

No. 13-1339

IN THE
Supreme Court of the United States

SPOKEO, INC.,

Petitioner,

v.

THOMAS ROBINS,

Respondent.

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

**BRIEF OF PUBLIC KNOWLEDGE AS *AMICUS*
CURIAE IN SUPPORT OF AFFIRMANCE**

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INTEREST OF *AMICUS CURIAE*

Public Knowledge¹ is a non-profit organization that is dedicated to preserving the openness of the Internet and the public's access to knowledge, promoting creativity through balanced intellectual property rights, and upholding and protecting the rights of consumers to use innovative technology lawfully. Public Knowledge advocates on behalf of the public interest for a balanced patent system, particularly with respect to new and emerging technologies.

Public Knowledge has previously served as *amicus* in key patent cases. *E.g.*, *Kimble v. Marvel Entm't, LLC*, 135 S. Ct. 2401 (2015); *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015); *Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014); *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014).

¹Pursuant to Supreme Court Rule 37.3(a), all parties received appropriate notice of and consented to the filing of this brief. Pursuant to Rule 37.6, no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of the brief. No person or entity, other than *amicus*, its members, or its counsel, made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF ARGUMENT

Petitioner Spokeo’s effort to confine Article III standing to so-called “real-world harm” would not be limited to situations of information privacy; it could have far-ranging effects on diverse areas of the law. Of particular concern to *amicus*, this “real-world harm” test could negatively interfere with resolving abuses of the patent system, adding to the reasons why this Court should avoid adopting such a test.

This Court has recognized the public problems created by companies who “use patents as a sword to go after defendants for money, even when their claims are frivolous.” Such abusive litigation often originates from overbroad patents of questionable validity that are asserted to cover all manner of basic, everyday technologies. Indeed, this Court has repeatedly sought to facilitate the invalidation of such improperly issued patents. Recent decisions have tightened the statutory requirements for patentability, such as subject matter eligibility and obviousness, and rejected erroneous limitations on Article III standing created by the Federal Circuit.

Elimination of invalid-yet-issued patents depends on parties willing to pursue invalidation actions, and the parties who are most willing to do so come from perhaps unexpected corners. Interest-based organizations, such as public interest groups like *amicus*, are arguably in the best position to prosecute an invalidity case, because such organizations have non-pecuniary interests that overcome the collective action problem discouraging many parties from putting up the high costs of patent invalidation. New market entrants and market competitors may also seek to invalidate problematic patents in order to quiet title on their business operations. These

private parties are necessary to the public goal of clearing out the patent system of improper patents.

Congress has already sought to leverage the motivations of these interest-based groups, new entrants, competitors, and others by creating administrative proceedings for challenging patent validity. Between 1980 and today, Congress has enacted laws that have given, to all private parties, more and more power to seek invalidation of patents before the U.S. Patent and Trademark Office, and to appeal decisions of that Office to the Court of Appeals for the Federal Circuit.

But an overly cramped view of Article III standing, such as Spokeo's "real-world harm" standard, could discourage these parties and others from utilizing these proceedings to pursue the public good of patent invalidation. The Federal Circuit's similarly cramped declaratory judgment standing doctrine, which looks much like Spokeo's test, already stands in the way of many of the aforementioned parties from obtaining declaratory judgments of invalidity. Applying Spokeo's "real-world harm" test to appeals of administrative challenge proceedings, then, could make those proceedings lopsidedly unfair, with patent owners always being able to appeal adverse decisions but certain patent challengers being denied the symmetric privilege. This would discourage interest-based groups and others from bringing important challenges to questionable patents, thus enhancing "the *in terrorem* power of patent trolls" who assert such patents.

Congress correctly and effectively uses private party action to tackle public policy problems such as abuse of the patent system. Neither Article III of the Constitution nor Spokeo's misguided "real-world harm" test stands in the way of Congress doing so.

ARGUMENT
PETITIONER’S NARROW VIEW OF ARTICLE III
STANDING COULD EXACERBATE ABUSE OF THE
PATENT SYSTEM

The Court of Appeals for the Ninth Circuit held that “violations of statutory rights” created by Congress are “concrete, *de facto* injuries” that may confer Article III standing. *Robins v. Spokeo, Inc.*, 742 F.3d 409, 413 (9th Cir. 2014) (Pet. Cert. 8a) (quoting *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 578 (1992)). