

No. _____

In The
Supreme Court of the United States

—————◆—————
SPIP LITIGATION GROUP, LLC,

Petitioner,

v.

APPLE, INC. and CISCO SYSTEMS, INC.,

Respondents.

—————◆—————
**On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

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PETITION FOR A WRIT OF CERTIORARI

—————◆—————
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QUESTION PRESENTED

Petitioner holds four patents that claim a new method for establishing point-to-point communications over a computer network. The validity of these patents was sustained by the Patent Trial and Appeal Board (“PTAB”) and by two decisions of the Court of Appeals for the Federal Circuit. Claiming infringement of its patents, petitioner sued Apple and Cisco Systems in the Northern District of California, the defendants’ home district. In an unreported decision, the District Judge granted summary judgment to Apple and Cisco Systems. He ruled that statements made by petitioner’s counsel during oral argument in one of petitioner’s successful appeals to the Federal Circuit narrowed the petitioner’s patent claims so that the Apple and Cisco systems did not infringe petitioner’s patents. The District Court decision raised only issues of law. Petitioner appealed to the Federal Circuit with a 54-page principal brief and a 38-page Reply Brief. Apple’s and Cisco Systems’ briefs totaled 110 pages. Less than two weeks after oral argument, a Federal Circuit panel issued a decision that stated, *in toto*, “AFFIRMED. See Fed. Cir. R. 36.”

The Question Presented is:

Whether Rule 36(e) of the Federal Circuit’s Rules of Procedure violates the Fifth Amendment by authorizing panels of the Federal Circuit to affirm, with no explanation whatever, a District Court judgment resolving only issues of law.

CORPORATE DISCLOSURE STATEMENT

Pursuant to Supreme Court Rule 29.6, SPIP Litigation Group, LLC,¹ is a privately held corporation and none of its shares is held by a publicly traded company.

RELATED CASES STATEMENT

The proceedings in federal trial and appellate courts identified below are directly related to the above-captioned case in this Court.

Samsung Electronics Co., Ltd. v. Straight Path IP Group, Inc., No. 16-2004, United States Court of Appeals for the Federal Circuit. Judgment entered June 23, 2017. 696 Fed. Appx. 1008 (Fed. Cir. 2017).

Straight Path IP Group, Inc. v. Sipnet Eu S.R.O., No. 15-1212, United States Court of Appeals for the Federal Circuit. Judgment entered November 25, 2015. 806 F.3d 1356 (Fed. Cir. 2015).

Straight Path IP Group, Inc. v. Bandwidth.Com, Inc., No. 1:13-CV-00932, United States District Court for the Eastern District of Virginia. Order of Dismissal entered July 2, 2014. 2014 WL 793528 (E.D. Va. 2014).

¹Petitioner has gone through various name changes. This is its current name, but the titles of previous litigations have identified it by different former names.

TABLE OF CONTENTS

	<i>Page</i>
QUESTION PRESENTED	i
CORPORATE DISCLOSURE STATEMENT	ii
RELATED CASES STATEMENT	ii
TABLE OF AUTHORITIES	v
OPINIONS BELOW	1
JURISDICTION	1
RULE OF PROCEDURE INVOLVED	1
STATEMENT	2
1. Petitioner’s Patents	2
2. The PTAB Sustains Petitioner’s Patents.....	4
3. Petitioner Refiles the Infringement Claims	5
4. The Federal Circuit Affirms the PTAB.....	5
5. Petitioner’s District Court Evidence	6
6. Defendants Win Summary Judgment	7
7. Petitioner Appeals	7
8. The Federal Circuit’s Delphic Decision	8
9. Rehearing Is Denied	9
REASONS FOR GRANTING THE WRIT.....	10
INTRODUCTION	10
I. THE FEDERAL CIRCUIT’S RULE 36(e) PRACTICE CONFLICTS WITH THE RULES AND PRACTICES OF NINE OTHER CIRCUITS.....	12

II. RULE 36 AND ITS EXCESSIVE USE BY THE FEDERAL CIRCUIT HAVE BEEN SEVERELY CRITICIZED BY LAWYERS AND SCHOLARS.....	16
III. THIS COURT SHOULD DECIDE WHETHER AN APPELLANT RAISING ONLY LEGAL ISSUES IS DENIED DUE PROCESS OF LAW BY A TOTALLY UNEXPLAINED AFFIRMANCE.....	20
CONCLUSION.....	23
APPENDIX	
Appendix A Judgment of the United States Court of Appeals for the Federal Circuit (January 23, 2019).....	1a
Appendix B Opinion and Order of the United States District Court, Northern District of California (December 13, 2017).....	3a
Appendix C Federal Circuit Order Denying Rehearing and Rehearing <i>En Banc</i> (March 28, 2019)	37a
Appendix D Appellant’s Petition for Panel Rehearing and Rehearing <i>En Banc</i> (February 22, 2019)	39a

