., joined as to Parts I, II, III, and IV.

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

## Opinion

Justice Ginsburg delivered the opinion of the Court.\*

Inter partes review is an administrative process in which a patent challenger may ask the U. S. Patent and Trademark Office (PTO) to reconsider the validity of earlier granted patent claims. This case concerns a statutorily prescribed limitation of the issues a party may raise on appeal from an inter partes review proceeding.

When presented with a request for inter partes review, the agency must decide whether to institute review. 35 U. S. C. § 314. Among other conditions set by statute, if the request comes more than a year after suit against the requesting party for patent infringement, “[a]n inter partes review may not be instituted.” § 315(b). “The determination by the [PTO] Director whether to institute an inter partes review under this section shall be final and nonappealable.” § 314(d).†

In this case, the agency instituted inter partes review in response to a petition from Thryv, Inc., resulting in the cancellation of several patent claims. Patent owner Click-to-Call Technologies, LP, appealed, contending that Thryv's petition was untimely under § 315(b).

The question before us: Does § 314(d)'s bar on judicial review of the agency's decision to institute inter partes review preclude Click-to-Call's appeal? Our answer is yes. The agency's application of § 315(b)'s time limit, we hold, is closely related to its decision whether to institute inter partes review and is therefore rendered nonappealable by § 314(d).

I

The Patent and Trademark Office has several ways “to reexamine—and perhaps cancel—a patent claim that it had previously allowed.” *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. \_\_\_, \_\_\_ (2016) (slip op., at 3). Congress established the procedure at issue here, inter partes review, in the Leahy-Smith America Invents Act (AIA), 125 Stat. 284, enacted in 2011. See 35 U. S. C. § 311 *et seq.* Inter partes review allows third parties to challenge patent claims on grounds of invalidity specified by statute. § 311(b).

For inter partes review to proceed, the agency must agree to institute review. § 314. Any person who is not the patent's owner may file a petition requesting inter partes review. § 311(a). The patent owner may oppose institution of inter partes review, asserting the petition's "failure ... to meet any requirement of this chapter." § 313.

The AIA sets out prerequisites for institution. Among them, "[t]he Director may not authorize an inter partes review to be instituted unless the Director determines ... that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." § 314(a). Most pertinent to this case, "[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent." § 315(b).

**\*3** After receiving the petition and any response, the PTO "Director shall determine whether to institute an inter partes review under this chapter." § 314(b). The Director has delegated institution authority to the Patent Trial and Appeal Board (Board). 37 CFR § 42.4(a) (2019). As just noted, the federal agency's "determination ... whether to institute an inter partes review under this section" is "final and nonappealable." 35 U. S. C. § 314(d).

Upon electing to institute inter partes review, the Board conducts a proceeding to evaluate the challenged claims' validity. See § 316. At the conclusion of the proceeding—if review "is instituted and not dismissed"—the Board "issue[s] a final written decision with respect to the patentability of " the challenged claims. § 318(a). "A party dissatisfied with the final written decision ... may appeal the decision" to the Court of Appeals for the Federal Circuit. § 319.

## II

Respondent Click-to-Call owns a patent relating to a technology for anonymous telephone calls, U. S. Patent No. 5,818,836 ('836 patent). In 2013, petitioner Thryv sought inter partes review, challenging several of the patent's claims.<sup>3</sup>

In opposition, Click-to-Call urged that § 315(b) barred institution of inter partes review because Thryv filed its petition too late. Click-to-Call pointed to an infringement suit filed in 2001, which ended in a voluntary dismissal without prejudice.<sup>4</sup> In Click-to-Call's view, that 2001 suit started § 315(b)'s one-year clock, making the 2013 petition untimely.

The Board disagreed. Section 315(b) did not bar the institution of inter partes review, the Board concluded, because a complaint dismissed without prejudice does not trigger § 315(b)'s one-year limit. Finding no other barrier to institution, the Board decided to institute review. After proceedings on the merits, the Board issued a final written decision reiterating its rejection of Click-to-Call's § 315(b) argument and canceling 13 of the patent's claims as obvious or lacking novelty.

Click-to-Call appealed, challenging only the Board's determination that § 315(b) did not preclude inter partes review. The Court of Appeals dismissed the appeal for lack of jurisdiction, agreeing with Thryv and the Director (who intervened on appeal) that § 314(d)'s bar on appeal of the institution decision precludes judicial review of the agency's application of § 315(b). Citing our intervening decision in *Cuozzo*, see *infra*, at 6–7, we granted certiorari, vacated the judgment, and remanded. *Click-to-Call Technologies, LP v. Oracle Corp.*, 579 U. S. \_\_\_ (2016). On remand, the Court of Appeals again dismissed the appeal on the same ground.

Thereafter, in another case, the en banc Federal Circuit held that "time-bar determinations under § 315(b) are appealable" notwithstanding § 314(d). *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F. 3d 1364, 1367 (2018). The majority opinion construed § 314(d)'s reference to the determination whether to institute inter partes review "under this section" as trained on the likelihood-of-success requirement stated in § 314(a). *Id.*, at 1372. The § 315(b) timeliness determination, the majority concluded, "is not 'closely related' to the institution decision addressed in § 314(a)." *Id.*, at 1374 (quoting *Cuozzo*, 579 U. S., at \_\_\_ (slip op., at 12)). The majority therefore held that for § 315(b) appeals, § 314(d) does not displace the usual presumption favoring judicial review of agency action. *Wi-Fi One*, 878 F. 3d, at 1374–1375. In a concurring opinion, Judge O'Malley emphasized a "simpler" basis for the same conclusion. *Id.*, at 1375. In her view, § 314(d) shields from review only the agency's assessment of a petition's "substantive adequacy," not questions about the agency's "authority to act." *Id.*, at 1376.

**\*4** Judge Hughes, joined by Judges Lourie, Bryson, and Dyk, dissented, expressing a position that today's dissent characterizes as "extraordinary." *Post*, at 6. Those judges concluded that § 314(d) conveys Congress' "clear and unmistakable" "intent to prohibit judicial review of the Board's [inter partes review] institution decision." *Wi-Fi One*, 878 F. 3d, at 1378. That prohibition applies to § 315(b) issues, the Federal Circuit dissenters maintained, because § 315(b) "describes when an [inter partes review] may be 'instituted.'" *Id.*, at 1377, 1378–1379 (quoting § 315(b)).

In light of its en banc decision in *Wi-Fi One*, the Court of Appeals granted panel rehearing in this case. Treating the Board's application of § 315(b) as judicially reviewable, the panel's revised opinion held that the Board erred by instituting review. The petition for inter partes review here was untimely, the Court of Appeals held, because the 2001 infringement complaint, though dismissed without prejudice, started the one-year clock under § 315(b).<sup>5</sup> The court therefore vacated the Board's final written decision, which had invalidated 13 of Click-to-Call's claims for want of the requisite novelty and nonobviousness, and remanded with instructions to dismiss.

We granted certiorari to resolve the reviewability issue, 587 U. S. \_\_\_ (2019), and now vacate the Federal Circuit's judgment and remand with instructions to dismiss the appeal for lack of appellate jurisdiction.

### III

#### A

<sup>[1]</sup>To determine whether § 314(d) precludes judicial review of the agency's application of § 315(b)'s time prescription, we begin by defining § 314(d)'s scope. Section 314(d)'s text renders "final and nonappealable" the "determination by the Director whether to institute an inter partes review under this section." § 314(d) (emphasis added). That language indicates that a party generally cannot contend on appeal that the agency should have refused "to institute an inter partes review."

We held as much in *Cuozzo*. There, a party contended on appeal that the agency should have refused to institute inter partes review because the petition failed § 312(a)(3)'s requirement that the grounds for challenging patent claims must be identified "with particularity." 579 U. S., at \_\_\_ (slip op., at 6) (internal quotation marks omitted). This "contention that the Patent Office unlawfully initiated its agency review is not appealable," we held, for "that is what § 314(d) says." *Id.*, at \_\_\_ (slip op., at 7). Section 314(d), we explained, "preclud[es] review of the Patent Office's institution decisions" with sufficient clarity to overcome the "'strong presumption' in favor of judicial review." *Id.*, at \_\_\_–\_\_\_ (slip op., at 9–11) (quoting *Mach Mining, LLC v. EEOC*, 575 U. S. 480, 486 (2015)). See *Cuozzo*, 579 U. S., at \_\_\_–\_\_\_ (slip op., at 9–11) (finding "'clear and convincing' indications ... that Congress intended to bar review" (quoting *Block v. Community Nutrition Institute*, 467 U. S. 340, 349–350 (1984))).

<sup>\*5</sup> We reserved judgment in *Cuozzo*, however, on whether § 314(d) would bar appeals reaching well beyond the decision to institute inter partes review. 579 U. S., at \_\_\_ (slip op., at 11). We declined to "decide the precise effect of § 314(d) on," for example, "appeals that implicate constitutional questions." *Ibid.* Instead, we defined the bounds of our holding this way: "[O]ur interpretation applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review." *Ibid.*

#### B

<sup>[2]</sup>We therefore ask whether a challenge based on § 315(b) ranks as an appeal of the agency's decision "to institute an inter partes review." § 314(d). We need not venture beyond *Cuozzo*'s holding that § 314(d) bars review at least of matters "closely tied to the application and interpretation of statutes related to" the institution decision, 579 U. S., at \_\_\_ (slip op., at 11), for a § 315(b) challenge easily meets that measurement.

Section 315(b)'s time limitation is integral to, indeed a condition on, institution. After all, § 315(b) sets forth a circumstance in which "[a]n inter partes review may not be instituted." Even Click-to-Call and the Court of Appeals recognize that § 315(b) governs institution. See Brief for Respondent Click-to-Call 1 (§ 315(b) is "a clear limit on the Board's institution authority"); *Wi-Fi One*, 878 F. 3d, at 1373 ("§ 315(b) controls the Director's authority to institute [inter partes review]").

<sup>[3]</sup>Because § 315(b) expressly governs institution and nothing more, a contention that a petition fails under § 315(b) is a contention that the agency should have refused "to institute an inter partes review." § 314(d). A challenge to a petition's timeliness under § 315(b) thus raises "an ordinary dispute about the application of " an institution-related statute. *Cuozzo*, 579 U. S., at \_\_\_ (slip op., at 7). In this case as in *Cuozzo*, therefore, § 314(d) overcomes the presumption favoring judicial review.<sup>6</sup>

## C

The AIA's purpose and design strongly reinforce our conclusion. By providing for inter partes review, Congress, concerned about overpatenting and its diminishment of competition, sought to weed out bad patent claims efficiently. See *id.*, at \_\_\_ (slip op., at 8); H. R. Rep. No. 112–98, pt. 1, p. 40 (2011) (“The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”).<sup>7</sup>

**\*6** Allowing § 315(b) appeals would tug against that objective, wasting the resources spent resolving patentability and leaving bad patents enforceable. A successful § 315(b) appeal would terminate in vacatur of the agency's decision; in lieu of enabling judicial review of patentability, vacatur would unwind the agency's merits decision. See *Cuozzo*, 579 U. S., at \_\_\_ (slip op., at 8). And because a patent owner would need to appeal on § 315(b) untimeliness grounds only if she could not prevail on patentability, § 315(b) appeals would operate to save bad patent claims. This case illustrates the dynamic. The agency held Click-to-Call's patent claims invalid, and Click-to-Call does not contest that holding. It resists only the agency's institution decision, mindful that if the institution decision is reversed, then the agency's work will be undone and the canceled patent claims resurrected.

