No. 26-136

In the Supreme Court of the United States

TESLA, INC.,
Petitioner,
v.
GRANITE VEHICLE VENTURES LLC, ET AL.,
Respondents.

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

BRIEF OF US*MADE, THE ALLIANCE FOR AUTOMOTIVE INNOVATION, HIGH TECH INVENTORS ALLIANCE, THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION, ASSOCIATION FOR COMPETITIVE TECHNOLOGY (ACT), THE SOFTWARE & INFORMATION INDUSTRY ASSOCIATION, BUSINESS SOFTWARE ALLIANCE, AND NATIONAL RETAIL FEDERATION AS AMICI CURIAE IN SUPPORT OF PETITIONER

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QUESTION PRESENTED

The America Invents Act (AIA) provides that a petition for *inter partes* review may not be filed "more than 1 year after the date on which the petitioner . . . is served with a complaint alleging infringement of the patent." 35 U.S.C. § 315(b). Congress made clear that it chose this one-year deadline with a goal of ensuring that petitioners would have adequate time to conduct a prior art search and to learn which patent claims will be asserted in litigation. *See* 157 Cong. Rec. S5429 (daily ed. Sep. 8, 2011).

Since 2020, the USPTO has imposed an additional timeliness condition: it requires that a petition be filed early enough that the *inter partes* review will conclude before the copending infringement litigation is likely to go to trial. As the agency has acknowledged, this rule "may require petitioners to act more quickly than the maximum amount of time permitted by Congress." *Apple Inc. v. Seven Networks, LLC*, IPR2020-00156 (PTAB 2020). In the most popular district for patent infringement litigation, this rule effectively requires a petitioner to file less than four months after it has been sued. In other jurisdictions, there is no time to file at all.

The question presented by this case is, does the one-year statutory deadline for filing an *inter partes* review petition bind the USPTO and control the question of the petition's timeliness in relation to infringement litigation, or may the agency override the statutory time limit with its own rules that further limit the amount of time that is available to file a petition for review?

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INTEREST OF AMICI CURIAE

The U.S. Manufacturers Association for Development and Enterprise is a nonprofit association representing companies manufacturing diverse goods in the United States.[1]

The Alliance for Automotive Innovation represents the full automotive industry, including the manufacturers producing most vehicles sold in the United States and equipment suppliers.

The High Tech Inventors Alliance represents leading technology providers and includes some of the most innovative companies in the world.

The Computer & Communications Industry Association is an international, not-for-profit trade association representing a broad cross section of communications and technology firms.

Association for Competitive Technology (ACT) is a global policy trade association that represents entrepreneurs, innovators, and independent developers within the app ecosystem that engages with verticals across every industry.

The Software & Information Industry Association is the principal trade association for the software and

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[1] Per this Court's Rule 37.2, counsel for the parties were timely notified of amici's intention to file this brief. No counsel for a party wrote any part of this brief and no one other than amici made a monetary contribution in relation to the brief.

digital information industries, serving those in the business of information.

The Business Software Alliance is the global trade association of the enterprise software industry, representing companies that are leaders in artificial intelligence, cybersecurity, cloud computing, quantum, and other breakthrough technologies.

National Retail Federation is the world's largest retail trade association, representing retailers of all sizes, formats, and channels of distribution and spanning all industries.

Amici's member companies are frequent targets of assertions of improperly issued patents and make routine use of the post-issuance review proceedings authorized by the America Invents Act.

SUMMARY OF ARGUMENT

The USPTO claims the authority to override Congress's legislative judgment and rewrite the terms of a statute that Congress negotiated and enacted into law. Congress chose a one-year deadline for filing an *inter partes* review petition. *See* 35 U.S.C. § 315(b). It initially considered a six-month deadline, but extended this period to one year to ensure that infringement litigation will have progressed far enough that the defendant can know which claims of the patent will actually be asserted in court. Congress also extended the deadline to ensure that petitioners would have time to conduct a thorough prior art search, given that they will later be estopped from relying on any invalidity grounds that they "reasonably could have raised" in the *inter partes* review. 35 U.S.C. § 315(e)(2).

Yet the USPTO has adopted a rule that effectively cuts the statutory one-year deadline to less than four months in many cases—and in other cases, makes it impossible to file at all. Since April 2025, the agency has applied this new time limit while retroactively repealing previous safe harbors to bar *hundreds* of *inter partes* review petitions as "untimely" despite being filed within the statutory deadline. An Appendix linked in the footnotes lists the petitions that the USPTO has expressly denied because of its retroactive changes to this rule.[2]

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[2] Appendix at pp. 6-9, available at https://perma.cc/87GY-NLXK.

The USPTO continues to apply this shortened deadline, albeit without explaining its actions. Several months ago, in an admitted attempt to evade judicial review, the agency switched to a practice of summarily denying *inter partes* and post-grant review petitions, without providing any explanation at all for its decisions.

These arbitrary changes to the § 315(b) deadline are not the only way in which the USPTO has abused the supposed "unreviewability" of its institution decisions and policies. For example, it has invoked the same immunity from review to decide that no patent's validity may be challenged once the patent is six years old.

The USPTO's actions are deeply prejudicial to amici's members, who face billions of dollars in potential liability for asserted patents that the agency improperly issued—and now refuses to correct. It was Congress itself that decided that the opportunity to raise invalidity defenses during infringement litigation is not enough—that a more predictable, technically expert validity review is needed, particularly when critical technologies are at stake.

The lower court's decision would afford the USPTO discretion to ignore the statutory framework—all based on a statute that never actually uses the word "discretion." The decision would also unsettle longstanding understandings of the many other federal statutes that use the same formulation that the Federal Circuit now interprets as the source of boundless discretion. And most fundamentally, when Congress enacts a reticulated statutory scheme—with limited safety valves—it cannot plausibly be understood to have intended that the statute would be merely optional for the agency to follow.

ARGUMENT

I. The USPTO's actions violate its authorizing statute and are dismantling the congressionally enacted system of patent validity review.

The USPTO's recent decisions are flatly contrary to the terms of the statute that it is charged with administering. As a result, the agency has "functionally suspended" a program that Congress enacted to protect important sectors of the U.S. economy.

Section 315(b) of the Patent Act sets a one-year deadline for seeking patent validity review at the PTAB once infringement litigation has commenced: "An inter partes review may not be instituted if the petition . . . 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." 35 U.S.C. § 315(b).

Congress specifically chose a one-year deadline to ensure that litigation defendants would have a reasonable opportunity to seek review once they have been sued—indeed, this time limit was one of the last issues to be resolved in the final negotiations on the AIA. The bill that first passed the Senate in 2011 would have set this deadline at six months.[3] The House, however, extended the period to one year. The

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[3] *See* S.23, America Invents Act, 112th Congress (2011), § 5 (proposed 35 U.S.C. § 315(b)).

Senate then acceded to this change, and it was codified in the final law. When the bill returned to the Senate, the bill managers explained why they agreed to the change: they concluded that it was "appropriate to extend the section 315(b) deadline to one year" in order to "afford defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation," especially "in light of the present bill's enhanced estoppels."[4]

On February 28, 2025, however, the USPTO adopted its current rule: an *inter partes* review petition is untimely and will be "discretionarily denied," with no meaningful exceptions, if the timing of its filing is such that the district court case will likely go to trial before the review is completed.[5]

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[4] 157 Cong. Rec. S5429 (daily ed. Sep. 8, 2011).

[5] The USPTO had adopted a version of this rule in 2020, *see Apple Inc. v. Fintiv, Inc.*, IPR2020-00019 (Mar. 20, 2020), but in response to public outcry, soon created an exception to the rule providing that a petition would *not* be denied if the petitioner stipulated that it would not raise any invalidity grounds in district court that it could have raised in the *inter partes* review. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019 (Dec. 1, 2020). This approach was later formalized in a June 21, 2022, memorandum. *See* USPTO, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation, Jun. 21, 2022, available at https://perma.cc/ZN92-T3SN. During the 2020 to 2025 period, the stipulation exception to the time-to-trial rule was more or less absolute: petitioners are aware of only one case in which a set of petitions was denied despite the entry of such a stipulation. Under the approach adopted by the USPTO in March 2025, however, stipulations no longer provide any relief from the new time-to-trial rule.

On March 28, 2025, the USPTO began applying this new deadline retroactively to petitions that had been filed the previous year.[6] Between that date and October 17, 2025, by amici's count, the USPTO denied at least 280 *inter partes* and post-grant review petitions based on this new time limit.[7] And again, the USPTO did not suspend its application of this rule after October 2025—it simply stopped providing any explanation at all for its petition decisions.

In practice, this new time-to-trial rule overwhelmingly bars patent defendants from seeking validity review if they have been sued in the Eastern District of Texas—a venue that alone accounts for over a quarter of all patent infringement lawsuits filed in the United States.[8] Under the AIA and its implementing regulations, an *inter partes* review is scheduled to be completed 18 months after the petition is filed.[9] The USPTO has concluded, however, that the average time to trial in the Eastern District of Texas is about 22 months[10]—which means that once a defendant is sued there, it has less than

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[6] *See Motorola Solutions, Inc. v. Stellar, LL*C, IPR2024-01205, -01206, -01207, -01208 (Mar. 28, 2025).