TABLE OF AUTHORITIES

Cases

<i>Ates v. Commissioner of Internal Revenue</i> , 672 F.2d 468 (5th Cir. 1982)	21
<i>Birth v. United States</i> , 958 F.2d 362 (3d Cir. 1992)	14
<i>Furman v. United States</i> , 720 F.2d 263 (2d Cir. 1983)	21
<i>Moose Lodge No. 107 v. Irvis</i> , 407 U.S. 163 (1972)	10
<i>National Labor Relations Board v. Amalgamated Clothing Workers of America</i> , 430 F.2d 966 (5th Cir. 1970)	12
<i>Samsung Electronics Co., Ltd. v. Straight Path IP Group, Inc.</i> , 696 Fed. Appx. 1008 (Fed. Cir. 2017)	5
<i>SAS Institute, Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018)	19, 23
<i>Sipnet EU S.R.O. v. Straight Path IP Group</i> , 2016 WL 7335394 (PTAB, May 23, 2016)	4
<i>Specialty Fertilizer Products, LLC v. Shell Oil Co.</i> , No. 17-1243, <i>cert. denied</i> , 138 S. Ct. 2678 (2018)	19

TABLE OF AUTHORITIES

<i>Straight Path IP Group, Inc. v. Sipnet EU S.R.O.</i> , 806 F.3d 1356 (Fed. Cir. 2015)	4
<i>Taylor v. McKeithen</i> , 407 U.S. 191 (1972)	20, 21
<i>Teva Pharm. USA, Inc. v. Sandoz, Inc.</i> , 135 S. Ct. 831 (2015)	10
<i>United States v. Baynes</i> , 548 F.2d 481 (3d Cir. 1977)	21

Statutes and Rules

35 U.S.C. § 144	18
1st Cir. R. 36 (a)	13
2d Cir. I.O.P. 32.1.1.....	13
3d Cir. I.O.P. 6.3.2.....	13
4th Cir. R. 36.3	14
5th Cir. R. 47.6	12
6th Cir. R. 36	14
8th Cir. R. 47B	12
9th Cir. R. 36-1	14
10th Cir. R. 36.1	12
D.C. Cir. R. 36(c)	15
Fed. Cir. R. 36	<i>passim</i>

TABLE OF AUTHORITIES

Other Sources

- David Johnson, “*You Can’t Handle the Truth!* – *Appellate Courts’ Authority To Dispose of Cases Without Written Opinions*,” 22 App. Advoc. 419 (2010) 17
- Dennis Crouch, “*Wrongly Affirmed Without Opinion*,” 52 Wake Forest L. Rev. 561 (2017)..... 16
- Gene Quinn and Steve Brachmann, “*No End in Sight for Rule 36 Racket at Federal Circuit*,” <https://www.ipwatchdog.com/2019/01/29/no-end-sight-rule-36-racket-cafd/id-105696/> 16, 18
- Gene Quinn and Steve Brachmann, “*Is the Federal Circuit Using Rule 36 To Avoid Difficult Subject Matter?*” <https://www.ipwatchdog.com/2018/07/30/federal-circuit-rule-36-avoid-difficult-subject-matter/id=99202/>..... 16
- Mathilde Cohen, “*When Judges Have Reasons Not To Give Reasons: A Comparative Law Approach*,” 72 Wash. & Lee L. Rev. 483 (2015) 16
- Matthew J. Dowd, “*Rule 36 Decisions at the Federal Circuit: Statutory Authority*,” 21 Vand. J. Ent. & Tech. L. 857 (2019)..... 18

TABLE OF AUTHORITIES

Peter Harter and Gene Quinn, “*Rule 36: Unprecedented Abuse at the Federal Circuit*,” [https://www.ipwatchdog.com/2017/01/12 /rule-36-abuse-federal circuit/id=6971/](https://www.ipwatchdog.com/2017/01/12/rule-36-abuse-federal-circuit/id=6971/) 17, 18

Rebecca A. Lindhorst, “*Because I Said So: The Federal Circuit, the PTAB, and the Problem With Rule 36 Affirmances*,” 69 Case W. Res. L. Rev. 247 (2018)..... 18

OPINIONS BELOW

The order of the United States Court of Appeals for the Federal Circuit summarily affirming the judgment of the District Court (Pet. App. A, p. 1a, *infra*) appears at 748 Fed. Appx. 1027. The opinion and order of the District Court (Pet. App. B, pp. 3a-36a, *infra*) is unreported but appears at 2017 WL 6372971.

JURISDICTION

The judgment of the court of appeals was issued on January 23, 2019. A timely petition for rehearing and rehearing *en banc* was denied on March 28, 2019 (Pet. App. C, pp 37a-38a, *infra*). On June 6, 2019, the Chief Justice extended the time within which a petition for certiorari could be filed to August 23, 2019.