Other features of the statutory design confirm that Congress prioritized patentability over § 315(b)'s timeliness requirement. A petitioner's failure to satisfy § 315(b) does not prevent the agency from conducting inter partes review of the challenged patent claims; the agency can do so at another petitioner's request. § 311(a). Nor does failure to satisfy § 315(b) prevent the original initiator from participating on the merits; the § 315(b)-barred party can join a proceeding initiated by another petitioner. § 315(b), (c). And once inter partes review is instituted, the agency may issue a final written decision even “[i]f no petitioner remains in the inter partes review.” § 317(a). It is unsurprising that a statutory scheme so consistently elevating resolution of patentability above a petitioner's compliance with § 315(b) would exclude § 315(b) appeals, thereby preserving the Board's adjudication of the merits.

Judicial review of § 315(b) rulings, moreover, would do little to serve other statutory goals. The purpose of § 315(b), all agree, is to minimize burdensome overlap between inter partes review and patent-infringement litigation. Brief for Petitioner 24; Brief for Federal Respondent 36; Brief for Respondent Click-to-Call 37. Judicial review *after* the agency proceedings cannot undo the burdens already occasioned. Nor are § 315(b) appeals necessary to protect patent claims from wrongful invalidation, for patent owners remain free to appeal final decisions on the merits. § 319.

## IV

Click-to-Call advances a narrower reading of § 314(d). In Click-to-Call's view, which the dissent embraces, *post*, at 6–18, the bar on judicial review applies only to the agency's threshold determination under § 314(a) of the question whether the petitioner has a reasonable likelihood of prevailing. Section 314(d) addresses the “determination by the Director whether to institute inter partes review *under this section*” (emphasis added), and, Click-to-Call maintains, § 314(a) contains “the only substantive determination referenced in” the same section as § 314(d). Brief for Respondent Click-to-Call 16. This interpretation, Click-to-Call argues, supplies a clear rule consonant with the presumption favoring judicial review. Cf. *supra*, at 4–5 (Federal Circuit's en banc *Wi-Fi One* decision).

*Cuozzo* is fatal to Click-to-Call's interpretation. Section 314(d)'s review bar is not confined to the agency's application of § 314(a), for in *Cuozzo* we held unreviewable the agency's application of § 312(a)(3). 579 U. S., at \_\_\_–\_\_\_ (slip op., at 7–8). Far from limiting the appeal bar to § 314(a) and “nothing else” as Click-to-Call urges, Brief for Respondent 29, the Court's opinion in *Cuozzo* explained that the bar extends to challenges grounded in “statutes related to” the institution decision. 579 U. S., at \_\_\_ (slip op., at 11).

The text of § 314(d) offers Click-to-Call no support. The provision sweeps more broadly than the determination about whether “there is a reasonable likelihood that the petitioner would prevail.” § 314(a). Rather, it encompasses the entire determination “whether to institute an inter partes review.” § 314(d).

**\*7** And § 314(d) refers not to a determination under subsection (a), but to the determination “under this section.” That phrase indicates that § 314 governs the Director's institution of inter partes review. Titled “Institution of inter partes review,” § 314 is the section housing the command to the Director to “determine whether to institute an inter partes review,” § 314(b). Thus, every decision to institute is made “under” § 314 but must take account of specifications in other provisions—such as the § 312(a)(3) particularity requirement at issue in *Cuozzo* and the § 315(b) timeliness requirement at issue here. Similar clarifying language recurs throughout the AIA. See, e.g., § 315(c) (referring to the Director's determination regarding “the institution of an inter partes review *under section 314*” (emphasis added)); § 314(b) (referring to “a petition filed *under section 311*,” the section authorizing the filing of petitions (emphasis added));



§ 314(b)(1) (referring to “a preliminary response to the petition *under section 313*,” the section authorizing the filing of preliminary responses to petitions (emphasis added)).

If Congress had intended Click-to-Call’s meaning, it had at hand readymade language from a precursor to § 314(d): “A determination by the Director under *subsection (a)* shall be final and non-appealable.” 35 U. S. C. § 312(c) (2006 ed.) (emphasis added) (governing inter partes reexamination). Or Congress might have borrowed from a related provision: “A determination by the Director pursuant to *subsection (a) of this section that no substantial new question of patentability has been raised* will be final and nonappealable.” 35 U. S. C. § 303(c) (emphasis added) (governing ex parte reexamination). Instead, Congress chose to shield from appellate review the determination “whether to *institute an inter partes review under this section.*” § 314(d) (emphasis added). That departure in language suggests a departure in meaning. See *Henson v. Santander Consumer USA Inc.*, 582 U. S. \_\_\_, \_\_\_ (2017) (slip op., at 6).

Click-to-Call doubts that Congress would have limited the agency’s institution authority in § 315(b) without ensuring judicial supervision. Congress entrusted the institution decision to the agency, however, to avoid the significant costs, already recounted, of nullifying a thoroughgoing determination about a patent’s validity. See *supra*, at 8–9. That goal—preventing appeals that would frustrate efficient resolution of patentability—extends beyond § 314(a) appeals.

Click-to-Call also contends that we adopted its interpretation of § 314(d) in *SAS Institute Inc. v. Iancu*, 584 U. S. \_\_\_ (2018). Neither of our holdings in that case assists Click-to-Call, and both holdings remain governing law. *SAS Institute* first held that once the agency institutes an inter partes review, it must “resolve *all* of the claims in the case.” *Id.*, at \_\_\_ (slip op., at 1). *SAS Institute* located that rule in § 318(a), which requires the agency to decide “the patentability of *any* patent claim challenged by the petitioner.” *Ibid.* (emphasis in original; internal quotation marks omitted). *SAS Institute* next held that § 314(d) did not bar judicial review of § 318(a)’s application. *Id.*, at \_\_\_–\_\_\_ (slip op., at 12–14). Our decision explained that “nothing in § 314(d) or *Cuozzo* withdraws our power to ensure that an inter partes review proceeds in accordance with the law’s demands.” *Id.*, at \_\_\_ (slip op., at 14). That reviewability holding is inapplicable here, for Click-to-Call’s appeal challenges not the manner in which the agency’s review “proceeds” once instituted, but whether the agency should have instituted review at all.

<sup>14</sup>Click-to-Call homes in on a single sentence from *SAS Institute’s* reviewability discussion: “*Cuozzo* concluded that § 314(d) precludes judicial review only of the Director’s ‘initial determination’ under § 314(a) that ‘there is a “reasonable likelihood” that the claims are unpatentable on the grounds asserted’ and review is therefore justified.” *Id.*, at \_\_\_ (slip op., at 13) (quoting *Cuozzo*, 579 U. S., at \_\_\_ (slip op., at 9)). But that sentence’s account of *Cuozzo* is incomplete. Recall that *Cuozzo* itself applied § 314(d)’s appeal bar to a challenge on grounds other than § 314(a). See *supra*, at 10. To understand how far beyond § 314(a) the bar on judicial review extends, we look to the statute and *Cuozzo*; for the reasons stated above, they establish that § 314(d) bars challenges resting on § 315(b).<sup>8</sup>

V

\*8 Click-to-Call presses an alternative reason why the Board’s ruling on its § 315(b) objection is appealable. The Board’s final written decision addressed the § 315(b) issue, so Click-to-Call argues that it may appeal under § 319, which authorizes appeal from the final written decision. But even labeled as an appeal from the final written decision, Click-to-Call’s attempt to overturn the Board’s § 315(b) ruling is still barred by § 314(d). Because § 315(b)’s sole office is to govern institution, Click-to-Call’s contention remains, essentially, that the agency should have refused to institute inter partes review. As explained, § 314(d) makes that contention unreviewable.

\*\*\*

For the reasons stated, we vacate the judgment of the United States Court of Appeals for the Federal Circuit and remand the case with instructions to dismiss for lack of appellate jurisdiction.

*It is so ordered.*

## APPENDIX OF KEY STATUTORY PROVISIONS

35 U. S. C. § 314:

**“Institution of inter partes review**

“(a) THRESHOLD.—The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

“(b) TIMING.—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after—

“(1) receiving a preliminary response to the petition under section 313; or

“(2) if no such preliminary response is filed, the last date on which such response may be filed.

“(c) NOTICE.—The Director shall notify the petitioner and patent owner, in writing, of the Director’s determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

“(d) NO APPEAL.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.”

35 U. S. C. § 315(b):

“PATENT OWNER’S ACTION.—An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).”

Justice Gorsuch, with whom Justice Sotomayor joins as to Parts I, II, III, and IV, dissenting.

Today the Court takes a flawed premise—that the Constitution permits a politically guided agency to revoke an inventor’s property right in an issued patent—and bends it further, allowing the agency’s decision to stand immune from judicial review. Worse, the Court closes the courthouse not in a case where the patent owner is merely unhappy with the merits of the agency’s decision but where the owner claims the agency’s proceedings were unlawful from the start. Most remarkably, the Court denies judicial review even though the government now concedes that the patent owner is *right* and this entire exercise in property-taking-by-bureaucracy was forbidden by law.

It might be one thing if Congress clearly ordained this strange result. But it did not. The relevant statute, the presumption of judicial review, and our precedent all point toward allowing, not forbidding, inventors their day in court. Yet, the Court brushes past these warning signs and, in the process, carries us another step down the road of ceding core judicial powers to agency officials and leaving the disposition of private rights and liberties to bureaucratic mercy.

I

**\*9** Our story stretches back to the 1990s, when Stephen DuVal invented a system for anonymizing telephone calls. Believing in the promise of his idea, Mr. DuVal hired an attorney to secure a patent and sought avenues to bring his invention to market. Initially, both efforts met with success. In 1998, Mr. DuVal was awarded a U. S. Patent, which he licensed to a company called InfoRocket.com, Inc.

But problems soon emerged. In 2001, InfoRocket accused Ingenio, Inc., a predecessor of today’s petitioner Thryv, Inc., of infringing Mr. DuVal’s patent. The case carried on in federal district court for more than a year before InfoRocket and Ingenio decided to merge. The companies then jointly persuaded the court to dismiss InfoRocket’s lawsuit without prejudice.

