

No. 2018-1602, -1741

United States Court of Appeals
for the Federal Circuit

POWER INTEGRATIONS, INC.,
Appellant,

v.

SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC dba ON
Semiconductor,
Appellee,

ANDREI IANCU, Director of the United States Patent and Trademark Office,
Intervenor.

Appeal from the Patent Trial and Appeal Board
in Case No. IPR2016-00995 and No. IPR2016-01597

**SEMICONDUCTOR COMPONENTS INDUSTRIES, LLC'S PETITION FOR
REHEARING EN BANC**

JULY 29, 2019

MICHAEL HAWES
ROGER FULGHUM
BAKER BOTTS L.L.P.
910 Louisiana St
Houston, TX 77002
(713) 229-1234 (telephone)
(713) 229-1522 (facsimile)
michael.hawes@bakerbotts.com
roger.fulghum@bakerbotts.com

BRETT THOMPSEN
BAKER BOTTS L.L.P.
98 San Jacinto Blvd
Austin, TX 78701
(512) 322-2500 (telephone)
(512) 322-2501 (facsimile)
brett.thompson@bakerbotts.com

LAUREN J. DREYER
BAKER BOTTS L.L.P.
1299 Pennsylvania Ave NW
Washington, DC 20004
(202) 639-7700 (telephone)

KATHLEEN SULLIVAN
QUINN EMANUEL URQUHART &
SULLIVAN LLP
51 Madison Ave., 22nd Floor
New York, NY 10010
(212) 849-7000 (telephone)
(212) 849-7100 (facsimile)
kathleensullivan@quinnemanuel.com

(202) 639-7890 (facsimile)
lauren.dreyer@bakerbotts.com

KEVIN SMITH
QUINN EMANUEL URQUHART &
SULLIVAN LLP
50 California St., 22nd Floor
San Francisco, CA 94111
(415) 875-6383 (telephone)
(415) 875-6700 (facsimile)
kevinsmith@quinnemanuel.com

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Power Integrations, Inc. v. **Semiconductor Components Industries, LLC**

Case No. 2018-1602

CERTIFICATE OF INTEREST

Counsel for the:

(petitioner) (appellant) (respondent) (appellee) (amicus) (name of party)

Semiconductor Components Industries, LLC

certifies the following (use "None" if applicable; use extra sheets if necessary):

1. Full Name of Party Represented by me	2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:	3. Parent corporations and publicly held companies that own 10% or more of stock in the party
Semiconductor Components Industries, LLC	Semiconductor Components Industries, LLC	*See continuation page
	* See continuation page	

4. The names of all law firms and the partners or associates that appeared for the party or amicus now represented by me in the trial court or agency or are expected to appear in this court (**and who have not or will not enter an appearance in this case**) are:

None

FORM 9. Certificate of Interest

Form 9
Rev. 10/17

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. *See* Fed. Cir. R. 47.4(a)(5) and 47.5(b). (The parties should attach continuation pages as necessary).

Power Integrations, Inc. v. Fairchild Semiconductor, 2016-2691

8/14/2018

Date

/s/ Michael Hawes

Signature of counsel

Michael Hawes

Printed name of counsel

Please Note: All questions must be answered

cc: All Counsel of Record

Reset Fields

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Power Integrations Inc. v. Semiconductor Components Industries, LLC.
2018-1602

AMENDED CERTIFICATE OF INTEREST
Continuation Page

2. Name of Real Party in interest (Please only include any real party in interest NOT identified in Question 3) represented by me is:

During the Inter Partes Review proceeding, each of Fairchild Semiconductor International, Inc., Fairchild Semiconductor Corporation, Fairchild (Taiwan) Corporation, and System-General Corporation were identified as real parties in interest.

3. Parent corporations and publicly held companies that own 10% or more of stock in the Party.

Semiconductor Components Industries, LLC is a wholly-owned subsidiary of ON Semiconductor Corporation and there is no parent corporation or publicly held corporation that owns 10% or more of the stock in ON Semiconductor Corporation. The Vanguard Group, Inc. (a privately held company) owns 10% or more of the shares of ON Semiconductor Corporation.

