

No. _____

In the Supreme Court of the United States

INTERNATIONAL GAME TECHNOLOGY
AND IGT,

Petitioners,

v.

ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED
AND ARISTOCRAT TECHNOLOGIES, INC.,

Respondents.

**On Petition for a Writ of Certiorari to
the United States Court of Appeals for
the Federal Circuit**

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

35 U.S.C. §§ 371(d) and 133 provide that a patent application shall be regarded as abandoned for failure to comply with specified deadlines unless a showing is made that the delay was “unavoidable.” Nevertheless, a Patent and Trademark Office regulation allows an applicant to revive such an abandoned application merely by asserting “unintentional” delay, a materially lower standard. On that basis, respondents’ abandoned patent application was revived and their patent issued. Respondents subsequently sued petitioners for patent infringement. The district court granted summary judgment to petitioners on the ground that the patent was invalid for having been issued on an abandoned application and revived contrary to statute. The Federal Circuit reversed on the ground that revival of a patent contrary to the statutory standard is not an available invalidity defense. The question presented is as follows:

Whether a patent infringement defendant may assert a defense that the patent resulted from an abandoned application that was not revived under the statutory standard.

RULE 14.1(b) STATEMENT

Petitioners (defendants-appellees below) are International Game Technology and IGT.

Respondents (plaintiffs-appellants below) are Aristocrat Technologies Australia Pty Limited and Aristocrat Technologies, Inc.

RULE 29.6 STATEMENT

Petitioner IGT is a wholly owned subsidiary of petitioner International Game Technology.

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PETITION FOR A WRIT OF CERTIORARI

Petitioners, International Game Technology and IGT (collectively “IGT”), respectfully petition for a writ of certiorari to review the judgment of the Federal Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals (App., *infra*, 1a-15a) and the court’s denial of rehearing en banc (App., *infra*, 58a-59a) are reported at 543 F.3d 657. The district court’s judgment (App., *infra*, 16a-57a) is reported at 491 F. Supp. 2d 916.

JURISDICTION

The judgment of the court of appeals was entered on September 22, 2008. Petitioners’ timely petition for rehearing en banc was denied on November 17, 2008. This Court’s jurisdiction is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

35 U.S.C. § 282 states in relevant part:

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement or unenforceability,
- (2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,
- (3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 or 251 of this title,

(4) Any other fact or act made a defense by this title.

35 U.S.C. § 371(d) states in relevant part:

The requirements with respect to the national fee * * * shall be complied with by the date of the commencement of the national stage or by such later time as may be fixed by the Director. * * * Failure to comply with these requirements shall be regarded as abandonment of the application by the parties thereof, unless it be shown to the satisfaction of the Director that such failure to comply was unavoidable.

35 U.S.C. § 133 states in full:

Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Director in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director that such delay was unavoidable.

35 U.S.C. § 101 states in full:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

STATEMENT

Introduction. This petition presents a pure question of law—whether the revival of an abandoned patent application that did not satisfy the statutory revival standard may be asserted as a defense to a claim of patent infringement. This is a critically important issue because the Federal Circuit’s ruling that such a defense may not be asserted effectively abrogates mandates set forth in the Patent Act and authorizes the enforcement of invalid patents.

A patent application may be deemed abandoned on a variety of grounds. Specific provisions of the Patent Act address these various types of abandonment, and each provides a basis on which such an abandoned application may be revived. The two provisions at issue here, 35 U.S.C. §§ 371(d) and 133, authorize revival only if the abandonment resulted from the applicant’s “unavoidable” delay, as does § 151. In contrast, other provisions authorize revival for mere “unintentional” delay (see § 122(b)(2)(B)(iii)) or under either standard (see § 111(a)(4)).

Section 371(d) states unequivocally that failure to timely pay the national stage fee “shall be regarded as abandonment of the application” unless the applicant shows that “such failure to comply was unavoidable.” Section 133 similarly provides that “the application shall be regarded as abandoned” upon a failure to timely prosecute an application unless the applicant shows that “such delay was unavoidable.”