Still, the quiet did not last long. Following the merger, the surviving entity—for simplicity, call it Thryv—sought to turn the tables on Mr. DuVal by asking the Patent Office to reconsider the validity of his patent in an ex parte reexamination. That agency-led process

dragged on for four more years, and ended with a mixed verdict: The Patent Office canceled a few claims, but amended others and permitted Mr. DuVal to add some new ones too.

Even the *ex parte* reexamination wasn't enough to put the parties' disputes to rest. During the reexamination, Thryv terminated its license with Mr. DuVal and stopped paying him royalties. But it seems that Thryv continued using the patented technology all the same. So Mr. DuVal transferred his patent to respondent Click-to-Call Technologies LP (CTC), which swiftly took the patent back to court. CTC noted that Thryv couldn't exactly plead ignorance about this patent, given that the company or its predecessors had previously licensed the patent, been sued for infringing it, and asked the Patent Office to reexamine it. When it came to Mr. DuVal's patent, CTC alleged, Thryv had done just about everything one can do to a patent except invent it.

Thryv responded by opening another new litigation front of its own. One year after CTC filed its federal lawsuit, Thryv lodged another administrative petition with the Patent Office, this time seeking *inter partes* review. Echoing some of the same arguments that led to its push for an *ex parte* administrative reexamination nine years earlier, and adding other arguments too, Thryv (again) asked the agency to cancel Mr. DuVal's patent on the grounds that it lacked novelty and was obvious. At the same time, Thryv sought to stay proceedings in CTC's infringement suit. Thryv argued that the district court should defer to the newly initiated *inter partes* review. Like many district courts facing the prospect of parallel administrative proceedings, this one obliged.

Why at this late hour did Thryv prefer to litigate before the agency rather than a federal district court? The agency's *ex parte* reexamination years earlier hadn't helped Thryv much. But since then, Congress had adopted the Leahy-Smith America Invents Act (AIA), 35 U. S. C. § 100 *et seq.* That law created the *inter partes* review process, which provides a number of benefits to accused infringers such as Thryv. Like federal court litigation, *inter partes* review holds the advantage of allowing a private party attacking a patent's validity to participate in adversarial proceedings, rather than rely on the agency to direct its own investigation as it does in *ex parte* reexamination. Compare 35 U. S. C. § 316 with §§ 302, 304, 305. *Inter partes* review also allows a party challenging a patent all manner of discovery, including depositions and the presentation of expert testimony. § 316; 37 CFR §§ 42.51–42.65 (2019). At the same time, the burden of proof is lower—requiring challengers like Thryv to prove unpatentability only by a preponderance of the evidence, § 316(e), rather than under the clear and convincing standard that usually applies in court. *Microsoft Corp. v. i4i L. P.*, 564 U. S. 91 (2011). Perhaps most appealing, proceedings take place before the Patent Trial and Appeal Board, rather than in an Article III court, so there is no jury trial before a tenure-protected judge, only a hearing before a panel of agency employees.

**\*10** Some say the new regime represents a particularly efficient new way to “kill” patents. Certainly, the numbers tell an inviting story for petitioners like Thryv. In approximately 80% of cases reaching a final decision, the Board cancels some or all of the challenged claims. Patent Trial and Appeal Board, Trial Statistics 10 (Feb. 2020), [https://www.uspto.gov/sites/default/files/documents/Trial\\_Statistics\\_2020\\_02\\_29.pdf](https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_2020_02_29.pdf). The Board has been busy, too, instituting more than 800 of these new proceedings every year. See *id.*, at 6.

Still, Thryv faced a hurdle. *Inter partes* review “may not be instituted” based on an administrative petition filed more than a year after “the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent” in federal court. 35 U. S. C. § 315(b). So, while Congress sought to move many cases out of court and into its new administrative process, it thought patent owners who have already endured long challenges in court shouldn't have to face another layer of administrative review. After all, *some* repose is due inventors. Patents typically last 20 years; what happens to the incentive to invent if litigation over them lasts even longer (as it has for Mr. DuVal)? By anyone's estimation, too, § 315(b)'s time bar was sure to pose a special problem for Thryv. Yes, Thryv had petitioned for *inter partes* review one year after being served with CTC's complaint. But nearly 12 years had passed since Thryv's predecessor and privy first found itself on the business end of a lawsuit alleging that it had infringed Mr. DuVal's patent.

Despite this apparently fatal defect, the Board plowed ahead anyway. No one could dispute that Thryv's predecessor and privy had been “served with a complaint alleging infringement of the patent” more than a decade earlier. But that complaint didn't count, the Board declared, because it was dismissed without prejudice. The Board cited nothing in § 315(b) suggesting this distinction makes a difference under the statute's plain terms. Instead, the Board tiptoed past the problem and proceeded to invalidate almost all of the patent claims before it, even those the Patent Office itself had affirmed in its own *ex parte* proceeding years before. No doubt this was exactly what Thryv hoped for in its second bite at the administrative apple.

Thryv's victory may have taken years to achieve, but it didn't seem calculated to last long. Predictably, CTC appealed the Board's interpretation of § 315(b) to the Federal Circuit. And just as unsurprisingly, the court held that dismissed complaints *do* count as complaints, so Thryv's *inter partes* administrative challenge was time barred from the start. Mr. DuVal's patent had already survived one *ex parte* reexamination Thryv instigated. The patent had been the subject of long and repeated litigation in federal courts. The agency had no business opening yet another new inquiry into this very old patent.

But Thryv had one maneuver left. It sought review in this Court, insisting that Article III courts lack authority even to say what the law demands. According to Thryv, a different provision, § 314(d), renders the agency's interpretations and applications of § 315(b) immune from judicial review. So the Board can err; it can even act in defiance of plain congressional limits on its authority. But, in Thryv's view, a court can do nothing about it. Enforcement of § 315(b)'s time bar falls only to the very Patent Office officials whose authority it seeks to restrain. Inventors like Mr. DuVal just have to hope that the bureaucracy revoking their property rights will take the extra trouble of doing so in accordance with law.

**\*11** That's the strange place we now find ourselves. Thryv managed to persuade the Court to grant its petition for certiorari to consider its extraordinary argument. And today the Court vindicates its last and most remarkable maneuver.

II

A

How could § 314(d) insulate from judicial review the agency's—admittedly mistaken—interpretation of an entirely different provision, § 315(b)? The answer is that it doesn't.

To see why, look no further than § 314(d). The statute tells us that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” So the *only* thing § 314(d) insulates from judicial review is “[t]he determination” made “by the Director” “under this section”—that is, a determination discussed *within* § 314. Nothing in the statute insulates agency interpretations of other provisions *outside* § 314, including those involving § 315(b).

This arrangement makes sense. Given that § 314(d) speaks of “[t]he” determination by the Director “under this section,” it comes as no surprise that the section mentions just *one* such “determination.” It is found in § 314(a), where the Director “determines” whether the parties' initial pleadings suggest “a reasonable likelihood” the petitioner will prevail in defeating at least some aspect of the challenged patent. And it is easy to see why Congress might make a preliminary merits assessment like that exempt from further view: If the Director institutes a meritless petition, the Board can summarily affirm the patent's validity. See § 318(a); 37 CFR §§ 42.71–42.73. In any event, the Board is obligated to render a final—and judicially reviewable—decision within a year. 35 U. S. C. §§ 141(c), 316(a)(11), 318(a), 319. So judicial review of the Director's initial appraisal of the merits isn't really *eliminated* as much as it is *channeled* toward the Board's final decision on those merits. That process finds a ready analogue elsewhere in our law. Much as here, an indicted criminal defendant unhappy with a grand jury's finding of probable cause isn't permitted to challenge that preliminary assessment, but may instead move the court for acquittal after the government has presented all its evidence. See *Costello v. United States*, 350 U. S. 359, 363 (1956); Fed. Rule Crim. Proc. 29(a).

Matters *outside* § 314 are different. Take the provision before us, § 315(b). It promises that an inter partes review “may not be instituted” more than a year after the initiation of litigation. This stands as an affirmative limit on the agency's authority. Much like a statute of limitations, this provision supplies an argument a party can continue to press throughout the life of the administrative proceeding and on appeal. Nothing in § 315(b) speaks of a “determination by the Director,” let alone suggests that the agency's initial ruling on a petition's timeliness is “final and nonappealable.”

To pretend otherwise would invite a linguistic nonsense. We would have to read § 314's language speaking of “[t]he” “determination” “under this section” to include not one determination but two—and to include not only the determination actually made under “this section” but also a second assessment made about the effect of an entirely different section.

**\*12** To pretend otherwise would invite a practical nonsense as well. Because the Director's initial “reasonable likelihood” determination under § 314(a) relates to the merits, it will be effectively reviewed both by the Board and courts as the case progresses. But when does the Director's application of § 315(b)'s time bar get another look? Under Thryv's interpretation, a provision that reads like an affirmative limit on the agency's authority reduces to a mere suggestion. No matter how wrong or even purposefully evasive, the Director's assessment of a petition's timeliness is always immune from review. And even that's not the end of it. In other cases, the

Board has claimed *it* has the right to review these initial timeliness decisions, and Thryv seems content with those rulings. See, e.g., *Medtronic, Inc. v. Robert Bosch Healthcare Systems, Inc.*, 839 F. 3d 1382 (CA Fed. 2016). So it turns out the company doesn't really want to make an initial administrative timeliness decisions *final*; it just wants to make them *unreviewable in court*, defying once more § 314's plain language and any rational explanation, except maybe as an expedient to win the day's case.

## B

Confronting so many problems in the statute's text, Thryv seeks a way around them by offering a competing account of the law's operation. While § 314 empowers the Director to make an institution decision, Thryv asserts that various provisions scattered throughout the chapter—such as §§ 314(a), 315(a)(1), and 315(b)—help guide the decision. And on Thryv's interpretation, *all* questions related to the Director's institution decision should be insulated from review, no matter where those rules are found. What about the fact § 314 speaks of insulating only "[t]he" "determination" "under this section"? Thryv says this language serves merely to indicate *which* institution authority is unreviewable—namely, the Director's authority to institute an inter partes proceeding pursuant to § 314, rather than pursuant to some other provision.

This interpretation, however, makes a nullity of the very language it purports to explain. Section 314 is the *only* section that authorizes the Director to institute inter partes review, making it pointless for Congress to tell us that we're talking about the Director's § 314 inter partes review institution authority as opposed to *some other* inter partes review institution authority. In fact, you can strike "under this section" from § 314(d) and Thryv's interpretation remains unchanged. That's a pretty good clue something has gone wrong.

Faced with this problem of surplusage, Thryv alludes to the possibility that Congress included redundant language to be "double sure." But double sure of what? Thryv does not identify any confusion that the phrase "under this section" might help avoid. Given the lack of *any* other provision, *anywhere* in the U. S. Code, authorizing *anyone* to institute inter partes review, even the most obtuse reader would never have any use for the clarification supposedly provided by "under this section" on Thryv's account.