TABLE OF CONTENTS

I. INTRODUCTION 2

II. BACKGROUND 3

III. ARGUMENT 6

 A. The Court Should Grant Rehearing En Banc Because the Panel Decision Conflicts with the Text and Structure of § 315(b) as Interpreted in *SAS* and *Cuozzo* 6

 1. The Panel Decision Conflicts with the Text of § 315(b) 6

 2. The Panel Decision Conflicts with the Structure of the AIA 8

 a. Section 315 as a whole requires assessing the petition’s timeliness as of the petition’s filing date 9

 b. Adjacent statutory sections also support assessing the petition’s timeliness as of the petition’s filing date 12

 3. The Panel Decision Conflicts with Analogous Law and the Statute’s Legislative History 14

 B. The Court Should Grant Rehearing En Banc Because the Panel Decision Conflicts with § 314(d), Which Makes the Board’s Decision “Final and Nonappealable” 16

IV. CONCLUSION 16

TABLE OF AUTHORITIES

	Page(s)
CASES	
<i>Cuozzo Speed Techs., LLC v. Lee</i> , 136 S. Ct. 2131 (2016).....	<i>passim</i>
<i>Dex Media Inc. v. Click-To-Call Techs., LP</i> , 18-916 (June 24, 2019).....	16
<i>George E. Warren Corp. v. United States</i> , 341 F.3d 1348 (Fed. Cir. 2003)	16
<i>Grupo Dataflux v. Atlas Glob. Grp.</i> , 541 U.S. 567 (2004).....	15
<i>Gustafson v. Alloyd Co.</i> , 513 U.S. 561 (1995).....	9
<i>Mylan Pharms. Inc. v. Research Corp. Techs., Inc.</i> , 914 F.3d 1366 (Fed. Cir. 2019)	9
<i>ON Semiconductor Corp. v. Power Integrations, Inc.</i> , No. 5:17-cv-03189, Dkt. 1-2 (N.D. Cal. Aug. 11, 2016)	5
<i>Power Integrations, Inc. v. Semiconductor Components Indus., LLC</i> , 926 F.3d 1306 (Fed. Cir. 2019)	5
<i>Power Integrations, Inc. v. Semiconductor Components Indus., LLC</i> , Nos. 2018-1602, 2018-1705 (Fed. Cir. June 13, 2019).....	6
<i>Proppant Express Investments, LLC v. Oren Techs., LLC</i> , IPR2018-00914, Paper 38 (Mar. 13, 2019)	10
<i>SAS Inst. Inc. v. Iancu</i> , 138 S. Ct. 1348 (2018).....	<i>passim</i>
<i>Wade v. Mayo</i> , 334 U.S. 672 (1948).....	16

Wi-Fi One, LLC v. Broadcom Corp.,
878 F.3d 1364 (Fed. Cir. 2018) (en banc)6

STATUTES

35 U.S.C. § 311(a)3
35 U.S.C. § 312(a)(2).....3
35 U.S.C. § 31312
35 U.S.C. § 314(b)4
35 U.S.C. § 315(a)(1).....4, 9, 10
35 U.S.C. § 315(b)*passim*
35 U.S.C. § 315(e)(1).....11
35 U.S.C. § 317(b) (2006)15

OTHER AUTHORITIES

37 C.F.R. § 1.907(b) (2002).....15
37 C.F.R. § 42.1014, 13
37 C.F.R. § 42.122(b)11
M.P.E.P. § 2686.04(V)(A).....15
Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756 (Aug. 14,
2012)12

STATEMENT OF COUNSEL – FEDERAL CIRCUIT RULE 35(B)(2)

Based on my professional judgment, I believe this appeal requires an answer to one or more precedent-setting questions of exceptional importance:

1. Whether 35 U.S.C. § 315(b) of the America Invents Act (“AIA”) requires the Patent Trial and Appeal Board (“Board”) to assess the timeliness of *inter partes* review (“IPR”) petitions as of their filing dates.
2. Whether 35 U.S.C. § 314(d) permits appeal of the Board’s decision to institute an IPR upon finding that § 315(b)’s timeliness requirement did not apply.

Based on my professional judgment, I believe the panel decision is contrary to the following decisions of the Supreme Court of the United States: *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016) and *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348 (2018).¹

/s/ Michael Hawes
Attorney of Record for Appellee
Semiconductor Components Industries, LLC

¹ SCI hereby files an identical petition in three separate appeals involving the same parties: Nos. 2018-1607, 2018-1602, and 2018-1705.

I. INTRODUCTION

This case presents the first opportunity for the en banc court to consider when to evaluate § 315(b)'s timeliness requirement. Section 315(b) creates a time-of-filing rule that bars the Director from instituting an IPR "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 panel's decision misreads § 315(b), ignores the Supreme Court's delineation of IPRs based on the filing of the petition, and subverts Congress's intent. It artificially narrows who can petition for IPR, excluding those who timely file a petition based on their own interests but later develop privy or real party-in-interest relationships with time-barred parties before institution. Instead of the filing-date certainty contemplated by the statute's plain terms, the panel's decision creates a moving target for the agency. The agency would be forced to make timeliness determinations based on facts that may change on the day the agency issues its institution decision, making application of § 315(b)'s timeliness requirement arbitrarily depend on the date of the agency's institution decision.

Congress created IPRs to improve patent quality by allowing challenges to patents that never should have issued. It placed almost no limits on who could invoke that process; the limits it did create were meant to be simple and easily

applied. Here, petitioner Semiconductor Components Industries, LLC (“SCI”) timely filed IPR petitions, and the Board found all of the many challenged claims unpatentable. The panel, however, resurrected those claims, without finding any error in the agency’s substantive determination of unpatentability, by finding the petitions untimely. And it did so on facts where the panel could have reached the opposite conclusion had the Board made its institution decision just one week earlier, as the statute permitted it to do. The panel’s focus on the facts as of the institution date rather than as of the filing date of the petition conflicts with the petition-centric scheme Congress adopted, as shown by Supreme Court decisions, the AIA’s plain text and structure, regulations of the agency tasked with implementing the AIA, and background common law. The full court should grant rehearing and affirm the Board.

II. BACKGROUND

Under the AIA, any person who is not the owner of a patent may file with the Patent Office “a petition to institute an inter partes review of the patent.” 35 U.S.C. § 311(a). “[T]he petitioner is master of its complaint,” *SAS*, 138 S. Ct. at 1355, and the Director must decide whether to institute review based on the petitioner’s petition, which “guide[s] the life of the litigation,” *id.* at 1356. The petition must “identif[y] all real parties in interest.” 35 U.S.C. § 312(a)(2). And the Director “shall determine whether to institute an inter partes review . . . pursuant to

a petition . . . within 3 months” of the patent owner’s preliminary response or, if none, of the last date one could have been filed. 35 U.S.C. § 314(b).

Section 315 sets forth certain limitations on who may pursue IPRs. Under § 315(a), an IPR “may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” 35 U.S.C. § 315(a)(1). The provision at issue here, § 315(b), further provides:

(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. . . .

35 U.S.C. § 315(b).

The PTO has adopted a regulation governing § 315(b)’s timeliness requirement, in which the agency clarifies that § 315(b) is evaluated based on the petition’s filing date:

A person who is not the owner of a patent *may file* with the Office a *petition to institute* an inter partes review of the patent *unless*:

(b) The *petition* requesting the proceeding *is filed* more than one year after the date on which the petitioner, the petitioner’s real party-in-interest, or a privy of the petitioner is served with a complaint alleging infringement of the patent;

37 C.F.R. § 42.101 (emphases added).

The parties here—petitioner SCI and patent owner Power Integrations, Inc. (“PI”)—are competitors in the marketplace. For more than ten years, PI has

vigorously litigated its patent portfolio against other market participants. After PI threatened SCI with patent infringement in June 2014,² SCI availed itself of the IPR process by filing petitions challenging a variety of PI's patents. As of each petition's filing, SCI had not been served with any complaints alleging infringement of the challenged claims. After the petitions' filing, but before the Board instituted review, SCI's parent company, ON Semiconductor Corporation, merged with Fairchild Semiconductor Corporation, a company who had been served with complaints alleging infringement of PI's challenged patents more than a year before SCI filed its petitions. The Board instituted SCI's IPRs, holding the § 315(b) timeliness requirement inapplicable because, as of the time of the petitions' filing, Fairchild and SCI had no privity or real party-in-interest relationship. After full hearings, the Board held all challenged claims in each of SCI's IPRs unpatentable. When PI appealed, the Director intervened in some of the appeals to defend the Board's interpretation of § 315(b). *See, e.g.*, No. 2018-1602, Dkt. 51.

In a published decision, the panel reversed in No. 18-1607. *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306 (Fed. Cir. 2019) (hereinafter, "Panel Op.>"). Applying this court's en banc decision, it

² *ON Semiconductor Corp. v. Power Integrations, Inc.*, No. 5:17-cv-03189, Dkt. 1-2 at 76 (N.D. Cal. Aug. 11, 2016).

reviewed the Board’s § 315(b) timeliness determination. Panel Op. 7 (citing *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364, 1374 (Fed. Cir. 2018) (en banc)). In an issue “of first impression,” it held that “privity and RPI relationships arising after filing but before institution should be considered for purposes of the § 315(b) time-bar.” *Id.* at 12-13. Focusing on § 315(b)’s use of “may not be instituted,” the panel reasoned that “the statute specifically precludes *institution*, not filing,” so the relevant time period to assess a petition’s timeliness should be through the institution decision. *Id.* at 14. The panel reasoned that § 315(b) uses the terms “real party in interest” and “privity,” which derive from common law preclusion principles, and that “[c]ommon law preclusion cases suggest that preclusion can apply based on privity arising after a complaint is filed.” *Id.* at 16.

Based on that panel’s § 315(b) interpretation, panels of this court vacated the Board’s unpatentability decisions for two other patents and ordered the Board to dismiss. *See id.* at 22; *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, Nos. 2018-1602, 2018-1705 (Fed. Cir. June 13, 2019).

III. ARGUMENT

A. The Court Should Grant Rehearing En Banc Because the Panel Decision Conflicts with the Text and Structure of § 315(b) as Interpreted in *SAS* and *Cuozzo*

1. The Panel Decision Conflicts with the Text of § 315(b)

The panel’s holding that “[t]he focus of § 315(b) is on institution” disregards that section’s text and the Supreme Court’s guidance in *SAS*. Panel Op. 14. *SAS*

directed that the AIA “hinges inter partes review on the filing of a petition . . . [and] makes the petition the centerpiece of the [IPR] proceeding both before and after institution.” 138 S. Ct. at 1358.

The timeliness requirement of § 315(b) is consistent with *SAS*’s reading of the AIA as a whole, focusing on the petition’s filing: “if the petition . . . is filed more than 1 year after the date on which” a complaint was served. *See* § 315(b). The panel however disregarded this text and instead concluded that relationships between entities that “may arise after filing but before institution [are] relevant to the § 315(b) time-bar analysis.” Panel Op. 14. The panel therefore failed to retain the petition as the centerpiece of the IPR, as instructed by *SAS*.

SAS compels the conclusion that the petition’s date controls § 315(b)’s timeliness requirement. Indeed, *SAS* cautioned that “[n]othing [in the AIA] suggests the Director enjoys a license to depart from the petition.” 138 S. Ct. at 1356. Without considering *SAS*, the panel disregarded the “petition . . . is filed” language in favor of the “may not be instituted” language in § 315(b), which references the arbitrary date chosen by the Director to issue an institution decision. Panel Op. 14. In other words, the text describing the timeliness requirement—whether the petition was filed under certain circumstances—was subordinated to the text describing the consequence of that determination—whether institution occurs. Furthermore, the panel’s conclusion cannot be reconciled with the *SAS*’s

instruction that the petitioner’s petition “defines the contours of the proceeding” and “guide[s]” the overall IPR proceeding. 138 S. Ct. at 1355-56.