RULE OF PROCEDURE INVOLVED

Rule 36 of the Local Rules of the United States Court of Appeals for the Federal Circuit provides:

Federal Circuit Rule 36

Entry of Judgment—Judgment of Affirmance Without Opinion

The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following conditions exist and an opinion would have no precedential value:

- (a) the judgment, decision, or order of the trial court appealed from is based on findings that are not clearly erroneous;

(b) the evidence supporting the jury's verdict is sufficient;

(c) the record supports summary judgment, directed verdict, or judgment on the pleadings;

(d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or

(e) a judgment or decision has been entered without an error of law.

STATEMENT

1. Petitioner's Patents

Petitioner's four patents facilitate voice-calling over computer networks like the Internet. Their effect may be understood with an analogy to traditional telephone communication:

Consider a hypothetical telephone system in which everyone owning a telephone could be called only at home after connecting his phone, and a new number would be assigned each time his phone is connected. A potential caller would have to learn from an external source the current number of the person he wants to reach and whether that person is home. In a computer system for voice communication, the parties' devices (or "processes") send each other many digital packets of voice data and control information over a computer network.

They need the current address (such as an Internet Protocol or “IP” address) of the other device in order to send such packets. Internet addresses for devices typically change every time a device connects to a network such as a WiFi or cellular telephone network. If a device tries to communicate directly with another device using the wrong address, it will undertake a variety of wasteful steps that could be avoided if it only sought to create a connection to current active addresses.

A system by which the status of every device is sent to all other devices every time a device’s IP address changes is obviously impractical. It would require each device to maintain a huge database and would require constant communications to all devices, thereby consuming significant bandwidth.

The inventors of petitioner’s patents developed a better solution. Individual devices could communicate with a central server before starting the point-to-point communication. The central server would be “asked” by the caller device whether the other device was online. The central server would then mediate the exchange of connection information, but not the call itself.

The approach of these patents was recognized as the most efficient way to organize systems to make voice calls over computer networks. Petitioner contends that it was ultimately adopted by the Cisco VoIP calling systems and by Apple’s Face Time calling system.

2. The PTAB Sustains Petitioner's Patents

Petitioner initiated a patent-infringement lawsuit against Apple and Cisco on September 24, 2014 (App. 316-341). Inter Parties Review (“IPR”) challenges were then filed against petitioner’s patents by Cisco and others, and petitioner dismissed its infringement lawsuit without prejudice pending the decision of the Patent Trial and Appeal Board (“PTAB”) (App. 342-345, 387). The PTAB initially held that petitioner’s claims were unpatentable because they were anticipated by several prior-art references (App. 1089). The Court of Appeals for the Federal Circuit reversed and remanded that decision (*Straight Path IP Group, Inc. v. Sipnet EU S.R.O.*, 806 F.3d 1356 (Fed. Cir. 2015)). The Court held that the PTAB had misconstrued the “plain meaning of the claim language.” 806 F.3d at 1361. It held that “is connected to the computer network” did not mean ***was*** connected at some time in the past but meant “is connected to the computer network at the time that the query is transmitted to the server.” 806 F.3d at 1360, 1363.

On remand and in related IPR proceedings, the PTAB held that the prior-art references did not disclose “connected to the computer network **at the time that the query is transmitted to the server**” (emphasis added). *Sipnet EU S.R.O. v. Straight Path IP Group*, 2016 WL 7335394 *3 (PTAB, May 23, 2016). Accordingly, the PTAB held that the patents were “not unpatentable” (App. 538-740).

3. Petitioner Refiles the Infringement Claims

In June 2016 petitioner refiled its patent-infringement lawsuit against Apple and Cisco Systems (App. 27, 48). Petitioner alleged infringement of all four patents.

4. The Federal Circuit Affirms the PTAB

Cisco and petitioners' other competitors appealed the PTAB's final written decision to the Federal Circuit. In June 2017, the Federal Circuit affirmed the PTAB decision. *Samsung Electronics Co., Ltd. v. Straight Path IP Group, Inc.*, 696 Fed. Appx. 1008 (Fed. Cir. 2017). The Court held that substantial evidence supported the PTAB's conclusion that prior art disclosing "a query that asks only for registration information regardless of its current accuracy" did not invalidate petitioner's patents. 696 Fed. Appx. at 1011, 1014. The Court did not limit petitioner's patent claims as requiring either (1) maintaining an accurate database or (2) checking current connection information in response to a query. *Id.* at 1011, 1014.

During the IPRs and the appeals to the Federal Circuit petitioner consistently maintained that the "is connected" claim elements could be satisfied in many ways (App. 7102, 7134).¹ During oral

¹ See, e.g., App. 7102: "[H]ow does the connection server knows [sic] Alicia is on-line? It is part of the functionality that allows the querying. Sometimes it talks about the database undertaking an analysis of polling the users to see if they are available. But the claims itself don't have to delineate how that portion of it is done."

argument in the *Samsung* appeal, petitioner’s counsel was asked whether he conceded “that all of the embodiments refer to checking registration databases.” He replied, “No, Your Honor There has to be some mechanism . . . there are many ways you could accomplish that” (App. 5855-5856).

5. Petitioner’s District Court Evidence

In the patent-infringement lawsuit the parties stipulated that “is connected” means “is connected to the computer network at the time that the query is transmitted to the server” (App. 690-691, 717-718). Petitioner contended that its patents were infringed because both Cisco and Apple did not simply respond to the caller device, as the prior art did, with whatever registration information was in their database, even if stale, but actively checked the on-line status of a second device with a central server before responding to a query from a first device.

Petitioner’s expert explained that the first device’s messages were queries as to whether a second device is connected to the computer network **at the time** that the query is transmitted to the server (App. 6420-6424, 6461-6464, 6572-6577, 6610-6613). Apple and Cisco witnesses confirmed the expert’s explanation that confirmation messages could only be sent if the second device is connected to the network **at the time** the first device queries the server (App. 6420-6424, 6467-6468, 6572-6577, 6613-

App. 7134: “Q: It’s not checking to see whether another computer is there?” A: “Well, I mean, the claims themselves are not limiting it in that fashion.”

6619). This evidence showed that both Cisco's and Apple's accused systems satisfied the "is connected" claim requirement as construed by the Federal Circuit and stipulated by the parties.

6. Defendants Win Summary Judgment

Ignoring petitioner's evidence in the record, the District Judge asserted that petitioner "saved its patents from invalidity by making . . . representations that it cannot now disavow in order to prove its infringement case" (Pet. App. B, p. 4a, *infra*). He construed a reply by petitioner's counsel during oral argument of the first appeal to the Federal Circuit² as limiting petitioner's patents to "a server that is able to, *at the very moment in time* that a first process asks, determine whether or not a second process is online by *checking its own database*, which must always remain accurate by continuously *tracking* the online or offline status of endpoint processes so that it can answer this very question" (Pet. App. B, p. 21a, *infra*; emphasis original). On this basis, the District Judge granted summary judgment for Apple and Cisco.

7. Petitioner Appeals

Petitioner appealed to the Federal Circuit and argued that the District Judge had "erred in changing [the Federal Circuit's] claim construction" by including the requirement that the second device

² See the extensive quotation from the transcript of oral argument quoted by the District Judge. Pet. App. B, pp. 11a-14a, *infra*.

is “checking its own database” and “tracking” the status of “endpoint processes.” Appellant’s Corrected Opening Brief, pp. 17-37. Petitioner’s brief noted that the Federal Circuit decisions had not held “that any statement by Straight Path or its counsel during the PTAB proceedings or during the appeal in any way formed the basis for [the Federal Circuit’s] claim construction.” Appellant’s Corrected Opening Brief, p. 19.

Cisco and Apple maintained on appeal that the lower court’s claim construction was correct. Cisco also argued alternatively that the doctrines of “prosecution disclaimer” and “judicial estoppel” bound petitioner to its counsel’s oral response during oral argument. Corrected Brief for Defendant-Appellee Apple, Inc., pp. 22-47; Brief for Defendant-Appellee Cisco Systems, Inc., pp. 29-45, 53-62.

Petitioner’s appeal presented only legal issues that turned on the Federal Circuit’s construction of its own earlier opinions and on the effect of statements made by petitioner’s attorney during oral argument of an appeal.

8. The Federal Circuit’s Delphic Decision

A panel of judges of the Federal Circuit heard oral argument on January 11, 2019. The panel chose not to (1) resolve the meaning of the Federal Circuit’s earlier construction of petitioner’s patent claims or (2) decide whether a response by counsel during an appellate oral argument bound his client because of “prosecution disclaimer” or “judicial estoppel.” Instead, two weeks after hearing

argument, the panel issued a decision that recited only: “AFFIRMED. See Fed. Cir. R. 36.” See Pet. App. A, p. 2a.

9. Rehearing Is Denied

Petitioner sought rehearing and rehearing *en banc* on only one issue: “Does this Court’s application of Federal Circuit Rule 36 exceed the scope of permissible use of a summary affirmance such that it violates constitutional guarantees of due process?”

The petition for rehearing noted that the parties were “represented by over 25 attorneys, submitted over 2,500 pages of briefing and evidence to the district court” and that “[t]he summary judgment briefing itself included over 150 pages of argument.” Pet. App. D, p. 41a, *infra*.

The petition for rehearing asserted that the district court appeared to re-interpret the Federal Circuit’s construction to add additional limitations, purportedly based on arguments made to the Federal Circuit by Straight Path’s counsel during the appeals of the IPR decisions. “The appeal presented questions of whether and to what extent it was proper for the district court to re-interpret this Court’s construction based on such statements, what legal doctrine would govern the review of such interpretation (judicial estoppel, prosecution history estoppel, or some other doctrine), and to what extent it is proper for a district court to engage in such re-interpretation at all.” Pet. App. D., p. 42a, *infra*. In addition, petitioner had “asserted in this appeal that

the district court erred in disregarding evidence that created a genuine issue of material fact without making any finding of a basis for disregarding such evidence” Pet. App. D, p. 42a, *infra*.

The Court of Appeals denied rehearing and rehearing *en banc*. Pet. App. C, pp. 37a-38a, *infra*.

REASONS FOR GRANTING THE WRIT

INTRODUCTION

Petitioner’s appeal to the Federal Circuit raised only two legal issues: (1) Did the district court correctly apply the Federal Circuit’s claim construction in its earlier decisions? (2) Was an oral response given by petitioner’s counsel during oral argument before the Federal Circuit a ground to limit the scope of petitioner’s patents?

This Court has held that a district court’s claim construction in a patent-infringement lawsuit is reviewed *de novo* on appeal. *Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 841 (2015). This Court has also indicated that it is “loath to attach conclusive weight to the relatively spontaneous responses of counsel to equally spontaneous questioning from the Court during oral argument.” *Moose Lodge No. 107 v. Irvis*, 407 U.S. 163, 170 (1972).

Yet the Federal Circuit failed to address either of the appeal’s difficult legal issues, and it did not provide a hint of why it affirmed the district court decision. Invoking a Local Rule on which it has

increasingly relied notwithstanding a chorus of criticism, it told petitioner that it lost its appeal only “because I said so.”

This Court should grant certiorari and decide the Question Presented in this petition for three reasons:

First, the Federal Circuit’s Local Rule 36(e) and the Federal Circuit’s common practice of issuing one-word affirmances in appeals that present only legal issues is in conflict with the Local Rules and practices of every United States Court of Appeals except the Fifth Circuit, the Eighth Circuit, and the Tenth Circuit.

Second, there has been substantial public criticism by attorneys and academicians of the Federal Circuit’s Rule 36 and how frequently the Federal Circuit invokes that Rule. Commentators have suggested that this Court should exercise its supervisory authority to reverse and correct what they deem an abuse of judicial authority.

Third, whether any federal appellate court may decide an appeal raising only legal issues without a single word explaining its decision is an important question of federal law that has not been, but should be, settled by this Court.

I.

**THE FEDERAL CIRCUIT'S RULE 36(e)
PRACTICE CONFLICTS WITH THE RULES
AND PRACTICES OF NINE OTHER CIRCUITS**

Other than the Fifth Circuit's Local Rule 47.6, the Eighth Circuit's Rule 47B, and the Tenth Circuit's Rule 36.1, no federal circuit has a local procedural rule that parallels Fed. Cir. Rule 36(e). The Federal Circuit's Rule 36 is modeled on a local rule that the Fifth Circuit crafted and adopted as its Local Rule 21 in 1967. It was discussed and explained by Chief Judge John R. Brown in a separate opinion he wrote in *National Labor Relations Board v. Amalgamated Clothing Workers of America*, 430 F.2d 966 (5th Cir. 1970).

In his opinion, Chief Judge Brown provided statistics regarding the "almost exponential expansion" of appeals to the Fifth Circuit (which was divided in 1981 into two Circuits). Chief Judge Brown explained that the Fifth Circuit had concluded that "in a number of cases there is no real need for an opinion at all." 430 F.2d at 971.

Three categories of cases warranting no opinion according to the Fifth Circuit were appeals (a) "in which the correctness of the Judge-trying case turns on fact findings," (b) "where the Court concludes the evidence warranted jury submission," and (c) where "the order of an administrative agency is supported by substantial evidence on the record as a whole." 430 F.2d at 971. These categories were copied in Fed. Cir. Rules 36(a), 36(b), 36(c), and 36(d).

The appeal giving rise to this petition falls into a category of cases defined by Chief Judge Brown as a fourth category – “that broad group of cases in which no error of law appears.” 430 F.2d at 971. Fed. Cir. Rule 36(e) authorizes a one-word summary affirmance if “a judgment or decision has been entered without an error of law.”

No Circuit other than the Federal Circuit, the Fifth Circuit, the Eighth Circuit, and the Tenth Circuit expressly authorizes a totally unexplained decision in an appeal raising only issues of law on the ground that there is no “error of law.”

First Circuit – First Circuit Local Rule 36(a) authorizes a panel to decide a case with “an order, memorandum and order, or opinion.” It does not explicitly authorize a one-word affirmance when an appeal presents only legal issues.

Second Circuit – Internal Operating Procedure 32.1.1 of the Second Circuit’s Rules permits a panel to issue a “summary order” if “a decision in a case is unanimous and each panel judge believes that no jurisprudential purpose is served by an opinion.”³

Third Circuit – Internal Operating Procedure 6.3.2 states that a “judgment order may state that the case is affirmed by reference to the opinion of the district court or decision of the administrative

³ Between 1995 and 2008 the Second Circuit had a Rule 0.23 that authorized “summary orders.” That Rule was rescinded in 2010.

agency and may contain one or more references to cases or other authorities.” No one-word affirmance has been entered by the Third Circuit since *Birth v. United States*, 958 F.2d 362 (3d Cir. 1992).

Fourth Circuit – Fourth Circuit Local Rule 36.3 authorizes a panel to decide an appeal “by summary opinion.” A “summary opinion,” as defined by Fourth Circuit Rule, identifies the decision appealed from and “sets forth the Court’s decision *and the reason or reasons therefor*” (emphasis added).

Sixth Circuit – The Sixth Circuit’s Rule 36 authorizes a “decision in open court when the decision is unanimous and each judge of the panel believes that a written opinion would serve no jurisprudential purpose.” There is no Rule authorizing a one-word written affirmance.

Seventh Circuit – There is no Seventh Circuit Local Rule on the subject of summary affirmance.

Ninth Circuit – Ninth Circuit Local Rule 36-1 prescribes “a written disposition of some sort in every case.” Federal Appellate Practice: Ninth Circuit Section 22:2 (2018-2019 ed.).⁴ No Local Rule in the Ninth Circuit authorizes a one-word affirmance of an appeal raising only issues of law, or otherwise defines the content of an “Order.”

⁴ *Ninth Circuit Rule 36-1. Opinions, Memoranda, Orders; Publication* - Each written disposition of a matter before this Court shall bear under the number in the caption the designation OPINION, or MEMORANDUM, or ORDER. . . .

Eleventh Circuit – The Eleventh Circuit was formed in 1981 covering three States that had previously been in the Fifth Circuit. The Eleventh Circuit initially adopted, in substance, the summary affirmance Local Rule of the Fifth Circuit. But the Eleventh Circuit rescinded that Rule in 2006 because it found that “only a miniscule portion of appeals are currently terminated in this manner.” Its Local Rules today contain no provision comparable to the Fifth Circuit’s Rule 47.6 or to Fed. Cir. Rule 36.

District of Columbia Circuit – District of Columbia Circuit Rule 36(c) declares, “It is the policy of this court to publish opinions and explanatory memoranda that have general public interest.” D.C. Local Rule 36(d) authorizes a panel to “dispense with published opinions where the issues occasion no need therefor, and confine its action to such abbreviated disposition as it may deem appropriate, e.g., affirmance by order of a decision or judgment of a court or administrative agency, a judgment of affirmance or reversal, ***containing a notation of precedents or accompanied by a brief memorandum.***” (Emphasis added.)

This disagreement among Circuits is not a trifling question of form. It affects the integrity of the appellate process. Distinguished appellate judges have observed that “there is accountability in the giving of reasons”⁵ and that “[t]he discipline of

⁵ Harold Leventhal, *Appellate Procedures: Design, Patchwork, and Managed Flexibility*, 23 UCLA L. Rev. 432, 438 (1976)

writing even a few sentences or paragraphs explaining the basis for the judgment insures a level of thought and scrutiny by the court that a bare signal of affirmance, dismissal or reversal does not.”⁶ See Mathilde Cohen, “*When Judges Have Reasons Not To Give Reasons: A Comparative Law Approach*,” 72 Wash. & Lee L. Rev. 483, 496-513 (2015) (“Reasons for Reason-Giving”).

II.

RULE 36 AND ITS EXCESSIVE USE BY THE FEDERAL CIRCUIT HAVE BEEN SEVERELY CRITICIZED BY LAWYERS AND SCHOLARS

The Federal Circuit’s frequent resort to its Local Rule 36 to issue cryptic affirmances of appeals has been the subject of much recent criticism. The Court’s practice has been challenged by patent attorneys who frequently practice before the Federal Circuit and by scholars. See, e.g., Dennis Crouch, “*Wrongly Affirmed Without Opinion*,” 52 Wake Forest L. Rev. 561 (2017); Gene Quinn and Steve Brachmann, “*No End in Sight for Rule 36 Racket at Federal Circuit*,” <https://www.ipwatchdog.com/2019/01/29/no-end-sight-rule-36-racket-cafd/id-105696/>; Gene Quinn and Steve Brachmann, “*Is the Federal Circuit Using Rule 36 To Avoid Difficult Subject Matter?*” <https://www.ipwatchdog.com/2018/07/30/federal-circuit-rule-36-avoid-difficult->

⁶ Patricia M. Wald, *The Problem with the Courts: Black-Robed Bureaucracy or Collegiality Under Challenge?*, 42 Univ. of Md. L. Rev. 766, 782 (1983).

subject-matter/id=99202/, Peter Harter and Gene Quinn, “*Rule 36: Unprecedented Abuse at the Federal Circuit*,” <https://www.ipwatchdog.com/2017/01/12/rule-36-abuse-federal-circuit/id=6971/>; David Johnson, “*You Can’t Handle the Truth!* – Appellate Courts’ Authority To Dispose of Cases Without Written Opinions,” 22 App. Advoc. 419 (2010).