Notwithstanding these statutory mandates, the Patent and Trademark Office (“PTO”) has adopted a regulation that allows an applicant to revive *any*

abandoned application merely by asserting “unintentional” delay. 37 C.F.R. § 1.137 (authorizing revival of any abandoned application for either “unavoidable” or “unintentional” delay). On that basis, the PTO revived respondents’ application based merely on their submission of a form petition with a pre-printed statement that their delay was “unintentional.” The PTO previously had deemed that application abandoned for failure to timely pay the fee required by § 371(d), and it remained abandoned under § 133 after respondents failed to timely respond to PTO notices. A patent eventually issued from respondents’ application as U.S. Patent No. 7,056,215 (“the ’215 patent”).

Respondents subsequently sued IGT for patent infringement, asserting that slot machines manufactured by IGT infringed the ’215 patent. The district court recognized that the PTO’s revival of respondents’ application violated the Patent Act provisions requiring a showing of unavoidable delay and therefore granted IGT’s motion for summary judgment of invalidity. The Federal Circuit reversed without addressing whether the revival of respondents’ application complied with the Patent Act. Instead, it held that, even if revival of the abandoned application did not comply with the Patent Act, such improper revival may *never* be asserted as an invalidity defense in a patent infringement action.

The Federal Circuit’s ruling effectively abrogates the Patent Act’s requirement that applicants show unavoidable delay before an application abandoned under §§ 371(d) or 133 may be revived. A patent infringement action provides the only practical opportunity to challenge the improper revival of an abandoned application. By precluding such a challenge,

the Federal Circuit has overridden express Congressional mandates and authorized the enforcement of patents that, pursuant to those mandates, never should have issued.

The harmful consequences of the ruling below cannot be overstated. It allows companies holding statutorily invalid patents to exercise the monopoly power conferred by patents to bar innovative competition. By permitting the enforcement of patents that fail to satisfy statutory requirements, the Federal Circuit's ruling upsets the careful balance struck by Congress that both rewards innovators and encourages innovative competition. In addition, the ruling below can only encourage noncompliance with Congressionally mandated statutory deadlines. Applicants will face no meaningful consequence if they disregard those deadlines, knowing both that they can revive abandoned applications merely by asserting that the delay was unintentional and that they can enforce the resulting patents without risk of facing an invalidity defense based on the improper revival. And competitors who monitor pending applications will not be able to rely on their abandonment, as they would if the statute's tough "unavoidable" standard were enforced, producing severe practical harm.

To restore the Congressional balance, and prevent abuse of the patent application system, this Court should grant the petition and reverse the Federal Circuit's ruling that improper revival of an abandoned patent application cannot be a defense to an infringement claim.

Factual Background. This case involves the validity of the '215 patent, as well as U.S. Patent No. 7,108,603 ("the '603 patent"), a continuation patent

claiming priority to the '215 patent application. Respondents filed a provisional patent application in Australia and, in July 1998, an international application under the Patent Cooperation Treaty ("PCT") claiming priority to the provisional application. The PCT application was published in January 1999. Pursuant to 35 U.S.C. § 371(d), respondents' deadline to enter the U.S. national stage and file the national stage fee was January 10, 2000. Respondents missed that deadline, and the PTO therefore notified them that the '215 application was abandoned. The PTO's abandonment notice set forth the procedure for filing a revival petition. Respondents instead filed a petition "To Correct 'Date-In,'" which the PTO denied, noting that the '215 application remained abandoned. See App., *infra*, 2a-3a.

Respondents failed to respond to the PTO's notice within six months as required by 35 U.S.C. § 133. After allowing more than a year to pass, respondents filed a petition to revive the abandoned '215 application that contained a pre-printed statement that the delay leading to the abandonment was "unintentional." C.A. App. 745. Although both §§ 371(d) and 133 bar revival of an abandoned application for mere unintentional delay, the PTO granted respondents' revival petition. The '215 patent issued in June 2006, and the continuation '603 patent issued in September 2006. App., *infra*, 3a.

Proceedings Below. Respondents sued IGT for infringing the '215 patent and the '603 continuation patent. IGT moved for summary judgment of patent invalidity on the ground that the abandoned '215 application had not been revived under the mandatory statutory standard.

The district court granted IGT's motion for summary judgment, finding that §§ 371(d) and 133 are "clear and unambiguous" in requiring a showing of "unavoidable" delay before an application abandoned under those provisions may be revived. App., *infra*, 34a. The court rejected respondents' contention that improper revival may not be asserted as a defense to an infringement claim, finding that 35 U.S.C. §§ 282(4) and 282(2) expressly authorize such a defense. *Id.* at 41a-45a.

The Federal Circuit reversed without reaching the question whether the '215 application was improperly revived. Instead, it held that failure to meet statutory requirements for revival of an abandoned patent application "may not be raised as a defense in an action involving the validity or infringement of a patent." App., *infra*, 5a.

The court of appeals rejected the district court's view that both § 282(2) and § 282(4) authorize such a defense. The court of appeals opined that § 282(2) does not apply because proper revival of an abandoned patent application is not a "condition for patentability" (App., *infra*, 6a-7a) and § 282(4) does not apply because improper revival of an abandoned patent application is not "made a defense" by the Patent Act but is instead a mere "procedural lapse" (*id.* at 8a-10a).

The Federal Circuit acknowledged that § 282 is not the sole source of invalidity defenses in the Patent Act and that such defenses are particularly appropriate where "failure to impose invalidity for violation of the statute would encourage noncompliance." App., *infra*, 12a-13a. But the court discerned "no legitimate incentive for a patent applicant to in-

tentionally abandon its application” or “to attempt to persuade the PTO to improperly revive it.” *Id.* at 13a.

REASONS FOR GRANTING THE PETITION

The Patent Act allows the revival of patent applications abandoned under §§ 371(d) and 133 only upon a showing of “unavoidable” delay. “Unavoidable” delay is a very difficult standard to satisfy because the delay must have occurred notwithstanding due care on the part of the applicant. *Ray v. Lehman*, 55 F.3d 606, 609 (Fed. Cir. 1995). The PTO’s regulation relieves applicants of that required showing by allowing them to revive an abandoned application merely by asserting (without any showing) that the delay causing the abandonment was “unintentional,” a far easier standard to meet because the applicant need not have exercised due care. By proscribing an invalidity defense based on improper revival, the Federal Circuit has rendered Congress’s mandated showing of “unavoidability” meaningless. This Court should grant the petition to ensure that courts do not override statutory mandates, to confirm that statutorily invalid patents may not be enforced against alleged infringers, and to protect the Patent Act’s goal of fostering innovation.

I. The Ruling Below Conflicts With The Plain Text Of The Patent Act.

“Congress ‘says in a statute what it means and means in a statute what it says there.’” *Hartford Underwriters Ins. Co. v. Union Planters Bank, N.A.*, 530 U.S. 1, 6 (2000). Sections 371(d) and 133 expressly require a showing of “unavoidable” delay to avoid abandonment of a patent application, and § 282 authorizes invalidity defenses that encompass revival of an abandoned application without meeting

the statutory standard. Although courts and agencies “must give effect to the unambiguously expressed intent of Congress” (*Board of Governors of Fed. Reserve Sys. v. Dimension Fin. Corp.*, 474 U.S. 361, 368 (1986)), the PTO says applicants need not show unavoidable delay to revive an abandoned application, and the Federal Circuit has ratified that departure from the statutory text by barring improper revival as an invalidity defense. This Court should grant the petition to ensure that the PTO and the courts give effect to these critical provisions of the Patent Act.

A. Section 282(4) provides an invalidity defense based on improper revival of an abandoned application.

Section 282(4) is a catch-all provision that authorizes a defense to validity or infringement based on “[a]ny other fact or act made a defense by this title.” 35 U.S.C. § 282(4). The Federal Circuit ruled that improper revival of an abandoned patent application is not “made a defense” by the Patent Act. App., *infra*, 9a. But as the district court ruled, respondents’ failure to make a showing of unavoidable delay, as well as the PTO’s revival of their abandoned application without requiring such a showing, are “facts or acts” that Congress made a defense within the meaning of § 282(4). *Id.* at 42a; accord *New York Univ. v. Autodesk, Inc.*, 466 F. Supp. 2d 563, 565 (S.D.N.Y. 2006) (“improper revival” is an available invalidity defense “covered by th[e] catch-all language” in § 282(4)).