To support its conclusion, the panel also asserted that the statute must focus on institution because it does not permit the Board to “reject the petitioner’s filing;” rather, it only permits the Board to deny institution. Panel Op. 14. But in prohibiting institution, § 315(b) merely makes clear that the Board should set forth its determination of the substantive and fact-bound issues of a timeliness dispute in the institution decision. That reading is consistent with the short three-month window Congress provided in § 314(b) for evaluating the timeliness and other aspects of the petition—Congress wanted a single, streamlined decision from the Board on all aspects of the petition. But the question of *when* to issue its determination—in the institution decision—is separate from the question here of *what* to evaluate in making that determination. And on that question, the statutory language and *SAS* are clear that it is the filing of “the petition requesting the proceeding” that governs. § 315(b); *SAS*, 138 S. Ct. at 1355-57.

2. The Panel Decision Conflicts with the Structure of the AIA

Contrary to *SAS* and *Cuozzo*, the panel overlooked the AIA’s structure and adjacent statutory sections that reinforce the meaning of the statutory language in § 315(b). *Compare SAS*, 138 S. Ct. at 1356 (“The rest of the statute confirms, too, that the petitioner’s petition, not the Director’s discretion, is supposed to guide the

life of the litigation.”) and *Cuozzo*, 136 S. Ct. at 2140 (holding that “the existence of similar provisions in this, and related, patent statutes reinforces our conclusion”) with Panel Op. 14-19 (considering no other provisions of AIA except for § 312(a)(2)).

a. Section 315 as a whole requires assessing the petition’s timeliness as of the petition’s filing date

In evaluating § 315(b), the panel erred by ignoring nearly identical language within the same statutory section that contradicts the panel’s analysis. Under long-standing precedent, the different subsections of § 315 should be read consistently. See *Gustafson v. Alloyd Co.*, 513 U.S. 561, 570 (1995) (“[T]he ‘normal rule of statutory construction’ [is] that ‘identical words used in different parts of the same act are intended to have the same meaning.’”) (citation omitted); *Mylan Pharms. Inc. v. Research Corp. Techs., Inc.*, 914 F.3d 1366, 1373 (Fed. Cir. 2019) (applying same rule to AIA provisions).

As discussed *supra* Section II, § 315(a) prohibits the Director from instituting a petition if the petitioner filed for declaratory judgment of invalidity before filing for IPR. In describing the consequence, § 315(a), like § 315(b), states that the proceeding “may not be instituted.” However, the panel’s interpretation of “may not be instituted” in § 315(b) cannot be reconciled with that language’s use in § 315(a). If Congress had intended the panel’s interpretation of that language to apply in § 315(a), that the decision must be made as of the institution date, it would

not have paired it with the clearly contrary language: “before the date on which the petition for such a review is filed.” *See* § 315(a)(1). The panel did not account for the clash of its interpretation with the use of the same words in the same section.

There is no basis for concluding that Congress adopted a different timeliness requirement for § 315(b) or that “may not be instituted” should be read differently in the neighboring provision, and the panel did not address this point. The two provisions should be read consistently, and the timeliness requirements in both should be assessed as of the date of the petition’s filing.

The discretion Congress gave the Board in 35 U.S.C. § 315(c) is also inconsistent with the panel’s conclusion. That provision, together with the final sentence of § 315(b), allows joinder of parties whose petitions do not meet the timeliness requirement. Section 315(c) states: “If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition” The final sentence of § 315(b) allows such joinder regardless of the untimeliness of the joining party’s petition: “[t]he time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).” Congress, through the combination of §§ 315(b) and (c), gave the Director the authority to join a party, whose petition would have otherwise been barred by the “time limitation” in § 315(b), with an IPR based on a timely petition. *See Proppant Express Investments, LLC v. Oren*

Techs., LLC, IPR2018-00914, Paper 38 at 17-18 (Mar. 13, 2019) (precedential); 37 C.F.R. § 42.122(b).

In this proceeding, SCI's petition was proper at the time of filing and only became improper in the panel's eyes months after the petition's filing, when its parent merged with Fairchild. However, Congress expressly allowed a party such as Fairchild to join an IPR based on SCI's timely petition under §§ 315(b) and (c). There is no indication that Congress would have wanted this paradoxical result. Under the more natural reading of the statute, Congress focused the petition's timeliness requirement on the filing date and allowed participation of certain time-barred participants in otherwise timely filed IPRs.