Two close observers of the Federal Circuit said in January 2017 that “close to half of all cases” brought to the Federal Circuit were being decided with a one-word affirmance under Rule 36. See Harter and Quinn, “*Rule 36: Unprecedented Abuse at the Federal Circuit*,” *supra*. They cited 12 appeals from district court decisions in patent cases in the seven months between May 9, 2016, and December 9, 2016, that were decided with a one-word affirmance under Local Rule 36.⁷

⁷ *Becton Dickinson and Co. v. Baxter Int’l Inc.*, No. 15-1918 (decided May 9, 2016); *IP Learn-Focus, LLC v. Microsoft Corp.*, No. 15-1863 (decided July 11, 2016); *Novo Transforma Techs. L.L.C. v. Sprint Spectrum, L. P.*, No. 15-2012 (decided September 23, 2016); *Broadband iTV Inc. v. Hawaiian Tele., Inc.*, No. 16-1082 (decided September 26, 2016); *Blue Spike LLC v. Google, Inc.*, No. 16-1054 (decided October 10, 2016); *Concaten, Inc. v. AmeriTrak Fleet Solutions, LLC*, No. 16-1112 (decided October 11, 2016); *GT Nexus, Inc. v. Intra, Inc.*, No. 16-1267 (decided October 11, 2016); *Netflix Inc. v. Rovi Corp.*, No. 15-1917 (decided November 7, 2016); *American Needle, Inc. v. Zazzle Inc.*, No. 16-1550 (decided November 10, 2016); *Personalized Media Commc’n LLC v. Amazon.com, Inc.*, No. 15-2008 (decided December 7, 2016); *MacroPoint LLC v. FourKites Inc.*, No. 16-1286 (decided December 8, 2016); *Voxathon LLC v. FCA US LLC*, No. 16-1614 (decided December 9, 2016).

Their January 2017 comment concluded that “it is only going to be a matter of time for someone to appeal this issue to the U.S. Supreme Court, and possibly also for questions about the long-term viability of the Federal Circuit to start to be seriously discussed on Capitol Hill.” See Harter and Quinn, “*Rule 36: Unprecedented Abuse at the Federal Circuit*,” *supra*. The January 2019 comment concluded, “Obviously, the Federal Circuit is not going to stop using Rule 36 as a vehicle to manage its docket on its own. Meanwhile, patent owners will lose patent rights without any real explanation by the only Article III federal court they have access to in an appeal from the PTAB.” See Quinn and Brachmann, “*No End in Sight for Rule 36 Racket at Federal Circuit*,” *supra*.

Some of the recent criticism has specifically addressed appeals to the Federal Circuit from the PTAB. These critics argue that 35 U.S.C. § 144 requires the Federal Circuit to provide an explicit explanation if it affirms a PTAB decision. See Rebecca A. Lindhorst, “*Because I Said So: The Federal Circuit, the PTAB, and the Problem With Rule 36 Affirmances*,” 69 Case W. Res. L. Rev. 247 (2018). Others dispute this construction of Section 144. See Matthew J. Dowd, “*Rule 36 Decisions at the Federal Circuit: Statutory Authority*,” 21 Vand. J. Ent. & Tech. L. 857 (2019).

Professor Lindhorst said in 2018, “It has been calculated that for the first two quarters of 2018, over 50% of PTAB appeals were decided by Rule 36 affirmances (196 out of 389).” Lindhorst, *supra* at 252. Professor Lindhorst observed that this Court’s

decision in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), was likely to drive the statistic even higher. Westlaw confirms this prediction and reports that from the April 2018 date of this Court's decision in *SAS Institute, Inc.*, until August 8, 2019, this Court's decision has been cited in 113 cases and 1386 administrative decisions.

The Solicitor General acknowledged, while recently opposing certiorari, that the Federal Circuit uses Rule 36 affirmances "more frequently," but argued that this process is permissible "in light of the court's docket," which had "skyrocketed." Brief for the Federal Respondent in Opposition, *Specialty Fertilizer Products, LLC v. Shell Oil Co.*, No. 17-1243, pp. 11-13, *cert. denied*, 138 S. Ct. 2678 (2018). The government's Brief in Opposition noted the "1183% increase in appeals from USPTO decisions." That argument does not, however, justify resort to Rule 36 in appeals from district courts.

The present case does not concern an appeal from a decision of the PTAB and does not, therefore, turn on a construction of Section 144. It does, however, address whether the Federal Circuit may invoke Fed. Cir. Rule 36(e) to hide its reason for affirming a district court decision that is appealed exclusively on issues of law.

This Court has granted certiorari and will be hearing argument in the October 2019 Term in four cases seeking reversal of decisions of the Court of Appeals for the Federal Circuit. *Peter v. NantKwest, Inc.*, No. 18-801; *Dex Media, Inc. v. Click-To-Call Technologies, LP*, No. 18-916; *Maine Community*

Health Options v. United States, No. 18-1023; and *Romag Fasteners, Inc. v. Fossil, Inc.*, No. 18-1233. Consideration of the issue presented in this petition will affect more future rulings by the Federal Circuit than any of the four Federal Circuit cases that the Court has already agreed to hear and decide.