Congress made improper revival of an abandoned application an invalidity defense by providing that an application failing to meet the deadlines in §§ 371(d) and 133 “shall” be deemed abandoned “unless” the applicant shows “unavoidable” delay.

Such use of the mandatory “shall” imposes “discretionless obligations.” *Lopez v. Davis*, 531 U.S. 230, 241 (2001); accord *National Ass’n of Home Builders v. Defenders of Wildlife*, 127 S. Ct. 2518, 2531 (2007); *Lexecon Inc. v. Milberg Weiss Bershad Hynes & Lerach*, 523 U.S. 26, 35 (1998). Thus, Congress made absolutely clear that an assertion that the delay causing abandonment was merely unintentional would be insufficient to revive the application and pave the way to an enforceable patent.

Moreover, Congress expressly provided for revival based on mere “unintentional” (or for either “unavoidable” or “unintentional”) delay in other provisions of the Patent Act governing different types of abandonments. *E.g.*, 35 U.S.C. § 122(b)(2)(B)(iii) (“unintentional”); *id.* § 111(a)(4) (either “unintentional” or “unavoidable”). By inscribing the “unavoidable” standard in some provisions and the “unintentional” standard in others, Congress plainly intended to make revival of some types of abandoned applications more difficult than revival of others. See *Barnhart v. Sigmon Coal Co.*, 534 U.S. 438, 452 (2002) (“when Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely”). Yet, according to the Federal Circuit, if the PTO disregards the revival standards inscribed in the Patent Act, unilaterally decides that revival under §§ 371(d) and 133 does *not* require a showing of “unavoidable” delay, revives an abandoned application under the far less stringent “unintentional” delay standard, and issues the patent, an accused infringer is helpless to challenge the validity of the patent. That cannot be what Congress intended by requiring applicants

missing statutory deadlines to show unavailability to avoid abandonment under §§ 371(d) and 133.

Unless a patent infringement defendant may raise improper revival as an invalidity defense, the improper revival will go unchallenged and PTO revival decisions that blatantly violate the Patent Act will be effectively unreviewable. As the beneficiary of such a decision, the applicant certainly has no interest in challenging it, and third parties are unlikely even to know about it unless they engage in costly monitoring of all patent applications that might bear on their businesses. Moreover, a third party who did learn of such a decision would be unlikely to have standing to challenge it. See *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560-561 (1992) (no standing without threat of “imminent” injury); *Rainbow/PUSH Coalition v. FCC*, 330 F.3d 539, 544 (D.C. Cir. 2003) (no standing in administrative proceeding without threat of “concrete and particularized” injury). Only if a third party is sued by the patent holder will anyone have a feasible basis for challenging such a statutorily improper revival. The ruling below now proscribes any possibility of such a challenge, thereby giving the PTO *carte blanche* to revive abandoned applications notwithstanding Congressional requirements.

The Federal Circuit tried to justify its “no defense” ruling by deeming improper revival a mere “procedural lapse.” App., *infra*, 10a-11a. But failure to comply with *statutory* mandates is not a *procedural* deviation from “the internal rules of patent examination,” such as the examiner’s failure to record a telephone call in *Magnivision, Inc. v. Bonneau Co.*, 115 F.3d 956, 960 (Fed. Cir. 1997). This Court has made clear that statutory deadlines are to be taken

seriously. In *Bowles v. Russell*, 127 S. Ct. 2360, 2366 (2007), the Court held that a notice of appeal filed just two days after the statutory deadline barred a *habeas* appeal, even though the petitioner filed the notice by the deadline established by the district court. The Court explained that courts must enforce “rigorous rules” unless Congress provides otherwise. *Id.* at 2367. The invalidation of a patent is certainly less draconian than refusing to allow a prisoner to argue for his freedom.

By requiring a showing of unavoidable delay to avoid abandonment under § 371(d) or § 133, Congress declared that revival under a lesser standard would render a subsequently issued patent invalid. Congress thereby made such improper revival an invalidity defense subject to § 282(4). This Court should grant the petition and reverse the Federal Circuit’s ruling to the contrary, which would nullify the Congressional unavoidability mandate and allow the enforcement of statutorily invalid patents.