Finally, 35 U.S.C. § 315(e)(1) shows that Congress knew how to specify when post-filing facts matter and intentionally chose not to do so in § 315(b). A petitioner "may not request *or maintain* a proceeding" before the Board on a ground that the petitioner raised or reasonably could have raised in a prior final IPR. 35 U.S.C. § 315(e)(1) (emphasis added). In § 315(b), however, Congress chose not to use the "or maintain" language. This distinction reinforces that Congress did not intend post-filing facts to change the § 315(b) evaluation. *See SAS*, 138 S. Ct. at 1356 (holding that "if Congress wanted to adopt [that] approach it knew exactly how to do so," but "Congress didn't choose to pursue that known and readily available approach here").

b. Adjacent statutory sections also support assessing the petition’s timeliness as of the petition’s filing date

The remaining provisions of the AIA further support reading § 315(b)’s timeliness requirement as being evaluated as of the petition’s filing date.

For example, § 312(a)(2)’s requirement to “identif[y] all real parties in interest” in the petition shows Congress intended that the Director decide these issues based on the disclosures in the petition, not after-arising events.³ Section 313 provides that the patent owner may respond “to the petition” by identifying any “failure of the petition to meet any requirement of this chapter.” 35 U.S.C. § 313 (emphasis added); *see also id.* § 316(a)(8) (providing that Director may proscribe regulations for a patent owner response “to the petition”). Again, Congress’s focus on “the petition” created a statutory structure where the state of facts when the petition was filed governs.

Section 314(b) then permits the Director leeway to make the institution decision at any point “within 3 months” of a preliminary response. Providing the Director with this flexible window reflects Congress’s intent that the point in time chosen for issuing the institution decision does not play a substantive role in the

³ The panel’s argument—that the “continuing obligation” to update the real parties-in-interest disclosures would “make little sense” unless the relationships were relevant to § 315(b), Panel Op. 19—ignores that this updating requirement exists to “identify[] potential conflicts.” *See* Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012).

previously filed petition's timeliness. Instead, the Director makes timeliness determinations based on a set state of play. For example, suppose a petitioner simultaneously files two petitions on the same day, both of which the Director institutes, one week apart, but both within the permissible three-month period. Under the panel's interpretation, the earlier-instituted petition can proceed to final decision, whereas the latter-instituted petition may have been barred under § 315(b) based on events that arose in the seven-day period after institution of the former. Indeed, had the Director here instituted before SCI merged with Fairchild (only four days earlier in the IPR underlying No. 2018-1607), that merger would not have barred the petition under the panel's interpretation. The Director's flexibility and discretion in choosing a variable institution date contradicts the panel's position that the institution date plays a decisive role in whether a petition is timely filed. *See* Panel Op. 19. There is no reason, and the panel presented none, why Congress would want one petition to be considered timely, and another not, when they were filed on the same day.

Each of these nearby sections accords with the PTO's recognition in its governing regulation that the filing of the petition should determine its timeliness. That regulation uses "may petition" in its title and then "may file" and "is filed," identifying the filing as the focus of the timeliness decision. *See* 37 C.F.R. § 42.101(b). The "may petition" and "may file" language does not appear in

§ 315(b), and the panel was incorrect to assert that the regulation was merely “parroting.” Panel Op. 20. In *Cuozzo*, the Supreme Court unanimously took into account the PTO’s regulation in affirming this court, and the panel should have considered it here as well. *Cuozzo*, 136 S. Ct. at 2142-44 (giving deference to PTO rule governing § 316(a)(4)).

In sum, the panel erred in ignoring the overall statutory structure for IPRs, Panel Op. 14-19, which further demonstrates Congress’s intent to have the § 315(b) evaluation consider the timeliness requirement as of the petition’s filing date.