Maybe so, Thryv replies, but we shouldn't worry about the surplusage here because the AIA contains surplusage elsewhere. The other putative examples of surplusage Thryv identifies, however, have no bearing on the provision now before us. And even a passing glance reveals no surplusage in them either. Consider § 315(c). It says that "the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition *under section 311* that the Director, after receiving a preliminary response *under section 313* ... , determines warrants the institution of an inter partes review *under section 314*." (Emphasis added.) Thryv argues that all these cross-references are unnecessary. But look closely: Each of § 315(c)'s cross-references does important work to establish the rules for joinder. Strike the first and the requirements of a joinder petition become undefined. Strike the second and it's a mystery what kind of response the patent owner is entitled to file. Strike the third and the Director's determination whether to grant joinder becomes standardless. All of this language has a point to it—just as "under this section" does under a faithful interpretation of § 314(d).

**\*13** That leaves Thryv only one more tenuous textual lifeline left to toss. If Congress had wanted to insulate from review only "[t]he" "determination" that a petition has a "reasonable likelihood" of success, the company suggests, Congress could have spoken of insulating "the determination under subsection (a)" rather than "the determination under this section." And Thryv reminds us that Congress used that latter formulation in nearby and predecessor statutes. See, e.g., § 303(c) ("[a] determination by the Director pursuant to subsection (a) of this section ... will be final and nonappealable"); § 312(c) (2006 ed.; repealed 2011) ("[a] determination by the Director under subsection (a) shall be final and non-appealable").

But so what? One could replace the phrase "my next-door neighbor to the west" with "my neighbor at 123 Main Street" (assuming that is her address) and the meaning would be the same. Likewise, it hardly matters whether Congress spoke of the "determination" "under this section" or "under subsection (a)." Either way, our attention is directed within, not beyond, § 314. And what's Thryv's alternative? It would have us read language speaking of the Director's determination "under this section" to encompass any decision related to the initiation of inter partes review found anywhere in the AIA—an entire chapter of the U. S. Code. That's sort of like reading "my next-door neighbor to the west" to include "anyone in town." Nor do things get better for Thryv with a careful assessment of nearby and predecessor statutes. They reveal that Congress knew exactly how to give broader directions like the one Thryv imagines when it wished to do so. See, e.g., § 314(b) (directing our attention to the Director's decision whether to institute inter partes review "under this chapter" rather than "under this section").

Without any plausible textual or contextual hook for its position, Thryv finishes by advancing a parade of policy horrors. It notes that the AIA imposes lots of *other* constraints on inter partes review besides the § 315(b) timing provision now before us. For example, the law bars petitioners who have filed declaratory judgment actions from challenging the same patent in inter partes review proceedings, § 315(a)(1), and it estops petitioners from seeking other forms of review once an inter partes proceeding finishes, § 315(e). If courts are going to review the agency's application of § 315(b), Thryv wonders, are they going to have to review the agency's application of these other provisions too?

But we could just as easily march this parade in the opposite direction. Even assuming (without deciding) that Thryv is right and the reviewability of all these provisions stands or falls together, that seems at least as good an argument for as against judicial review. If so much more is at stake, if many more kinds of agency errors could be insulated from correction, isn't that a greater reason to pay assiduous attention to the statute's terms? Surely, Thryv's professed concern for judicial economy supplies no license to ignore our duty to decide the cases properly put to us in accord with the statute's terms.

### III

This last point leads to another reason why we should reject Thryv's reading of the statute. Even if the company could muster some doubt about the reach of § 314(d), it wouldn't be enough to overcome the "well-settled presumption favoring interpretations of statutes that allow judicial review of administrative action." *McNary v. Haitian Refugee Center, Inc.*, 498 U. S. 479, 496 (1991). As this Court has long explained, "we will ... find an intent to preclude such review only if presented with clear and convincing evidence." *Reno v. Catholic Social Services, Inc.*, 509 U. S. 43, 64 (1993) (internal quotation marks omitted).

**\*14** The presumption of judicial review is deeply rooted in our history and separation of powers. To guard against arbitrary government, our founders knew, elections are not enough: "An elective despotism was not the government we fought for." The Federalist No. 48, p. 311 (C. Rossiter ed. 1961) (emphasis deleted). In a government "founded on free principles," no one person, group, or branch may hold all the keys of power over a private person's liberty or property. *Ibid.* Instead, power must be set against power, "divided and balanced among several bodies ... checked and restrained by the others." *Ibid.* As Chief Justice Marshall put it: "It would excite some surprise if, in a government of laws and of principle ... a department whose appropriate duty it is to decide questions of right, not only between individuals, but between the government and individuals," a statute might leave that individual "with no remedy, no appeal to the laws of his country, if he should believe the claim to be unjust." *United States v. Nourse*, 9 Pet. 8, 28–29 (1835).

It should come as an equal surprise to think Congress might have imposed an express limit on an executive bureaucracy's authority to decide the rights of individuals, and then entrusted that agency with the sole power to enforce the limits of its own authority. Yet on Thryv's account, § 315(b)'s command that "inter partes review *may not* be instituted" would be left entrusted to the good faith of the very executive officials it is meant to constrain. (Emphasis added.) We do not normally rush to a conclusion that Congress has issued such "blank checks drawn to the credit of some administrative officer." *Bowen v. Michigan Academy of Family Physicians*, 476 U. S. 667, 671 (1986) (quoting S. Rep. No. 752, 79th Cong., 1st Sess., 26 (1945)).

That usually may be the case, Thryv counters, but this statute's unusually modest purpose makes it plausible to think Congress meant to shield its application from judicial review. After all, the company submits, § 315(b) is not really a firm limit on the agency's authority, only a claim processing rule. For proof, the company reminds us that § 315(b) bars challengers who have already spent a year litigating in court from petitioning the agency, but leaves open the possibility that the agency might still institute inter partes review if a different, eligible petitioner happens to come along. And this theoretical possibility, Thryv tells us, suggests that the agency was meant to be allowed to act as it wants.

But Thryv's reply here is like saying Article III's "case or controversy" requirement isn't really a limit on the power of federal courts, because it's always possible that *some* litigant with a live dispute will come forward and require the court to settle a particular legal question. The implacable fact is that nothing in the AIA gives the Director or the Board freewheeling authority to conduct inter partes review. The statute demands the participation of a real party in interest, a petitioner who is not barred by prior litigation and who is willing to face estoppel should he lose. §§ 311(a), 315. And if, as seems likely in our case and many others, no one is willing and able to meet those conditions, the law does not permit inter partes review. So rather than a claim processing rule, § 315 is both a constraint on the agency's power and a valuable guarantee that a patent owner must battle the same foe only once.



Realizing that its textual arguments are too strained to demonstrate clearly and convincingly that Congress meant to displace judicial review, Thryv asks us to draw “inferences” from the AIA “as a whole.” Brief for Petitioner 16 (internal quotation marks omitted). In particular, the company tells us that Congress’s “overriding purpose” in creating inter partes review was to “weed out poor quality patents,” and that judicial enforcement of § 315(b) would slow this progress. *Id.*, at 24 (quotation altered). But to support its thematic account of the law’s goals, Thryv rests on one thin reed after another—a House Report here, a floor statement there, and a few quotations from *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. \_\_\_ (2016), that summarize these same sources. All the rest is generously filled in by the company’s own account about how inter partes review *ought* to work.

**\*15** That’s far from enough. The historic presumption of judicial review has never before folded before a couple stray pieces of legislative history and naked policy appeals. Besides, Thryv’s submissions cannot withstand the mildest inspection even on their own terms. No one doubts that Congress authorized inter partes review to encourage further scrutiny of already issued patents. But lost in Thryv’s telling about the purposes of the AIA is plenty of evidence that Congress *also* included provisions to preserve the value of patents and protect the rights of patent owners. For example, Congress sharply limited the legal grounds that might be pursued in inter partes review, § 311(b); afforded patent owners an opportunity to respond to petitions prior to institution, § 313; and, most relevant today, protected patent owners from the need to fight a two-front war before both the Board and federal district court, § 315. Legislating involves compromise and it would be naive to think that, as the price for their zealous new procedures for canceling patents, those who proposed the AIA didn’t have to accept *some* protections like these for patent holders. Yet, Thryv glides past all these provisions without comment. Worse, taking the company’s argument to its logical conclusion could render these protections into “‘merely advisory’” features of the law. *Bowen*, 476 U. S., at 671. If adopted, Thryv’s vision of an administrative regime singularly focused on the efficient canceling of patents could become self-fulfilling.

A case decided just weeks ago supplies a telling point of comparison. In *Guerrero-Lasprilla v. Barr*, 589 U. S. \_\_\_ (2020), Congress sought to expedite the removal of aliens convicted of certain aggravated felonies by foreclosing judicial review of their cases unless they raised “questions of law.” See 8 U. S. C. §§ 1252(a)(2)(C), (D). But the statute there was ambiguous about mixed questions of law and fact: Were these (reviewable) questions of law, or (unreviewable) determinations of fact? Because the statute could be interpreted either way, this Court held, the presumption of reviewability preserved the aliens’ ability to argue mixed questions on appeal. Today, the textual arguments for shielding the agency’s decision from review are even weaker, and the same presumption that preserved judicial review for felons seeking discretionary relief from removal should do no less work for patent holders seeking to defend their inventions.

#### IV

Even if the statute’s plain language and the presumption in favor of review dictate a ruling against it, Thryv finishes by suggesting we must ignore all that and rule for it anyway because precedent commands it. Maybe our precedent is wrong, the company says, but it binds us all the same.

In particular, Thryv points us to *Cuozzo*. There, the Court suggested that § 314(d) could preclude review in cases: (1) where a litigant challenges the Director’s reasonable likelihood of success determination under § 314(a), or (2) where a litigant “grounds its claim in a statute closely related to that decision to institute inter partes review.” 579 U. S., at \_\_\_ (slip op., at 12). That first path is faithful to the plain language of § 314(d). The second appears nowhere in the statute but is, instead, a product of the judicial imagination. Still, Thryv says, we must follow that path wherever it leads and, because § 315(b) decisions are “closely related” to § 314(a) decisions, we shouldn’t review them.

But *Cuozzo* hardly held so much. In fact, *Cuozzo* had no need to explore the second path it imagined, for it quickly concluded that the argument before it was “little more than a challenge to the Patent Office’s conclusion under § 314(a),” a decision shielded from judicial review under any interpretation of § 314(d). *Id.*, at \_\_\_ (slip op., at 12). So all the discussion about the reviewability of decisions outside § 314(a) turned out to be nothing more than dicta entirely unnecessary to the decision. Nor did anything in *Cuozzo* directly address § 315(b) decisions, let alone declare them to be “close enough” to § 314(a) decisions to preclude judicial review.