III.

THIS COURT SHOULD DECIDE WHETHER AN APPELLANT RAISING ONLY LEGAL ISSUES IS DENIED DUE PROCESS OF LAW BY A TOTALLY UNEXPLAINED AFFIRMANCE

The only statement ever made by this Court on the issue discussed in this petition is footnote 4 of the Court's per curiam opinion in *Taylor v. McKeithen*, 407 U.S. 191, 194 n. 4 (1972). We quote that footnote in full:

We, of course, agree that the courts of appeals should have wide latitude in their decisions of whether or how to write opinions. That is especially true with respect to summary affirmances. See Rule 21, Court of Appeals for the Fifth Circuit. But here the lower court summarily reversed without any opinion on a point that had been considered at length by the District Judge. Under the special circumstances of this case, we are loath to impute to the Court of Appeals reasoning that would raise a substantial federal question when it is plausible that its actual ground of decision was of more limited importance.

Courts of Appeals have read the first two sentences of this footnote and cited *Taylor v. McKeithen* as establishing that this Court imposed “no legal impediment to an appellate court’s decision of an appeal without opinion” (*Furman v. United States*, 720 F.2d 263, 264 (2d Cir. 1983)), “apparently agreed that the Courts of Appeal in disposing of their business may, where appropriate, decide cases without written opinion” (*Ates v. Commissioner of Internal Revenue*, 672 F.2d 468, 469 (5th Cir. 1982)), and “approved the practice of using judgment orders” (*United States v. Baynes*, 548 F.2d 481, 483 (3d Cir. 1977)).

In fact, the concluding two sentences of the footnote in *Taylor v. McKeithen* suggest that this Court **does** call for an explanation in a case raising a “substantial federal question” that might be resolved by “more limited” reasoning. Moreover, the quoted oft-cited language appears in a footnote in a per curiam opinion joined by only five Justices. If a majority of this Court endorses the language quoted in the cited opinions of the Second, Third, and Fifth Circuits, it should do so in a case that directly addresses the issue.

The validity of Rule 36 one-word affirmances by the Federal Circuit is a recurring legal issue that unsuccessful appellants have tried to bring to this Court’s attention in recent Terms. The Petition for a Writ of Certiorari filed by the Georgetown Civil Rights Clinic in *Franklin-Mason v. United States*, No. 17-1256, *cert. denied*, 138 S. Ct. 1703 (2018), collects and presents compelling reasons for granting certiorari that apply to this case.

Five petitions for certiorari filed during the 2017 Term challenged the Federal Circuit's reliance on Rule 36 in affirming PTAB decisions. *Celgard, LLC v. Lancu*, No. 16-1526, *cert denied*, 138 S. Ct. 1714 (2018); *Integrated Claims Sys., LLC v. Travelers Lloyds of Texas Ins. Co.*, No. 17-330, *cert denied*, 138 S. Ct. 1693 (2018); *C-Cation Tech., LLC v. Arris Group, Inc.*, No. 17-617, *cert denied*, 138 S. Ct. 1693 (2018); *Stambler v. Mastercard International Inc.*, No. 17-1140, *cert denied*, 139 S. Ct. 54 (2018); *Security People, Inc. v. Ojmar Us, LLC*, No. 17-1443, *cert denied*, 138 S. Ct. 2681 (2018). The Court held three of these petitions and deferred ruling on them until April 30, 2018, when it also denied certiorari in *Franklin-Mason v. United States, supra*.⁸

Because the Question Presented in this case is more limited than the Questions Presented in the cases in which certiorari was denied, it is a more suitable vehicle for deciding whether the Federal Circuit should continue its current highly criticized practice. If this Court were to grant certiorari and issue an opinion requiring some exposition – even if limited to a few citations or words explaining the Court's rationale – whenever only legal issues have been argued to the Federal Circuit, such a limited holding would require the Federal Circuit and the few appellate courts that authorize a similar practice to take more account than they currently do of the rights of future appellants without opening the door

⁸ See also Matthew J. Dowd, *Rule 36 Decisions at the Federal Circuit: Statutory Authority*, 21 Vand. J. Ent. & Tech. L. 857, 875, n. 90 (2019), for a list of petitions concerning Fed. Cir. Rule 36 in the October 1991-October 2010 Terms.

to extensive challenges of already decided cases. This Court decided *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), and thereby set a standard for *future* decisions of the PTAB. By the same token, consideration of this case and a decision invalidating Rule 36 affirmances in appeals from district courts raising only legal issues will articulate standards that the Federal Circuit and others will have to consider in the future.

CONCLUSION

For the foregoing reasons, this Court should grant this petition for a writ of certiorari.

Respectfully submitted,

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