3. The Panel Decision Conflicts with Analogous Law and the Statute’s Legislative History

In focusing on the common law application of issue preclusion as a guide for determining when to assess a petition’s timeliness, Panel Op. 15-17, the panel decision further conflicts with analogous decisions in the jurisdictional context and the legislative history. Although “common law preclusion” principles may be relevant in determining whether a party qualifies as a real party-in-interest or privy, nothing in the statute suggests that Congress intended those principles to supply the answer for when to assess timeliness of an IPR petition. *Contra id.* at 15. Section 315(b) is not a rule of res judicata—it applies regardless of whether a party previously had the opportunity to litigate the issues in the petition to finality.

The more appropriate common law analogy for determining the issue here—the point in time that governs an agency’s authority to entertain a proceeding—is the point in time that courts assess their jurisdiction. It “is hornbook law” that courts assess jurisdiction based on the parties’ status at the time of filing the complaint. *Grupo Dataflux v. Atlas Glob. Grp.*, 541 U.S. 567, 570-71 (2004).

Furthermore, Congress chose in § 315(b) to depart from the prior approach for reexaminations. Pre-AIA § 317(b) barred institution of an *inter partes* reexamination in cases where a “final decision has been entered against a party in a civil action . . . that the party has not sustained its burden of proving the invalidity of any patent claim in suit.” 35 U.S.C. § 317(b) (2006); *see also* 37 C.F.R. § 1.907(b) (2002); M.P.E.P. § 2686.04(V)(A). Pre-AIA § 317(b) therefore codified the aspect of common law preclusion principles that the panel applied here.

Congress’s repeal of pre-AIA § 317(b) reflects its intentional choice to not apply such preclusion to IPRs. *See* 157 Cong. Rec. S1374 (daily ed. Mar. 8, 2011) (Sen. Kyl) (“The bill eliminates current law’s requirement, at section 317(b) of title 35, that an *inter partes* reexamination be terminated if litigation results in a final judgment.”); *see also SAS*, 138 S. Ct. at 1356 (holding Congress’s “choice to try something new must be given effect rather than disregarded in favor of the comfort of what came before”). The panel’s revival of these preclusion principles for IPRs is contrary to the legislative history of the AIA and *SAS*.

B. The Court Should Grant Rehearing En Banc Because the Panel Decision Conflicts with § 314(d), Which Makes the Board’s Decision “Final and Nonappealable”

In applying *Wi-Fi One* to review the Board’s decision, the panel contravened *Cuozzo* and the plain text of § 314(d) that § 315(b) decisions are “nonappealable.” The Supreme Court recently granted certiorari to review the appealability of § 315(b) decisions in *Dex Media Inc. v. Click-To-Call Technologies, LP*, 18-916 (June 24, 2019). This petition presents the same question under review in *Dex Media* and expressly reserves the right to affirmance if *Dex Media* overrules *Wi-Fi One*.

This court has acknowledged that asking a panel to overrule prior decisions is futile. *See George E. Warren Corp. v. United States*, 341 F.3d 1348, 1351 (Fed. Cir. 2003) (holding that “to overrule a precedent, the court must rule en banc”). Therefore, any challenge to the ruling in *Wi-Fi One* on reviewability of § 315(b) was futile in this appeal before this petition for rehearing en banc. *Wade v. Mayo*, 334 U.S. 672, 681 (1948) (“Good judicial administration is not furthered by insistence on futile procedure.”). Because § 315(b) is “nonappealable,” *Wi-Fi One* should be overruled, and the panel’s decision reversed.

IV. CONCLUSION

This petition should be granted or held in abeyance until the Supreme Court decides *Dex Media*.

Dated: July 29, 2019

Respectfully submitted,

/s/ Michael Hawes

Michael Hawes
michael.hawes@bakerbotts.com
Roger Fulghum
roger.fulghum@bakerbotts.com
BAKER BOTTS L.L.P.
One Shell Plaza
910 Louisiana
Houston, TX 77002
(713) 229-1750 (Telephone)
(713) 229-7750 (Facsimile)

Brett Thompsen
brett.thompsen@bakerbotts.com
BAKER BOTTS L.L.P.
98 San Jacinto Blvd.
Austin, TX 78701
(512) 322-2500 (Telephone)
(512) 322-2501 (Facsimile)