That’s just the beginning of Thryv’s precedent problems, too. In *SAS Institute Inc. v. Iancu*, 584 U. S. \_\_\_ (2018), an inter partes review petitioner challenged the Director’s practice of instituting review of some, but not all, of the claims challenged in a single petition. The government argued there—much as Thryv argues today—that § 314(d) shielded this unlawful practice from judicial review.

In advancing this argument, the government seized on the same language in *Cuozzo* that Thryv now embraces, claiming that its opponent's "grounds for attacking the decision ... are closely tied" to the § 314(a) institution decision. Brief for Federal Respondent in *SAS Institute Inc. v. Iancu*, O. T. 2017, No. 16–969, p. 13. Because no one could say that the petitioner's argument in *SAS Institute* was "little more than a challenge to the Patent Office's conclusion under § 314(a)," 584 U. S., at \_\_\_ (slip op., at 13), we were forced to confront whether *Cuozzo* and the relevant statutes actually barred not just institution decisions under § 314(a) but things "closely related" to them.

**\*16** We held they did not. We began, as we did in *Cuozzo*, by noting the "strong presumption in favor of judicial review." *SAS Institute*, 584 U. S., at \_\_\_ (slip op., at 13) (internal quotation marks omitted). We then put an end to any doubt about what the dicta in that case might mean: "Given the strength of this presumption and the statute's text, *Cuozzo* concluded that § 314(d) precludes judicial review *only* of the Director's 'initial determination' under § 314(a)." *Ibid.* (quoting *Cuozzo*, 579 U. S., at \_\_\_ (slip op., at 9); emphasis added). We did not need to overrule *Cuozzo*, because the language the government seized upon from that opinion was dicta from the start. Still, we made it clear that dicta's day had come: To read *Cuozzo* as "foreclosing judicial review of any legal question bearing on the institution decision," we explained, would "overrea[d] both the statute and our precedent." *SAS Institute*, 584 U. S., at \_\_\_–\_\_\_ (slip op., at 12–13). The petitioner's challenge to the Director's partial institution practice could go forward exactly because it was something other than a disagreement about the Director's initial determination under § 314(a). *Id.*, at \_\_\_–\_\_\_ (slip op., at 13–14).

It's not surprising that litigants would invite us to overread dicta or overlook an unfavorable precedent. What is surprising is that the Court would accept the invitation. In "cases involving property," after all, "considerations favoring *stare decisis* are at their acme." *Kimble v. Marvel Entertainment, LLC*, 576 U. S. 446, 457 (2015) (internal quotation marks omitted). And we are often reminded that "*stare decisis* carries enhanced force when a decision ... interprets a statute." *Id.*, at 456. But rather than searching for the kind of "superspecial justification," *id.*, at 458, this Court supposedly requires to overrule a precedent like *SAS Institute*, today's majority quibbles with a few sentences and quietly walks away. If, as some have worried, "[e]ach time the Court overrules a case, the Court ... cause[s] the public to become increasingly uncertain about which cases the Court will overrule," *Franchise Tax Bd. of Cal. v. Hyatt*, 587 U. S. \_\_\_, \_\_\_ (2019) (slip op., at 13), (BREYER, J., dissenting), one can only imagine what a judicial shrug of the shoulders like this might yield.

Litigants and lower courts will also have to be forgiven for the confusion to come about the meaning of § 314(d)'s review bar. Whether it is limited to the § 314(a) determination (as *SAS Institute* held and parts of *Cuozzo* suggested) or also reaches to challenges grounded in "closely related" statutes (as other parts of *Cuozzo* suggested and the Court insists today)—who can say? And even supposing that "closely related to institution" really is the test we'll apply next time, does anyone know what this judicially concocted formulation even means? Despite three opinions interpreting the same provision in under five years, only one thing is clear: Neither the statute nor our precedent can be counted upon to give the answer. Litigants and lower courts alike will just have to wait and see.

## V

It's a rough day when a decision manages to defy the plain language of a statute, our interpretative presumptions, *and* our precedent. But today that's not the worst of it. The Court's expansive reading of § 314(d) takes us further down the road of handing over judicial powers involving the disposition of individual rights to executive agency officials.

We started the wrong turn in *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*, 584 U. S. \_\_\_ (2018). There, a majority of this Court acquiesced to the AIA's provisions allowing agency officials to withdraw already-issued patents subject to very limited judicial review. As the majority saw it, patents are merely another public franchise that can be withdrawn more or less by executive grace. So what if patents were, for centuries, regarded as a form of personal property that, like any other, could be taken only by a judgment of a court of law. So what if our separation of powers and history frown on unfettered executive power over individuals, their liberty, and their property. What the government gives, the government may take away—with or without the involvement of the independent Judiciary. Today, a majority compounds that error by abandoning a good part of what little judicial review even the AIA left behind.

**\*17** Just try to imagine this Court treating other individual liberties or forms of private property this way. Major portions of this country were settled by homesteaders who moved west on the promise of land patents from the federal government. Much like an inventor seeking a patent for his invention, settlers seeking these governmental grants had to satisfy a number of conditions. But once a patent issued, the granted lands became the recipient's private property, a vested right that could be withdrawn only in a

court of law. No one thinks we would allow a bureaucracy in Washington to “cancel” a citizen’s right to his farm, and do so despite the government’s admission that it acted in violation of the very statute that gave it this supposed authority. For most of this Nation’s history it was thought an invention patent holder “holds a property in his invention by as good a title as the farmer holds his farm and flock.” *Hovey v. Henry*, 12 F. Cas. 603, 604 (No. 6,742) (CC Mass. 1846) (Woodbury, J., for the court). Yet now inventors hold nothing for long without executive grace. An issued patent becomes nothing more than a transfer slip from one agency window to another.

Some seek to dismiss this concern by noting that the bureaucracy the AIA empowers to revoke patents is the same one that grants them. But what comfort is that when the Constitution promises an independent judge in any case involving the deprivation of life, liberty, or property? Would it make things any better if we assigned the Department of the Interior the task of canceling land patents because that agency initially allocated many of them? The relevant constitutional fact is not which agency granted a property right, but that a property right was granted.

The abdication of our judicial duty comes with a price. The Director of the Patent and Trademark Office is a political appointee. The AIA vests him with unreviewable authority to institute (or not) inter partes review. Nothing would prevent him, it seems, from insulating his favorite firms and industries from this process entirely. Those who are not so fortunate proceed to an administrative “trial” before a panel of agency employees that the Director also has the means to control. The AIA gives the Director the power to select which employees, and how many of them, will hear any particular inter partes challenge. It also gives him the power to decide how much they are paid. And if a panel reaches a result he doesn’t like, the Director claims he may order rehearing before a new panel, of any size, and including even himself.

No one can doubt that this regime favors those with political clout, the powerful and the popular. But what about those who lack the resources or means to influence and maybe even capture a politically guided agency? Consider Mr. DuVal, who 25 years ago, came up with something the Patent Office agreed was novel and useful. His patent survived not only that initial review but a subsequent administrative ex parte review, a lawsuit, and the initiation of another. Yet, now, after the patent has expired, it is challenged in still another administrative proceeding and retroactively expunged by an agency that has, by its own admission, acted unlawfully. *That* is what happens when power is not balanced against power and executive action goes unchecked by judicial review. Rather than securing incentives to invent, the regime creates incentives to curry favor with officials in Washington.

Nor is it hard to imagine what might lie around the corner. Despite repeated lawsuits, no court ever ruled definitively on Mr. DuVal’s patents. But suppose one had—and suppose he had prevailed. According to the agency, even that judgment might not matter much. In other cases, the Board has claimed the power through inter partes review to overrule final judicial judgments affirming patent rights. In the Director’s estimation, it appears, even this Court’s decisions must bow to the Board’s will. See *XY, LLC v. Trans Ova Genetics, L. C.*, 890 F. 3d 1282, 1285–1286, 1294–1295 (CA Fed. 2018); *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F. 3d 1330, 1340–1344 (CA Fed. 2013). It’s no wonder, then, that district courts sometimes throw up their hands and let the Board take over whenever inter partes review and patent litigation begin to overlap. Why bother with a trial if “the finality of any judgment rendered by [a] Court will be dubious”? Order Granting Stay in *Click-to-call Technologies LP v. Ingenio, Inc.*, No. 12–cv–00465 (WD Tex.), Doc. No. 147, p. 4.

**\*18** It’s understandable, too, why the agency might think so much is up for grabs. Not only did this Court give away much of its Article III authority in *Oil States* on a mistaken assessment that patents were historically treated as public franchises rather than private rights. Some would have had the Court go even further. Rather than looking to history to determine how patents were treated, as both the majority and dissent sought to do, these Members of the Court suggested that agencies should be allowed to withdraw even private rights if “a number of factors”—taken together, of course—suggest it’s a good idea. *Commodity Futures Trading Comm’n v. Schor*, 478 U. S. 833, 851 (1986); see also *Oil States*, 584 U. S., at \_\_\_ (BREYER, J., concurring) (slip op., at 1). These “factors” turn out to include such definitive and easily balanced considerations as the “nature of the claim,” the “nature of the non-Article III tribunal,” and the “nature and importance of the legislative purpose served by the grant of adjudicatory authority to a tribunal with judges who lack Article III’s tenure and compensation protections.” *Stern v. Marshall*, 564 U. S. 462, 513 (2011) (BREYER, J., dissenting). In other words, Article III promises that a person’s private rights may be taken only in proceedings before an independent judge, *unless* the government’s goals would be better served by a judge who isn’t so independent.

Thryv seeks to assure us that affected parties can still file writs of mandamus in courts if the Patent Office gets *really* out of hand. But the Court today will not say whether mandamus is available where the § 314(d) bar applies, and the Federal Circuit has cast doubt on that possibility. *In re Power Integrations, Inc.*, 899 F. 3d 1316, 1319 (2018) (“We have held that the statutory prohibition on appeals from decisions not to institute inter partes review cannot be sidestepped simply by styling the request for review as a petition for mandamus”); *In re Procter & Gamble Co.*, 749 F. 3d 1376 (2014); *In re Dominion Dealer Solutions, LLC.*, 749 F. 3d 1379 (2014). Even assuming mandamus *is* available, it is a “drastic [remedy], to be invoked only in extraordinary situations.” *Kerr v. United States Dist.*

*Court for Northern Dist. of Cal.*, 426 U. S. 394, 402 (1976). To be eligible for this discretionary relief, a petitioner must first show a “clear and indisputable” right. *Id.*, at 403 (internal quotation marks omitted). But how often could a litigant show such a “clear and indisputable” right in an area where courts shirk their duty to say what the law is in the first place? And how would a court find the will to call a situation “extraordinary” once the agency has been free for so long to ignore the limits on its power? If the case before us doesn’t qualify as “extraordinary,” and if the Board’s admitted flouting of § 315(b) isn’t “clear and indisputable,” then what extralegal act wouldn’t be just another day at the office?