B. Section 282(2) provides an invalidity defense based on improper revival of an abandoned application.

Section 282(2) of the Patent Act provides an additional basis for asserting improper revival as an invalidity defense. It authorizes a defense to infringement based on “[i]nvalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability.” 35 U.S.C. § 282(2). Because § 133 is in part II of title 35 and conditions revival of an abandoned application on a showing of unavoidability, a revival without that showing is a defense under § 282(2).

The Federal Circuit disagreed, ruling that proper revival of an abandoned application is not a condition for patentability. App., *infra*, 7a. Instead, the court held that “utility and eligibility, novelty, and nonobviousness are the only so-called conditions for patentability.” *Ibid*. The court relied on *Graham v. John Deere Co.*, 383 U.S. 1 (1966). But while *Graham* states that novelty, utility, and nonobviousness are conditions for patentability, that does not mean they are the *only* such conditions. See *id.* at 12. Indeed, *Graham* does not mention “eligibility,” which the court below also deemed a condition for patentability. See App., *infra*, 7a n.3. And the Federal Circuit has recognized still other conditions for patentability, recently stating for example that “[f]ees have been an accepted condition of patentability since the first patent statute was enacted in 1790.” *Figueroa v. United States*, 466 F.3d 1023, 1031 (Fed. Cir. 2006).

Moreover, *Graham* makes clear that conditions for patentability are not limited to those designated as such by the Patent Act. The issue in *Graham* was whether Congress’s 1952 enactment of § 103, which for the first time designated nonobviousness as a condition for patentability, established a new test for patentability or instead incorporated “traditional statutory and judicial tests.” 383 U.S. at 3. The Court concluded that Congress “intended to codify judicial precedents embracing the principle long ago announced by this Court.” *Id.* at 3-4. The Court explained that Congress intended “that the courts should develop additional conditions for patentability” because, “[a]lthough the Patent Act was amended, revised or codified some 50 times between 1790 and 1950, Congress steered clear of a statutory set of requirements other than the bare novelty and utility tests reformulated in Jefferson’s draft of the

1793 Patent Act.” *Id.* at 10. Based on *Graham*, then, conditions for patentability are not limited to those expressly so designated in the Patent Act.¹

The Federal Circuit’s view that proper revival of an abandoned application is not a condition for patentability is also contrary to the plain meaning of “condition.” A “condition” is a “prerequisite” or “a state of affairs that must exist before something else is possible.”² A prerequisite to issuing a valid patent is a non-abandoned application. See, e.g., 35 U.S.C. § 101 (issuance of a patent is “subject to the conditions” of the Patent Act); *id.* § 151 (a patent “shall issue” unless the application was “abandoned” for failure to pay issue fee). Thus, if an applicant has abandoned its application, that application must be revived pursuant to the statutory standard before a valid patent may issue, making proper revival—and the statutorily required showing of unavoidable delay—a prerequisite and thus a condition for patentability. Although the Federal Circuit attempted to draw a distinction between conditions and requirements (App., *infra*, 7a), this Court used the terms “condition,” “requirement,” and “prerequisite” inter-

¹ Indeed, whereas §§ 102 and 103 of the Patent Act are expressly entitled “Conditions for patentability,” § 101 is not, and yet the court below found the “utility and eligibility” requirements of § 101 to be such conditions.

² See MERRIAM-WEBSTER’S ONLINE DICTIONARY, available at <http://www.merriam-webster.com/dictionary/condition>; COMPACT OXFORD ENGLISH DICTIONARY, available at http://www.askoxford.com/concise_oed/condition?view=uk; see *Perrin v. United States*, 444 U.S. 37, 42 (1979) (“unless otherwise defined, words will be interpreted as taking their ordinary, contemporary, common meaning”).

changeably in *Graham*, 383 U.S. at 17-18, to refer to the obviousness condition to patentability.

Further, § 131 of the Patent Act states that the PTO “shall issue a patent” only if “the applicant is entitled to a patent under the law.” 35 U.S.C. § 131. The plain meaning of that provision is that lawful entitlement to a patent is a condition for patentability. An applicant who abandoned its application without reviving it under the statutorily mandated standard is not lawfully entitled to a patent, confirming that proper revival is a condition for patentability and thus an invalidity defense under § 282(2).