Lauren J. Dreyer
lauren.dreyer@bakerbotts.com
BAKER BOTTS L.L.P.
1299 Pennsylvania Avenue N.W.
Washington, DC 20004
(202) 639-7700 (Telephone)
(202) 639-7890 (Facsimile)

Kathleen Sullivan
kathleensullivan@quinnemanuel.com
QUINN EMANUEL URQUHART & SULLIVAN
LLP
51 Madison Ave., 22nd Floor
New York, NY 10010
(212) 849-7000 (Telephone)
(212) 849-7100 (Facsimile)

Kevin Smith
kevinsmith@quinnemanuel.com
QUINN EMANUEL URQUHART & SULLIVAN
LLP
50 California St., 22nd Floor
San Francisco, CA 94111
(415) 875-6383 (Telephone)
(415) 875-6700 (Facsimile)

*Attorneys for Appellee Semiconductor
Components Industries, LLC*

ADDENDUM

NOTE: This disposition is nonprecedential.

**United States Court of Appeals
for the Federal Circuit**

POWER INTEGRATIONS, INC.,
Appellant

v.

**SEMICONDUCTOR COMPONENTS INDUSTRIES,
LLC, DBA ON SEMICONDUCTOR,**
Appellee

**ANDREI IANCU, UNDER SECRETARY OF
COMMERCE FOR INTELLECTUAL PROPERTY
AND DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE,**
Intervenor

2018-1602, 2018-1741

Appeals from the United States Patent and Trademark
Office, Patent Trial and Appeal Board in Nos. IPR2016-
00995, IPR2016-01597.

Decided: June 13, 2019

FRANK SCHERKENBACH, Fish & Richardson, PC, Bos-
ton, MA, argued for appellant. Also represented by
HOWARD G. POLLACK, MICHAEL R. HEADLEY, NEIL WARREN,

Redwood City, CA; JOHN WINSTON THORNBURGH, San Diego, CA.

LAUREN J. DREYER, Baker Botts, LLP, Washington, DC, argued for appellee. Also represented by BRETT J. THOMPSEN, Austin, TX; MICHAEL HAWES, ROGER FULGHUM, Houston, TX.

KAKOLI CAPRIHAN, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA, argued for intervenor. Also represented by THOMAS W. KRAUSE, JOSEPH MATAL, FARHEENA YASMEEN RASHEED, PHILIP J. WARRICK.

Before TARANTO, MAYER, and CHEN, *Circuit Judges*.

PER CURIAM.

We vacate the Board's final written decisions in IPR2016-00995 and IPR2016-01597, and we remand for dismissal of those inter partes reviews as time-barred under 35 U.S.C. § 315(b). *See Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, No. 2018-1607 (Fed. Cir. June 12, 2019).

The parties shall bear their own costs.

VACATED AND REMANDED

**CERTIFICATE OF COMPLIANCE WITH FEDERAL RULE OF
APPELLATE PROCEDURE 35(B)(2)(A)**

In reliance upon the word-count feature of the word-processing system used to prepare this petition, I hereby certify that this petition contains 3,867 words, excluding the parts of the petition exempted by Federal Circuit Rule 35(c)(2).

/s/ Michael Hawes
Michael Hawes

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

CERTIFICATE OF SERVICE

I certify that I served a copy on counsel of record on July 29, 2019
by:

- U.S. Mail
- Fax
- Hand
- Electronic Means (by E-mail or CM/ECF)

Michael Hawes

/s/ Michael Hawes

Name of Counsel

Signature of Counsel

Law Firm	<u>Baker Botts LLP</u>
Address	<u>910 Louisiana Street</u>
City, State, Zip	<u>Houston, Texas 77002</u>
Telephone Number	<u>(713) 229-1750</u>
Fax Number	<u>(713) 229-7750</u>
E-Mail Address	<u>michael.hawes@bakerbotts.com</u>

NOTE: For attorneys filing documents electronically, the name of the filer under whose log-in and password a document is submitted must be preceded by an "/s/" and typed in the space where the signature would otherwise appear. Graphic and other electronic signatures are discouraged.

Reset Fields