\*

Two years ago, this Court sanctioned a departure from the constitutional plan, one in which the Executive Branch assumed responsibilities long reserved to the Judiciary. In so doing, we denied inventors the right to have their claims tried before independent judges and juries. Today we compound that error, not only requiring patent owners to try their disputes before employees of a political branch, but limiting their ability to obtain judicial review when those same employees fail or refuse to comply with the law. Nothing in the statute commands this result, and nothing in the Constitution permits it. Respectfully, I dissent.

### All Citations

--- S.Ct. ----, 2020 WL 1906544

### Footnotes

- \* The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.
- \* Justice Thomas and Justice Alito join all but Part III–C of this opinion.
- † Key statutory provisions are reproduced in an appendix to this opinion.
- <sup>3</sup> More precisely, the petition was filed by four companies, including YellowPages.com, LLC, and Ingenio, LLC. Through “a series of mergers, sales, and name changes,” both became Thryv. Brief for Petitioner 8. For simplicity, we refer to Thryv and its predecessor entities as “Thryv.”
- <sup>4</sup> The 2001 suit was brought by Inforocket.Com, Inc.—then the exclusive licensee of the ‘836 patent—against Keen, Inc. See *Inforocket.Com, Inc. v. Keen, Inc.*, No. 1:01–cv–05130 (SDNY). While the suit was pending, Keen acquired Inforocket and the District Court dismissed the suit without prejudice. By the time of the inter partes review petition, Keen had become Ingenio (now Thryv).
- <sup>5</sup> A footnote in the panel’s opinion noted that the Court of Appeals sitting en banc had considered and agreed with the panel majority’s conclusion that a complaint voluntarily dismissed without prejudice can trigger § 315(b)’s time bar. *Click-to-Call Technologies, LP v. Ingenio, Inc.*, 899 F. 3d 1321, 1328, n. 3 (CA Fed. 2018). On that issue, Judge Taranto issued a concurring opinion, *id.*, at 1343–1347, and Judge Dyk, joined by Judge Lourie, issued a dissenting opinion, *id.*, at 1350–1355. That question is outside the scope of our review.
- <sup>6</sup> We do not decide whether mandamus would be available in an extraordinary case. Cf. *Cuozzo Speed Technologies, LLC v. Lee*, 579 U. S. \_\_\_, \_\_\_–\_\_\_, n. 5 (2016) (ALITO, J., concurring in part and dissenting in part) (slip op., at 5–6, n. 5).
- <sup>7</sup> The dissent acknowledges that “Congress authorized inter partes review to encourage further scrutiny of already issued patents.” *Post*, at 14. Yet the dissent, despite the Court’s decision upholding the constitutionality of such review in *Oil States Energy Services, LLC v. Greene’s Energy Group, LLC*, 584 U. S. \_\_\_ (2018), appears ultimately to urge that Congress lacks authority to permit second looks. Patents are property, the dissent several times repeats, and Congress has no prerogative to allow “property-taking-by-bureaucracy.” *Post*, at 1, 18–21. But see *Oil States*, 584 U. S., at \_\_\_ (slip op., at 7) (“patents are public franchises” (internal quotation marks omitted)). The second look Congress put in place is assigned to the very same bureaucracy that granted the patent in the first place. Why should that bureaucracy be trusted to give an honest count on first view, but a jaundiced one on second look? See *post*, at 19–20.

<sup>8</sup> Defending Click-to-Call's interpretation, the dissent takes a view of our precedent that neither Click-to-Call nor the Federal Circuit advances. See *post*, at 15–18. The dissent does not consider itself bound by *Cuozzo*'s conclusion that § 314(d) bars appeal of “questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review,” 579 U. S., at \_\_\_ (slip op., at 11). According to the dissent, that statement is dicta later repudiated in *SAS Institute Inc. v. Iancu*, 584 U. S. \_\_\_ (2018).

But *Cuozzo* concerned an appeal resting on a “related statutory section”: § 312(a)(3). 579 U. S., at \_\_\_ (slip op., at 7). That § 312(a)(3) challenge was tied to institution, the Court explained, for two reasons: first, because it “attack[ed] a ‘determination ... whether to institute’ review,” *id.*, at \_\_\_–\_\_\_ (slip op., at 7–8); second, because the § 312(a)(3) challenge was related to invoking § 314(a)’s condition on institution, *id.*, at \_\_\_ (slip op., at 12). *Cuozzo*’s recognition that § 314(d) can bar challenges rooted in provisions other than § 314(a) was hardly “dicta,” *post*, at 16—it was the Court’s holding. And *SAS Institute* purported to adhere to *Cuozzo*, not to overrule it. 584 U. S., at \_\_\_–\_\_\_ (slip op., at 13–14). The Court in *SAS Institute* said, specifically, that it discerned “nothing in ... *Cuozzo*” inconsistent with its conclusion. *Id.*, at \_\_\_ (slip op., at 14).

We do not so lightly treat our determinations as dicta and our decisions as overruling others *sub silentio*. Nor can we countenance the dissent’s dangerous insinuation that today’s decision is not “really” binding precedent. *Post*, at 17–18 (“[W]ho can say?”); *post*, at 18 (“Litigants and lower courts alike will just have to wait and see.”). Lest any “confusion” remain, *post*, at 17, we reaffirm today our holding in *Cuozzo*: Section 314(d) generally precludes appeals of the agency’s institution decision, including, beyond genuine debate, appeals “consist[ing] of questions that are closely tied to the application and interpretation of statutes related to” the institution decision. 579 U. S., at \_\_\_, \_\_\_ (slip op., at 7, 11). The appeal bar, we therefore reiterate, is not limited to the agency’s application of § 314(a).

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# SPIGEN KOREA

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2020 WL 1897238

Only the Westlaw citation is currently available.

United States Court of Appeals, Federal Circuit.

SPIGEN KOREA CO., LTD., A Republic of Korea Corporation, Plaintiff-Appellant

v.

ULTRAPROOF, INC., A California Corporation, Ultraproof, Inc., A Nevada Corporation, Endliss Technology, Inc., A California Corporation, Defendants-Cross-Appellants

Does, 1 Through 10, Inclusive, Defendant

2019-1435

|

2019-1717

|

Decided: April 17, 2020

## Synopsis

**Background:** Owner of patents claiming design for cellular phone case brought infringement action. Parties moved for summary judgment on invalidity. The United States District Court for the Central District of California, David O. Carter, J., 2018 WL 8130608, granted competitor's motion and denied patent owner's motion, and 2019 WL 1877441, denied competitor's motion for attorneys' fees. Parties cross-appealed.

**[Holding:]** The Court of Appeals, Reyna, Circuit Judge, held that fact issue regarding whether prior art was primary reference precluded summary judgment on obviousness.

Reversed and remanded.

Lourie, Circuit Judge, dissented.

West Headnotes (15)

<sup>[1]</sup> **Courts**  Particular questions or subject matter

In a patent infringement action, the Court of Appeals for the Federal Circuit reviews a grant of summary judgment under the law of the regional circuit.



[2] **Federal Courts** — Summary judgment

The Ninth Circuit reviews a district court's grant of summary judgment de novo.

[3] **Federal Civil Procedure** — Lack of cause of action or defense

Summary judgment may only be granted when no reasonable jury could return a verdict for the nonmoving party.

[4] **Patents** — Obviousness; lack of invention

Summary judgment of obviousness is appropriate if the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors.

[5] **Patents** — Applications and Proceedings

**Patents** — Actions and remedies

Design patents are presumed valid, and thus a moving party seeking to invalidate a design patent at summary judgment must submit such clear and convincing evidence of facts underlying invalidity that no reasonable jury could find otherwise.

[6] **Patents** — Actions and remedies

Genuine issue of material fact existed regarding whether prior art patent was basically the same as patent, and thus was primary reference, precluding summary judgment on obviousness of patents claiming design for cellular phone case.

[7] **Patents** — Obviousness; lack of invention

For design patents, the ultimate inquiry for obviousness is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.

[8] **Patents** — Obviousness; lack of invention

The inquiry whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved is a question of law based on underlying factual findings.

[9] **Patents** — Obviousness; lack of invention

A "primary reference" for purposes of an obviousness determination is a single reference that creates basically the same visual impression as the claimed design.

[10] **Patents** — Obviousness; lack of invention

To be basically the same, for purposes of determining whether a prior art design was a primary reference rendering patent obvious, the designs at issue cannot have substantial differences in their overall visual appearances.

[11] **Patents** — Obviousness; lack of invention

If major modifications would be required to make a design look like the claimed design, then the two designs are not basically the same for obviousness purposes.

**[12] Patents** — Obviousness; lack of invention

Slight differences in design do not necessarily preclude a “basically the same” finding for purposes of determining obviousness of a design patent.

**[13] Patents** — Actions and remedies

Although a trial court judge may determine almost instinctively whether the two designs create basically the same visual impression, for obviousness purposes, a trial court is not free to find facts at the summary judgment phase.

**[14] Patents** — Actions and remedies

If based on the evidence, a reasonable jury could find in favor of the non-moving party, a trial court must stay its hand and deny summary judgment of obviousness of a design patent.

**[15] Patents** — Design

US Patent D729,218, US Patent D771,607, US Patent D772,209, US Patent D775,620, US Patent D776,648. Cited.

Appeals from the United States District Court for the Central District of California in Nos. 2:16-cv-09185-DOC-DFM, 2:17-cv-01161-DOC-DFM, Judge David O. Carter.

**Attorneys and Law Firms**

Joshua David Curry, Lewis Brisbois Bisgaard & Smith LLP, Atlanta, GA, argued for plaintiff-appellant. Also represented by Brian G. Arnold, Josephine Brosas, Jean Kim, Los Angeles, CA.

Benjamin Adam Campbell, Bishop Diehl & Lee, Ltd., Schaumburg, IL, argued for defendants-cross-appellants. Also represented by Edward L. Bishop, James Jagoda.

Before Newman, Lourie, and Reyna, Circuit Judges.

**Opinion**

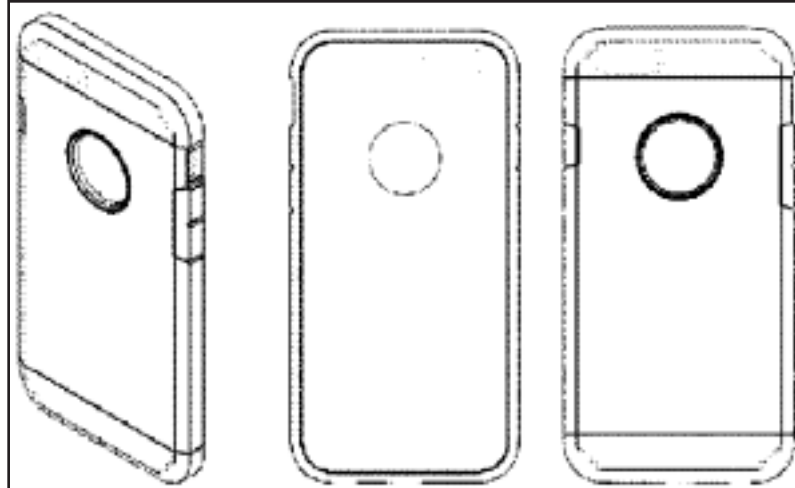
Circuit Judge Lourie dissents.