[7] *See generally* Appendix, *supra* n.2, at 6 (listing petitions denied as a result of the retroactive repeal of safe harbors).

[8] *See* Ryan Davis, New Patent Suits Surge As PTAB Challenges Get Tougher, Law360, August 4, 2026.

[9] *See* 37 C.F.R. § 42.107(b); 35 U.S.C. § 314(b); *id.* § 316(a)(11).

[10] *See Charter Commc'ns, Inc. v. Adaptive Spectrum and Signal Alignment, Inc.*, IPR2024-01379, at 9-11 (Apr. 17, 2025); *Dell Inc. v. Universal Connectivity Techs., Inc.*, IPR2024-01479, -01478, at 5-6 (Apr. 7, 2025).

four months to prepare and file a petition under the USPTO's new time-to-trial rule. Of the 280 petitions that have been expressly denied under this rule, 217 petitions—about 77%—have been denied because of copending litigation in the Eastern District of Texas.[11] In effect, the *plaintiff's* choice of litigation venue determines whether the *defendant* can seek validity review at the USPTO.

In addition, the agency's new time-to-trial rule makes it virtually impossible to seek *inter partes* review if the petitioner is the target of an enforcement investigation at the International Trade Commission. Such investigations are expedited—they usually are completed in less than 18 months.[12] Thus although only a limited number of these proceeding are filed each year,[13] in 2025 they accounted for the denial of

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[11] For this and other reasons, this district is a favorite venue of non-practicing patent plaintiffs, who usually acquire their patents on the secondary market and whose patents tend to be of low quality. The Eastern and Western Districts of Texas account for two-thirds of all non-practicing patent plaintiff litigation in the United States. *See* Unified Patents, Patent Dispute Report: Q3 in Review, Oct. 9, 2025, available at https://www.unifiedpatents.com/insights/2025/10/9/patent-dispute-report-q3-2025-in-review.

[12] *See* USITC, Section 337 Statistics: Average Length of Investigations (updated Feb. 3, 2026), available at https://www.usitc.gov/intellectual_property/337_statistics_average_length_investigations.htm.

[13] *See* USITC, Section 337 Statistics: Number of New, Completed, and Active Investigations By Fiscal Year (updated Feb. 3, 2026), available at https://www.usitc.gov/intellectual_property/337_statistics_number_new_completed_and_active.htm.

25 *inter partes* review petitions. Notably, the USPTO bars PTAB validity review based on the pendency of an ITC proceeding even though such investigations lack the authority to cancel invalid patent claims or to preclude their enforcement in district court.[14]

The 280 *inter partes* review petitions that were expressly rejected by the USPTO based on the new time-to-trial rule were all denied between March 28, 2025, and October 17, 2025. After this period, the USPTO did not suspend its application of this rule—instead, it simply stopped providing any explanation of its decisions to reject AIA petitions. In September 2025, in response to court challenges to the legal justifications for the USPTO's new rules, agency officials stated that they "could just issue one-word decisions denying review without explanation."[15] In a subsequent policy memorandum, the USPTO Director announced that he will personally decide each PTAB petition, and if he "determines that institution is not appropriate, whether based on discretionary considerations, the merits, or other non-

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[14] *See Hyosung TNS Inc. v. ITC*, 926 F.3d 1353, 1358 (Fed. Cir. 2019) ("[W]e have held that the ITC's determination of patent infringement and validity do not have claim or issue preclusive effect even if affirmed by our court"); *Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569 (Fed. Cir. 1996).

[15] Ryan Davis, Stewart Says New Policies Seek Fairness for Patent Owners, Law360, Sep. 15, 2025.

discretionary considerations, the Director will issue a summary notice denying institution."[16]

The first such summary denials were issued on October 31, 2025. On that date, 13 separate petitions for *inter partes* review—each of which included up to 14,000 words of legal analysis and was accompanied by a $23,750 nonrefundable filing fee—were summarily denied in a notice that simply listed the docket numbers of the petitions. Here is what these notices look like:

[16] Director Institution of AIA Trial Proceedings, October 17, 2025, available at https://perma.cc/DQ5J-X5G4.

Trials@uspto.gov
571-272-7822

Paper 14
Date: October 31, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

NOTICE OF DECISIONS ON INSTITUTION

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*.

NOTICE

Pursuant to 35 U.S.C. § 314(a), institution of *inter partes* review is denied in the following proceedings[1]:

IPR2025-01014
IPR2025-01105
IPR2025-01106
IPR2025-01114
IPR2025-01117
IPR2025-01118
IPR2025-01137
IPR2025-01139
IPR2025-01154
IPR2025-01166
IPR2025-01167
IPR2025-01221
IPR2025-01240

[1] *See* Memorandum entitled "Director Institution of AIA Trial Proceedings." Available at https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf.

Since this initial batch of summary denials, the USPTO has summarily denied an additional 333 petitions for *inter partes* and post-grant review for what it has designated as "discretionary" reasons. No further explanation has been provided by the agency as to why it denied these petitions.

The reason for this change is clear: to avoid providing a justification for the agency's conduct that this or any other court can review. As Professor Dennis Crouch has noted, while "[a]n agency that expects to defend a rule in court has to state the rule and give reasons for it," "[a]n agency that expects no court to ask can stop explaining, and that is roughly the path the Office has taken since October 2025." [17]

In addition to the time-to-trial rule, the USPTO has invoked the unreviewability of its decisions to impose several other procedural rules in the past year and a half that override the AIA's statutory framework and make review proceedings inaccessible for broad classes of litigation defendants.

On June 18, 2025, the agency announced and began applying a rule that once a patent is six years old, the patent owner acquires "settled expectations" that the patent's validity cannot be challenged in an AIA proceeding.[18] Notably, the average age of all the patents that have been challenged in an *inter partes*

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[17] Dennis Crouch, Four Petitions, One Question: Tesla Joins the Supreme Court's IPR Reviewability Docket, PatentlyO, Jul. 30, 2026, available at https://perma.cc/XJU5-NFTN.

[18] *See Dabico Airport Solutions Inc v. AXA Power ApS*, IPR2025-00408 (Jun. 18, 2025).

review in the nearly decade and a half since the AIA was enacted is 6.7 years.[19] About half of these challenged patents would have been immune from review under the USPTO's new rule.[20] Between June 18, 2025 and October 17, 2025, the USPTO expressly denied 201 *inter partes* review petitions on the basis of "settled expectations."[21] And again, the agency did not suspend application of this rule after that date—it simply stopped providing any explanation at all for its "discretionary denial" decisions.

The USPTO also has adopter other extra-statutory procedural bars. For example, despite the fact that the Court of Appeals has determined that equitable defenses such as assignor estoppel do not apply in *inter partes* and post-grant reviews,[22] and despite the fact that this Court has narrowed the scope of assignor estoppel,[23] the USPTO has begun applying the pre-2021 version of assignor estoppel to bar petitions for AIA review.[24]

By amici's count, since March 28, 2025, the USPTO has denied 802 petitions for *inter partes* or

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[19] *See* DeFosse, J., Data Undermines USPTO's "Settled Expectations" Doctrine, Law360, Aug. 29, 2025.

[20] *See id.*

[21] *See* Appendix at 1-6, available at https://perma.cc/87GY-NLXK.

[22] *See Arista Networks, Inc. v. Cisco Systems, Inc.*, 908 F.3d 792, 803-04 (Fed. Cir. 2018).

[23] *See Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 576-77 (2021).

[24] *See* Appendix, *supra* n.21, at 11.

post-grant review for non-statutory "discretionary" reasons.

Every single one of these petitions cost at least $100,000 to prepare and file. Virtually all of them were an important part of the petitioner's defense to an allegation of patent infringement.[25] And all these petitions have now been denied because of ad hoc rules that not only are contrary to the statutory framework, but in most cases did not even exist when the petitions were filed.

In the past, the institution rate for AIA proceedings was consistently about 67% and almost all petition denials were based on the evidentiary merits.[26] But since October 2025, the petition institution rate has plummeted to 25%.[27] Unsurprisingly, "[t]he number of America Invents Act petitions [filed has] continued to crater . . . as [these]

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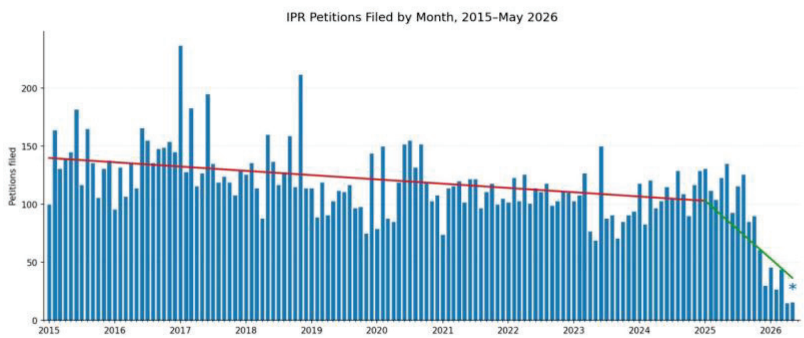
[25] The vast majority of AIA review petitions are filed in response to litigation over the asserted patents. *See* PTAB Parallel Litigation Study June 2022, available at https://perma.cc/8KJV-V5WY (noting that 80% or more of PTAB petitioners have been sued by the patent owner prior to the filing of their petition). In amici's experience, the bulk of the remaining petitions arise from situations in which litigation has either been threatened or is otherwise highly likely.

[26] *See* PTAB Trial Statistics: 2025 End of Year Outcome Roundup, slide 7, available at https://perma.cc/2NAR-9LGK; Wilson Sonsini, 2023 PTAB Year in Review, at 2, available at https://perma.cc/77D8-SLGU.

[27] *See* Theresa Schliep, Squires Snubs 10 IPRs While 4 Pass Muster In Latest Order, Law360, April 29, 2026.

policies . . . [have] settled in”[28] and it has become clear that the USPTO has “effectively shut down *inter partes* review for most filers.”[29] The following chart, which tracks all petitions filed since 2015, illustrates the recent decline in filings:[30]



“Practitioners have done the math: if [*inter partes* review] petitions are denied at the front end regardless of merit, the cost-benefit calculus no longer works.”[31] By administrative fiat, the congressionally

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[28] Theresa Schliep, PTAB Petitions Continue To Plummet As Reexams Surge, Law360, April 17, 2026.

[29] Dennis Crouch, Borrowing from the Board: District Court Obviousness in the Post-IPR Era, PatentlyO, May 21, 2026, available at https://perma.cc/UAC8-CNGX.

[30] *See* Dennis Crouch, Inter Partes Review in 2026, PatentlyO, May 24, 2026, available at https://perma.cc/QE34-RUTC.

[31] *Id.*

enacted system of patent validity review has been "functionally suspended."[32]

[32] *Id.*

II. This Court has recognized that when Congress sets a deadline, that deadline controls the question of a proceeding's timeliness.

In a closely analogous context, this Court has rejected the notion that a statutory limitations period can be overridden or further limited by other branches of government. The Copyright Act provides that an action for infringement must be "commenced within three years after the claim accrued." 17 U.S.C. § 507(b). Some courts, however, had adopted the view that an action filed within that three-year window could nevertheless be barred if, in the court's judgment, the copyright holder unreasonably and prejudicially delayed in filing suit.

This Court rejected that approach in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U.S. 663 (2014). It held that to the extent that an action "seeks relief solely for conduct occurring within the limitations period . . . courts are not at liberty to jettison Congress' judgment on the timeliness of suit." *Id.* at 667. When Congress adopts a statutory deadline for filing a proceeding, "that regime leaves little place for a doctrine that would further limit the timeliness of" a filing. *Id.* at 685. This Court rejected policy arguments for requiring earlier filing in particular circumstances, holding that "Congress must have been aware" of such issues and yet "chose, nonetheless, to give" parties a set statutory period for filing a proceeding. *Id.* at 683. *Petrella* distinguished other statutory schemes, such as the Lanham Act, which "contains no statute of limitations, and expressly provides for defensive use of 'equitable principles, including laches.'" *Id.* at 678 n.15.

This Court has also made clear that "*Petrella*'s reasoning applies to a similar provision of the Patent Act." *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods.*, LLC, 580 U.S. 328, 332 (2017). *SCA Hygiene* reiterates that "[w]hen Congress enacts a statute of limitations, it speaks directly to the issue of timeliness and provides a rule for determining whether a claim is timely enough to permit relief." *Id.* at 334. Pertinent to what the USPTO is doing via its time-to-trial rule, the Court held that "[t]he enactment of a statute of limitations necessarily reflects a congressional decision that the timeliness of covered claims is better judged on the basis of a generally hard and fast rule rather than the sort of case-specific judicial determination that occurs when a laches defense is asserted." *Id.* at 334-35. *SCA Hygiene* particularly emphasized that allowing another branch of government to supplement a statutory limitations period with its own additional criteria for timeliness would improperly give that body a "legislation-overriding role." *Id.* at 335. The Court held that a statute does not create "gaps" for another branch to fill simply because that branch concludes that a hard-and-fast deadline "could produce policy outcomes. . . [it] deem[s] undesirable." *Id.*

The USPTO's time-to-trial rule is indistinguishable from what this Court condemned in *Petrella* and *SCA Hygiene*. Like the Copyright Act and other parts of the Patent Act, 35 U.S.C. § 315(b) sets an express statutory deadline for filing a review petition when there is copending litigation. As in *Petrella*, Congress "must have been aware" of trial courts that get to trial quickly. Indeed, by creating a supplemental proceeding that is parallel to and frequently results in a stay of district court litigation, Congress cannot have made 'speed to judgment' its overriding objective in designing these proceedings—it must have known that when a *inter partes* review is instituted, litigation will frequently be delayed.

Thus, just as in *Petrella*, when an *inter partes* review petition is filed "within the limitations period," the agency is "not at liberty to jettison Congress's judgment as to the timeliness" of the petition, *Petrella*, 572 U.S. at 667—that statutory time limit "leaves little place" for policy arguments for "further limit[s] [on] the timeliness of" the petition. *Id*. at 685. And just as in *SCA Hygiene*, Congress chose a "hard and fast rule"—the agency's concerns about "policy outcomes" do not authorize it to engage a "legislation-overriding role." *SCA Hygiene*, 580 U.S. at 335.

Once Congress has negotiated and enacted a deadline for filing a validity-review petition that runs one year from when litigation is served, that statutory deadline controls the question of whether the petition is timely in relation to the litigation.

III. PTAB petitioners—and the public—have legitimate interests in AIA reviews that are entitled to legal protection.

As a result of the USPTO's retroactive application of its new PTAB rules, there are now *hundreds* of patent-infringement lawsuits going forward in the United States in which the defendant prepared and filed a PTAB petition challenging the validity of the asserted patent but that the agency refused to consider on its merits.[33]

There is no need to speculate as to the likely consequences of the USPTO's actions; recent experience shows us exactly what will happen. During 2020, when the USPTO experimented with an earlier version of its time-to-trial rule,[34] the rule was applied retroactively to bar review of a series of patents that had been asserted against Intel Corporation. During the next two years, two of those patents, after "discretionary" denial of review by the agency, went to trial and resulted in $2.3 billion in damages awards against Intel to VLSI Technology LLC, a non-practicing entity controlled by Fortress

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[33] Historically, the Board has found a "reasonable likelihood" that a patent is invalid and institutes review for about two-thirds of petitions and has then found all claims invalid in a final written decision for about 65% of those instituted petitions. *See* PTAB Trial Statistics: 2025 End of Year Outcome Roundup, slides 7, 11, *supra* n.26.

[34] *See generally supra* n.5.

Investment Group, which is majority-owned by financial interests in Abu Dhabi.[35]

The next year, however, the USPTO allowed *other* entities to challenge the same patents, on the same grounds that Intel had tried to present—and concluded that all the challenged claims are invalid as obvious.[36]

In other words, the "discretionary" denial of review allowed VLSI to go to trial and seek billions in damages from America's leading-edge chip manufacturer based on two patents that the USPTO has now determined are invalid. This type of litigation diverts resources away from investment in building new chip fabs and in maintaining America's leadership in this critical technology.

And again, this experience is now being repeated in hundreds of lawsuits across the country—cases in which frequently hundreds of millions, and at times billions, of dollars are at stake. As a broad coalition of businesses recently warned, "[i]f these Patent Office policies remain unchecked, they will lead to a

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[35] *See* Reuters, Intel loses U.S. patent trial, ordered to pay $2.18 billion to VLSI Tech, Mar. 2, 2021; Britain Eakin, Intel Hit With $949M Verdict In Latest VLSI Patent Fight, Law360, Nov. 5, 2022.

[36] *See Intel Corp. v. VLSI Tech. LLC*, IPR2021-01064 (May 12, 2023); *Patent Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229 (June 13, 2023).

systematic looting of the American industrial economy."[37]

Nevertheless, the Federal Circuit has determined that defendants that are sued on invalid patents do not suffer any prejudice from the USPTO's arbitrary restrictions on access to AIA reviews—even when these rules are applied retroactively—because a defendant remains free "to properly raise its patentability defenses elsewhere."[38]

AIA reviews, however, are the *only* contested proceedings in which an issued patent can be evaluated by the USPTO's technical experts. Courts have long recognized the benefits of applying such expertise to the difficult scientific questions that often arise in patent cases.[39]

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[37] *See* Adam Lidgett, Industry Groups Want Trump Admin To Stop PTAB Changes, Law360, Nov. 4, 2025.

[38] *In re Motorola Sols.*, 159 F.4th 30, 38 (Fed. Cir. 2025).

[39] *See, e.g.*, *Cochrane v. Deener*, 94 U.S. 780, 784 (1876) ("Neither courts nor ordinary juries are perfectly adapted to the investigation of mechanical and scientific questions"—"it would, perhaps, be desirable if all cases of this sort could be referred to a commission of intelligent experts and practical men"); *Parke-Davis & Co. v. H. K. Mulford Co.*, 189 F. 95, 115 (C.C.S.D.N.Y. 1911) (Hand, J.) (noting the challenges of ruling on a chemical patent case "without any knowledge of even the rudiments of chemistry," and suggesting the creation of a tribunal of "technical judges to whom technical questions are submitted"); the Honorable Alan D Albright, U.S. District Judge (W.D. Tex.) ("[N]ever, ever, ever, ever, ever offer an obviousness argument to a jury," as the jury will not understand it.) (<u>quoted in</u> Dani

And more fundamentally, it is Congress itself that decided that the opportunity to raise validity defenses during infringement litigation is not enough. Although civil litigation over patent validity has always been available, in 1980 Congress authorized—and thereafter repeatedly reenacted and refined—post-issuance review at the USPTO.[40] The proceedings serve the "important congressional objective" of applying the USPTO's expertise to "revisit and revise earlier patent grants," *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 272 (2016), thereby addressing "overpatenting and its diminishment of competition." *Thryv, Inc v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020).

Kass, What Judges Want You to Know: Litigate Smarter, Law360, Feb. 11, 2025).

[40] *See* H.R. Rep. No. 96-1307, 96th Cong., at 4 (1980) (emphasizing the need "to have the validity of patents tested in the Patent office where the most expert opinions exist and at a much reduced cost") (report to accompany H.R. 6933, authorizing reexamination of patents); Weekly Compilation of Presidential Documents, President Jimmy Carter, Dec. 12, 1980, Vol. 16, No. 50 (Statement on Signing H.R. 6933 into Law) ("Patent reexamination will . . . . improve the reliability of reexamined patents, thereby reducing the costs and uncertainties of testing patent validity in the courts.").

IV. The statutory framework for patent-validity reviews is not merely optional for the agency to follow.

Section 314—"the section housing the command to the Director to 'determine whether to institute,'" *Thryv*, 590 U.S. at 57—does not actually use the word "discretion." The Court of Appeals has nevertheless identified unbounded discretion in the statute because its institution-threshold determination is stated in the negative—the Director "may not authorize an *inter partes* review to be instituted . . . unless [the meris threshold is met]." 35 U.S.C. § 314(a). Because of this language, the Federal Circuit has concluded that "the Director is . . . *never* compelled[] to institute [review]." *Mylan Labs. Ltd. v. Janssen Pharm., N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021) (emphasis added). Under this construction, the statutory requirements merely set a floor that can be revised upward—the agency has unlimited discretion to impose conditions more demanding than those that Congress enacted. Such a construction ignores the statute and robs Congress of its authority.

A. The Federal Circuit's interpretation would wreak havoc with other federal statutes.

The "may not . . . unless" statutory formulation is hardly unique to the America Invents Act. Many other federal statutes that establish rules for agencies to follow employ the same language. And particularly when these statutes set rules for regulating private parties' conduct or proceedings, it should be obvious that Congress did *not* intend that its codified criteria for agency decisionmaking would serve as a mere polite suggestion to the agency.

Several statutes use this formulation to set rules for an agency to apply when regulating the licensure of various businesses and professions. The words "may not . . . unless" govern the application of the statutory standards that determine who may operate the businesses of providing passenger transportation between maritime ports,[41] processing or catching fish,[42] providing certain telecommunication or information services,[43] broadcasting low-power television signals,[44] operating an insured State bank,[45] originating loans,[46] or selling motor

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[41] *See* 46 U.S.C. § 55103(a) ("A vessel may not transport passenger between ports or places . . . unless"); *see also id.* § 40901(a).

[42] *See* 46 U.S.C. § 4503(a) ("A vessel to which this subsection applies may not be operated unless"); *see also* 16 U.S.C. § 5503(a) ("No high seas fishing vessel shall engage in harvesting operations on the high seas unless").

[43] *See* 47 U.S.C. § 272(a)(1) ("A Bell operating company (including any affiliate) which is a local exchange carrier that is subject to the requirements of section 251(c) of this title may not provide any service described in paragraph (2) unless").

[44] *See* 47 U.S.C. § 336(f)(7) ("The Commission may not grant a class A license . . . unless").

[45] *See* 12 U.S.C. § 1831a ("an insured State bank may not engage as principal in any type of activity that is not permissible for a national bank unless").

[46] *See* 12 U.S.C. § 5103(a) ("an individual may not engage in the business of a loan originator without first").

vehicles.[47] The same statutory formulation also governs whether health-care professionals under military jurisdiction may work in their professions.[48]

The persons regulated under these statutes may believe that their right to pursue their livelihoods is determined by the conditions established in the statutes. Under the Federal Circuit's construction, however, the regulating agency "is never compelled" to allow them to do so. *Mylan*, 989 F.3d at 1382. The agencies would be free to elevate the statutory requirements or to impose additional conditions—a fishing vessel, for example, could also be required by the agency to pay for and carry a government-certified third-party observer to ensure compliance with the agency's rules—regardless of what the statute says.