C. Sections 371(d) and 133 provide an invalidity defense based on improper revival of an abandoned application.

The Federal Circuit failed to recognize that §§ 371(d) and 133 themselves provide an invalidity defense to an infringement claim by requiring a showing of unavoidable delay to avoid abandonment for failure to meet statutory deadlines.

The court below acknowledged that “section 282 is not the only source of defenses in the Patent Act.” App., *infra*, 12a. As the Federal Circuit has previously recognized, “Section 282 does not state that the list of invalidity defenses contained therein are the only ones available,” and “[t]he express words of section 282 therefore allow for the existence of other invalidity defenses.” *Quantum Corp. v. Rodime, PLC*, 65 F.3d 1577, 1583-1584 (Fed. Cir. 1995) (holding that 35 U.S.C. § 305 is an invalidity defense although “section 282 does not specifically mention section 305 as an invalidity defense”).

But the court of appeals ruled that another Patent Act provision can provide such a defense only if

failure to do so “would encourage noncompliance.” App., *infra*, 13a. The court opined that barring invalidity defenses based on §§ 371(d) and 133 would not encourage noncompliance because abandoning the application by missing the specified deadlines would shorten the term of an issued patent. *Ibid.* The court failed to consider the numerous reasons why an applicant might intentionally abandon an application until it could be revived. An applicant might run into financial problems and decide to ignore the applicable deadlines and thereby abandon the application until its financial situation improves. Or an applicant might abandon an application in the belief that a patent is unnecessary, only to later discover that a competitor has a competing product. Or an applicant might file and abandon several applications with the expectation of reviving only those reading onto new competitive products. The court of appeals’ refusal to allow an invalidity defense based on failure to revive an abandoned application under the statutory standard can only encourage such noncompliance.

The court below also ignored the burdens imposed on the public if there is no meaningful consequence for noncompliance with statutory deadlines. Delays, lack of applicant diligence, and looser revival standards than those set by Congress reduce the efficiency of the PTO’s operations by increasing the workload of already overworked PTO examiners. And competitors who try to monitor published applications are inevitably prejudiced by a failure to enforce the statutory standard. Given the tough “unavoidable” delay standard in Section 371(d), for example, competitors may reasonably assume that a failure to timely pay the required fee has resulted in an abandoned application that is unlikely to be revived, allowing them to treat the subject matter as

fair game for use in a product under development. If subsequently sued for infringement, they would be severely prejudiced if barred from invoking improper revival as a defense.

Congress would not have mandated specific standards to avoid abandonment unless it intended that failure to comply with them could serve as an invalidity defense. The Federal Circuit should not be permitted to override Congress by nullifying that defense.

II. The Ruling Below, Unless Reversed, Will Severely Undermine The Enforceability Of Other Important Patent Act Provisions.

A further reason to grant the petition and reverse the judgment below is that courts should not “interpret a statutory provision so as to render superfluous other provisions in the same enactment.” *Circuit City Stores, Inc. v. Adams*, 532 U.S. 105, 113 (2001). As explained above, the ruling below nullifies §§ 371(d) and 133. The Federal Circuit’s rationale for barring an improper revival defense will also nullify other important provisions of the Patent Act and thereby render them superfluous. For example:

- Section 41(b) provides that a patent “will expire” if the specified maintenance fee is not timely paid. 35 U.S.C. § 41(b). Under the Federal Circuit’s analysis, paying a maintenance fee is neither a “condition for patentability” nor “made a defense” by Congress. Hence, expiration of the patent will not be an available defense in an infringement suit.
- Section 111 states that, absent a timely request to treat a provisional application as

an application, the provisional application “shall be regarded as abandoned” and “shall not be subject to revival.” 35 U.S.C. § 111(b)(5). Yet, under the court of appeals’ analysis, a patent that mistakenly issues from such an abandoned provisional application may be enforced against an alleged infringer.