Reyna, Circuit Judge.

Spigen Korea Co., Ltd., appeals the decision of the United States District Court for the Central District of California granting summary judgment of invalidity of three asserted design patents. Ultraproof, Inc., cross-appeals the district court’s denial of its motion for attorneys’ fees. Because the district court improperly resolved a genuine dispute of material fact at summary judgment, we reverse the district court’s decision and remand for further proceedings. We dismiss the cross-appeal as moot.

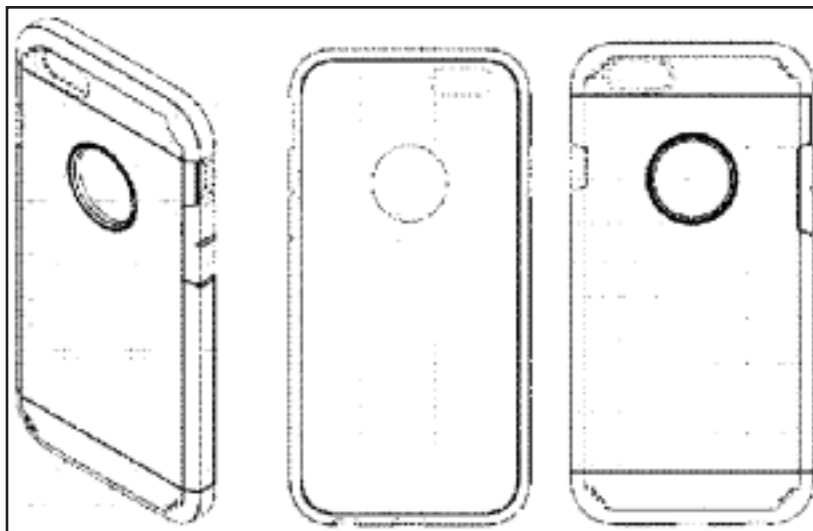
**BACKGROUND**

Spigen Korea Co., Ltd., (“Spigen”) owns U.S. Design Patent Nos. D771,607 (“the ‘607 patent”), D775,620 (“the ‘620 patent”), and D776,648 (“the ‘648 patent”) (collectively the “Spigen Design Patents”), which each claim a case for a cellular phone. Figures 3–5 of the ‘607 patent are illustrative of the claimed design:



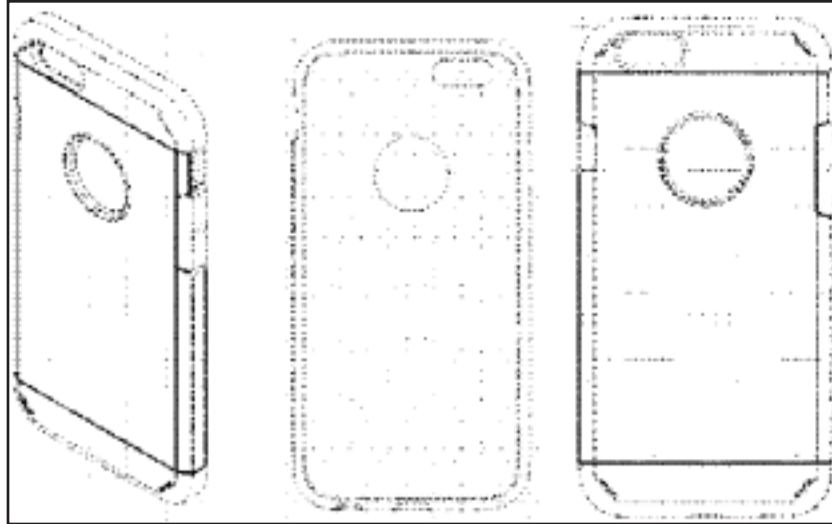
J.A. 88–90.

The '620 patent disclaims certain elements present in the '607 patent. Figures 3–5 of the '620 patent are illustrative of the claimed design<sup>1</sup>:



J.A. 99–101.

Lastly, the '648 patent disclaims most of the elements present in the '607 and '620 patents. Figures 3–5 of the '648 patent are illustrative of the claimed design<sup>2</sup>:



J.A. 110–12.

On February 13, 2017, Spigen sued Ultraproof, Inc., (“Ultraproof”) for infringement of the Spigen Design Patents in the United States District Court for the Central District of California. Ultraproof filed a motion for summary judgment of invalidity of the Spigen Design Patents. Ultraproof argued that the Spigen Design Patents were obvious as a matter of law in view of a primary reference, U.S. Design Patent No. D729,218 (“the ‘218 patent”), and a secondary reference, U.S. Design Patent No. D772,209 (“the ‘209 patent”). Spigen opposed the motion, arguing that as a matter of law, the Spigen Design Patents were not rendered obvious by the ‘218 patent and the ‘209 patent. Alternatively, Spigen argued, various underlying factual disputes precluded summary judgment. The district court held as a matter of law that the Spigen Design Patents were obvious over the ‘218 patent and the ‘209 patent and granted summary judgment of invalidity in favor of Ultraproof.

Subsequently, Ultraproof moved for attorneys’ fees pursuant to 35 U.S.C. § 285. The district court denied the motion. Spigen timely appeals the obviousness determination. Ultraproof cross-appeals the denial of attorneys’ fees. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

## DISCUSSION

<sup>[1]</sup> <sup>[2]</sup> <sup>[3]</sup> We review a grant of summary judgment under the law of the regional circuit, which in this case is the Ninth Circuit. *See, e.g., Cheetah Omni LLC v. AT&T Servs., Inc.*, 949 F.3d 691, 693 (Fed. Cir. 2020). The Ninth Circuit reviews a district court’s grant of summary judgment *de novo*. *See, e.g., L.F. v. Lake Wash. Sch. Dist. #414*, 947 F.3d 621, 625 (9th Cir. 2020). Summary judgment is appropriate when the moving party demonstrates that “there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ. P. 56(a). In other words, summary judgment may only be granted when no “reasonable jury could return a verdict for the nonmoving party.” *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

\*<sup>2</sup> <sup>[4]</sup> <sup>[5]</sup> Summary judgment of obviousness is appropriate if “the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors.” *MRC Innovations, Inc. v. Hunter Mfg., LLP*, 747 F.3d 1326, 1331 (Fed. Cir. 2014) (citation and quotation marks omitted). Design patents are presumed valid and, thus, a moving party seeking to invalidate a design patent at summary judgment must submit such clear and convincing evidence of facts underlying invalidity that no reasonable jury could find otherwise. *See Ethicon Endo-Surgery, Inc. v. Covidien, Inc.*, 796 F.3d 1312, 1328 (Fed. Cir. 2015).

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<sup>[6]</sup> Spigen raises several grounds for reversing the district court’s grant of summary judgment. First, Spigen argues that there is a material factual dispute over whether the ‘218 patent is a proper primary reference that precludes summary judgment. We agree.

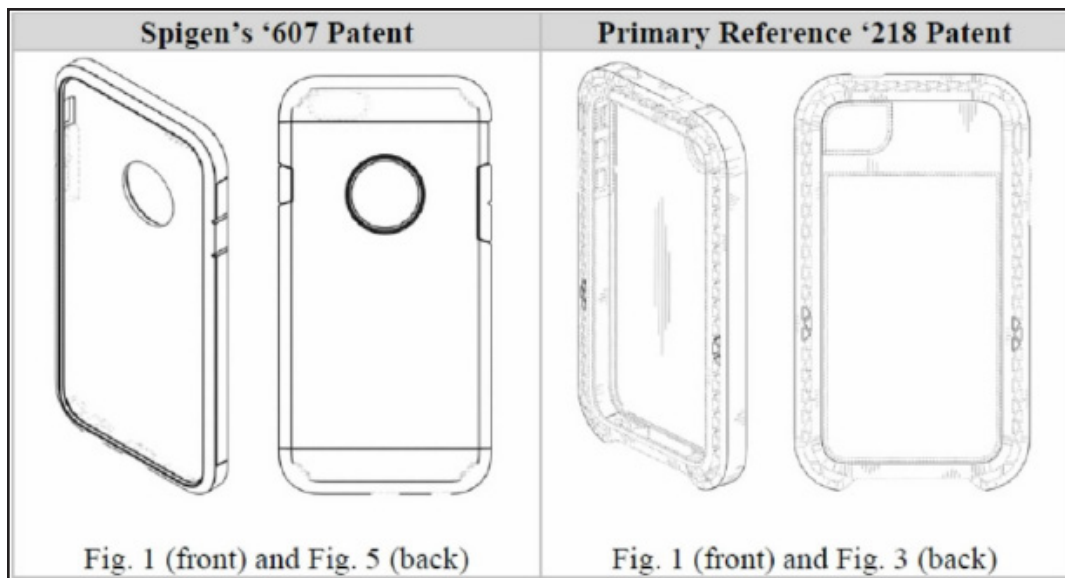
<sup>[7]</sup> <sup>[8]</sup>For design patents, the ultimate inquiry for obviousness “is whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the type involved.” *Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372, 1380–81 (Fed. Cir. 2009) (quoting *Durling v. Spectrum Furniture Co.*, 101 F.3d 100, 103 (Fed. Cir. 1996)). This inquiry is a question of law based on underlying factual findings. See, e.g., *MRC Innovations*, 747 F.3d at 1331. One underlying factual issue is whether a prior art design qualifies as a “primary reference.” *High Point Design LLC v. Buyers Direct, Inc.*, 730 F.3d 1301, 1311 (Fed. Cir. 2013) (explaining that a “finder of fact” must identify a primary reference); see also *Campbell Soup Co. v. Gamon Plus, Inc.*, 939 F.3d 1335, 1340 (Fed. Cir. 2019) (same); *Apple, Inc. v. Samsung Elecs. Co.*, 678 F.3d 1314, 1329 (Fed. Cir. 2012) (same).

<sup>[9]</sup> <sup>[10]</sup> <sup>[11]</sup> <sup>[12]</sup>A “primary reference” is “a single reference that creates ‘basically the same’ visual impression” as the claimed design. *High Point Design*, 730 F.3d at 1312 (quoting *Durling*, 101 F.3d at 103). To be “basically the same,” the designs at issue cannot have “substantial differences in the[ir] overall visual appearance[s].” *Apple*, 678 F.3d at 1330. Additionally, if “major modifications” would be required to make a design look like the claimed design, then the two designs are not “basically the same.” *In re Harvey*, 12 F.3d 1061, 1063 (Fed. Cir. 1993). “[S]light differences” in design, however, do not necessarily preclude a “basically the same” finding. *MRC Innovations*, 747 F.3d at 1333.