Persons facing federal or state criminal punishment may also find themselves at a disadvantage under the Federal Circuit's interpretive approach. Such persons may believe that they can appeal their conviction or sentence upon making "a substantial showing of the denial of a constitutional right,"[49] but the relevant statutes' use of "may not . . . unless" would indicate, per the decision below, that

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[47] *See* 49 U.S.C. § 30112(a)(1) ("a person may not manufacture for sale, sell, offer for sale, introduce or deliver for introduction in interstate commerce, or import into the United States, any motor vehicle or motor vehicle equipment . . . unless").

[48] *See* 10 U.S.C. § 1094(a)(1) ("A person under the jurisdiction of the Secretary of a military department may not provide health care independently as a health-care professional under this chapter unless").

[49] 28 U.S.C. § 2253(c)(2).

this is only a floor—other conditions may also be imposed on the right to appeal.[50]

Private landlords could find that they are never allowed to increase rents;[51] candidates for office that they can never use campaign funds to travel by air;[52] certain overseas tort claimants could never seek relief;[53] and customer claims could never be subordinated in bankruptcy[54]—all because Congress gave an agency or tribunal discretion to depart from statutory standards by using the words "may not . . . unless."

The same statutory wild card even applies to other aspects of intellectual-property law. The Copyright Claims Board would *never* be required to entertain a

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[50] *See id.* § 2253(c)(1) ("Unless a circuit justice or judge issues a certificate of appealability, an appeal may not be taken to the court of appeals from . . . the final order in a habeas corpus proceeding [challenging State or Federal detention]").

[51] *See* 42 U.S.C. § 1490j ("The Secretary may not approve any increase in rental payments . . . unless").

[52] 52 U.S.C. § 30114(c)(1) ("a candidate for election for Federal office . . . or any authorized committee of such a candidate, may not make any expenditure for a flight on an aircraft unless").

[53] *See* 7 U.S.C. § 2262a(b) ("A claim may not be allowed under this section unless").

[54] 11 U.S.C. § 747 ("unless all other customer net equity claims have been paid in full, the trustee may not pay . . . any net equity claim of a customer").

claim[55] and the USPTO would never be required to allow a patent applicant to claim priority to its provisional application[56] under the Federal Circuit's statutory construction.

If the decision below is correct, then all these statutes vest their administrators with unbridled power over the American people. For all these statutory schemes to operate within the specified legal constraints—as Congress obviously intended—then only the decision below need be wrong.

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[55] 17 U.S.C. § 1505(a) ("A claim or counterclaim alleging infringement of an exclusive right in a copyrighted work may not be asserted before the Copyright Claims Board unless"); *id.* § 1504(b)(1) ("A proceeding may not be maintained before the Copyright Claims Board unless").

[56] *See* 35 U.S.C. § 119(e)(2) ("A provisional application filed under section 111(b) may not be relied upon in any proceeding in the Patent and Trademark Office unless").

B. *Inter partes* review's statutory safety valve confirms that broad "resources" discretion was not intended by Congress.

The USPTO has suggested that "resource constraints" compel it to arbitrarily restrict access to AIA reviews.[57] That justification is inconsistent with the structure Congress established. The statute itself requires the agency to set fees for the proceedings that are adequate to cover the "aggregate costs" of conducting the reviews.[58] There is no question that the fees that the USPTO has been collecting have been sufficient for this purpose.

Moreover, AIA proceedings are not enforcement proceedings in which the agency investigates and prepares its case. They are adjudicative proceedings in which the *petitioner* develops the evidence and brings the case to the agency—the PTAB simply decides whether the petitioner has met its burden of proof. There can be no dispute that the USPTO *can* address the merits of every PTAB petition that is presented to it—it *did* address the merits of almost every petition prior to the agency's recent enthusiasm for "discretionary denials."

Finally, the statute itself provided a resources safety valve during the initial years of standing up the proceedings. Titled "Graduated Implementation,"

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[57] *See, e.g.*, USPTO Brief in Federal Circuit Appeal No. 2025-148, at 32.

[58] *See* 35 U.S.C. §§ 311(a), 321(a).

this provision authorized the Director to "impose a limit on the number of inter partes reviews that may be instituted . . . during each of the first 4 1-year periods [that the proceedings] are in effect."[59] The fact that Congress enacted this provision—which was never used and expired in 2016—confirms that it did not understand the AIA to otherwise vest the Director with unlimited authority to impose extra-statutory restrictions on access to AIA proceedings.

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[59] AIA, Pub. L. No. 112-29, § 6(c)(2)(B).

CONCLUSION

The petition for certiorari should be granted.

Respectfully submitted,

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