- Under Section 122, failure to notify the PTO of a foreign filing results in abandonment even if the PTO does not learn of the foreign filing. “As a result, if applicant failed to file a notice of foreign filing when it was required, prosecution of the application will continue and the application may issue as a patent, even though the application has become abandoned by operation of the statute.” MANUAL OF PATENT EXAMINING PROCEDURE § 1124 (last paragraph) (8th ed. rev. July 2008). Yet, under the panel’s analysis, such a mistakenly issued patent will be enforceable against an alleged infringer.
- The viability of other recognized invalidity defenses will be undermined. For example, the judicially created non-statutory defense of double patenting would not be a proper invalidity defense under the panel’s analysis. See *Symbol Techs., Inc. v. Opticon, Inc.*, 935 F.2d 1569, 1580 (Fed. Cir. 1991).

III. The Ruling Below Conflicts With The Central Purpose Of The Patent Laws.

This Court has repeatedly explained the central purpose of the patent laws. “[T]he patent system

represents a carefully crafted bargain that encourages both the creation and the public disclosure of new and useful advances in technology, in return for an exclusive monopoly for a limited period of time.” *Pfaff v. Wells Elec., Inc.*, 525 U.S. 55, 63 (1998). A patent “is an exception to the general rule against monopolies and to the right to access to a free and open market.” *Blonder-Tongue Lab. v. University of Ill. Found.*, 402 U.S. 313, 343 (1971). Congress has sought to strike a “balance between the interest in motivating innovation and enlightenment by rewarding invention with patent protection on the one hand, and the interest in avoiding monopolies that unnecessarily stifle competition on the other.” *Pfaff*, 525 U.S. at 63. The Federal Circuit’s ruling in this case upsets that balance by allowing the holder of a statutorily invalid patent to exercise a monopoly and deter innovative competition.

As explained above, a valid patent cannot lawfully issue from an abandoned application that was not properly revived. Yet, the ruling below allows the holder of such a patent to sue alleged infringers without any risk of facing an improper revival defense, even though it is well settled that a defendant may raise “the issue of validity [in] an infringement suit.” *Altwater v. Freeman*, 319 U.S. 359, 363 (1943). Removing that possibility raises the costs of competitive innovation because it makes a successful infringement suit more likely. The Federal Circuit’s ruling will thereby discourage the creation of “new designs and technologies” that is “the ultimate goal of the patent system.” *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 151 (1989).

The ruling below undermines the patent law goal of achieving “efficient investment” in “innovations,

creations, and new ideas beyond the inventor’s exclusive rights.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730-731 (2002). Such investment requires the assurance that invalid patent rights will not be enforceable. See *Blonder-Tongue*, 402 U.S. at 331 n.21 (a “bad” patent must be “definitively stricken”); 6 CHISUM ON PATENTS § 19.01 (2008) (an invalid patent “takes a toll through monopoly profits, reduced utilization, and higher prices”). If a patentee cannot rely on matter surrendered through a narrowing claim amendment during prosecution (see *Festo*, 535 U.S. at 733-734), *a fortiori* it cannot enforce a patent based on an application that was abandoned altogether during prosecution.

The Federal Circuit’s ruling overrides Congressional policy by making it far easier to revive applications abandoned under §§ 371(d) and 133 than Congress permitted. Whether such easy revival would be a better policy choice is not for the PTO or the courts to decide. Sections 371(d) and 133 express Congress’s policy choices, and “[t]he responsibility for changing them rests with Congress.” *Festo*, 535 U.S. at 739. Moreover, Congress’s imposition of a tough standard on applicants wishing to revive applications abandoned under §§ 371(d) and 133 represents a reasonable policy choice, given the surfeit of applications flooding the PTO. In *Graham*, 383 U.S. at 18, the Court found the backlog of patent applications decades ago to be “itself a compelling reason for the Commissioner to strictly adhere” to the patent statute. That backlog is far greater today. The PTO now has a “750,000-application backlog awaiting a first action that continues to worsen.”³ Congress’s deci-

³ U.S. Chamber of Commerce, *Recommendations for Consideration by the Incoming Administration Regarding the U.S. Patent*

sion to limit the ability to revive applications abandoned due to applicant delay simply makes sense given this backlog.

This Court should grant the petition to ensure that patent monopolies are based solely on valid patents.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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