<sup>[13]</sup> <sup>[14]</sup>Although a “trial court judge may determine almost instinctively whether the two designs create basically the same visual impression,” *Durling*, 101 F.3d at 103, a trial court is not free to find facts at the summary judgment phase. *Lemelson v. TRW, Inc.*, 760 F.2d 1254, 1260 (Fed. Cir. 1985) (“For summary judgment, fact-finding is an inappropriate exercise, at either the appellate or the district court level. If a dispute requiring a finding exists as to any material fact, summary judgment is improper.”). Thus, if based on the evidence, a reasonable jury *could* find in favor of the non-moving party, a trial court must stay its hand and deny summary judgment of obviousness. See *High Point Design*, 730 F.3d at 1314–15 (reversing the district court’s grant of summary judgment because “there appear to be genuine issues of material fact as to whether the Woolrich Prior Art are, in fact, proper primary references”).

Here, the district court found that despite “slight differences,” the ‘218 patent undisputedly was “basically the same” as the Spigen Design Patents, and, thus, a proper primary reference. J.A. 27. This determination was error because, based on the competing evidence before the district court, a reasonable factfinder could find otherwise.

**\*3** Spigen’s expert, Mr. Delman, testified that the Spigen Design Patents and the ‘218 patent are not “at all similar, let alone ‘basically the same.’ ” J.A. 4703 (quoting Delman Rebuttal Expert Report ¶176). He also testified that unlike the Spigen Design Patents, the ‘218 patent “ ‘[has] unusually broad front and rear chamfers and side surfaces’ and a ‘substantially wider surface,’ ‘lack[s] any outer shell-like feature or parting lines,’ lacks an aperture on its rear side, and ‘[has] small triangular elements illustrated on its chamfers.’ ” *Id.* The following side-by-side comparison of Spigen’s ‘607 patent, representative of the Spigen Design Patents, and the ‘218 patent, displays these differences:



J.A. 86, 90, 161, 163.

Spigen also argued before the district court that:

[d]efendants have proposed so many modifications to the '218 Patent to make it look more like the Spigen patents (e.g., add outer shell that wraps around back and side surfaces, add lateral parting lines, add large circular aperture to rear, shrink the side surfaces, shrink the chamfers, and remove ornamental triangular elements), that the '218 patent can no longer qualify as a primary reference.

J.A. 4704.

Ultraproof, contrastingly, argued below that the '218 patent was “ ‘basically the same’ as the claimed designs” because all of the designs had (1) a “generally rectangular appearance with rounded corners,” (2) a “prominent rear chamfer and front chamfer,” and (3) “elongated buttons corresponding to the location of the buttons of the underlying phone.” J.A. 374–75. Ultraproof argued that the “only perceivable difference[s]” between the '218 patent and the Spigen Design Patents were the “circular cutout in the upper third of the back surface and the horizontal parting lines on the back and side surfaces.” J.A. 375 (footnote omitted).<sup>3</sup>

In the light of the competing evidence in the record, a reasonable factfinder could conclude that the '218 patent and the Spigen Design Patents have substantial differences, and, thus, are not basically the same. See Fed. R. Civ. P. 56(c). Accordingly, the district court’s grant of summary judgment of obviousness was in error and must be reversed. See *Durling*, 101 F.3d at 105 (“Without ... a primary reference, it is improper to invalidate a design patent on grounds of obviousness.”); see also *High Point*, 730 F.3d at 1314–15. We therefore need not address Spigen’s alternative grounds for reversal.<sup>4</sup> We now turn to Ultraproof’s alternative grounds for affirmance.

## II

Ultraproof presents four alternative grounds for affirming if we determine the district court’s obviousness analysis was flawed. Three of these grounds—obviousness over the '209 patent as the primary reference and the '218 patent as the secondary reference; obviousness over various combinations of other prior art; and inequitable conduct—were not decided by the district court. We therefore decline to decide these issues in the first instance. See *TriMed, Inc. v. Stryker Corp.*, 608 F.3d 1333, 1339 (Fed. Cir. 2010) (“Because, as a general matter, a federal appellate court does not consider an issue not passed upon below, ... we decline to address these arguments in the first instance and refer them to the district court for consideration on remand.” (citation and quotation marks omitted)). The district court is free to consider these grounds on remand.

**\*4** As to the fourth ground, Ultraproof argues that we must affirm because the Spigen Design Patents’ claimed designs were described in a printed publication before their effective filing date and are thus precluded from patent protection under 35 U.S.C. § 102(a). Ultraproof cites to two copyright registrations for support. The district court, however, determined that a genuine dispute of material fact exists regarding the publication date of the copyright registration certificates. The district court thus denied this ground of invalidity at the summary judgment phase. We agree with the district court and thus reject this alternative ground.

## CONCLUSION

We have considered the parties’ remaining arguments and find them unpersuasive. We determine that a genuine dispute of material fact exists as to whether the '218 patent is basically the same as the Spigen Design Patents and hence, a proper primary reference. We thus reverse the district court’s grant of summary judgment of invalidity and remand for further proceedings. Because we remand for further proceedings, Ultraproof is no longer the prevailing party. We thus dismiss Ultraproof’s cross-appeal of the district court’s denial of attorneys’ fees as moot. *Circuit Judge Lourie* dissents.

## REVERSED AND REMANDED



## COSTS

No Costs.

**All Citations**

--- F.3d ----, 2020 WL 1897238

## Footnotes

- <sup>1</sup> The design figures of the patent contain solid and broken lines. The broken lines depict features disclaimed from of the claimed design.
- <sup>2</sup> See *supra* note 1.
- <sup>3</sup> On appeal, Ultraproof argues that many of the differences between the Spigen Design Patents and the '218 patent are "largely differences of degree, not characteristic," and, thus, irrelevant to the "basically the same" inquiry. For example, Ultraproof asserts that the '218 patent's "bulkier appearance" is "a difference of degree (large vs small) as opposed to a difference in characteristics, such as [a] sunken screen." We reject this argument. No precedent makes such a distinction, and we decline to do so today.
- <sup>4</sup> Spigen's alternative grounds for reversal are that the district court erred by determining that the '209 patent was an appropriate secondary reference and that Ultraproof's hypothetical combination of the '218 patent and the '209 patent rendered obvious the Spigen Design Patents. Spigen also asserts that even if Ultraproof had made a prima facie case of obviousness, secondary considerations of non-obviousness present a genuine dispute of material fact, precluding summary judgment.

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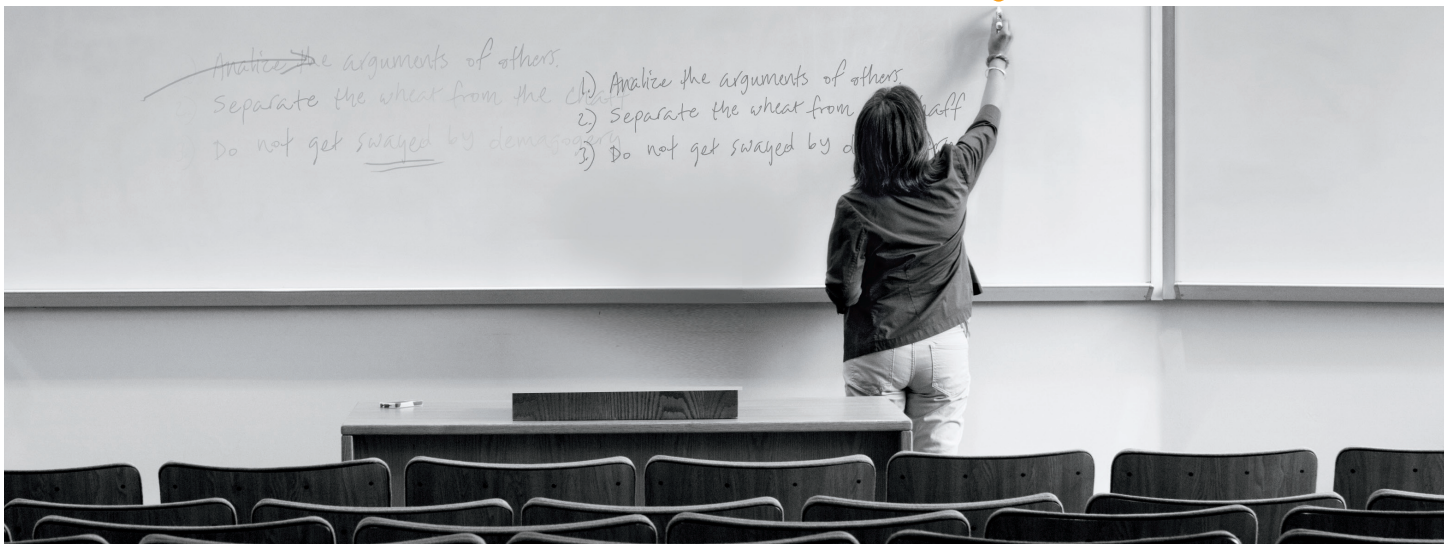
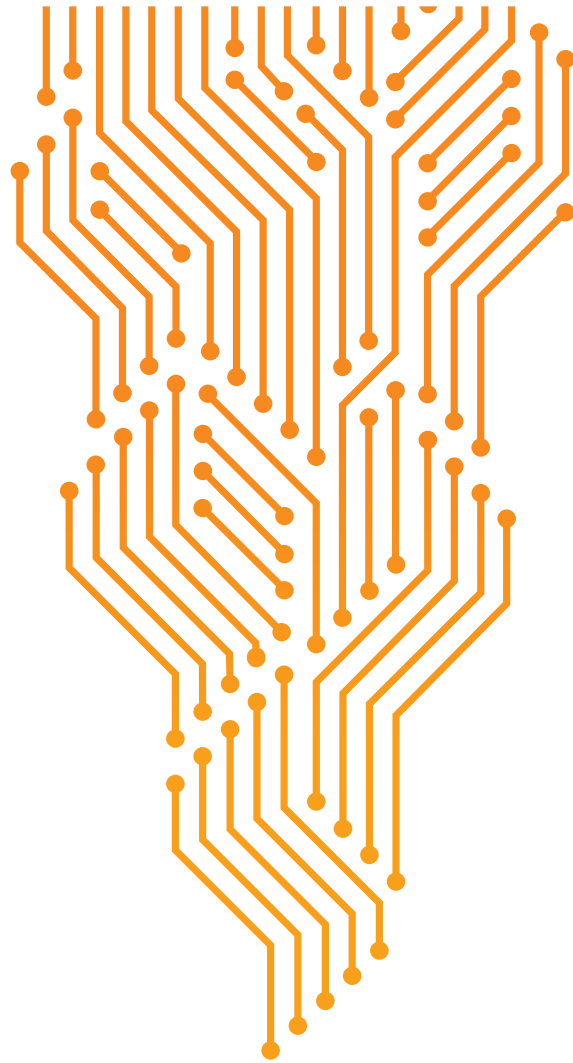
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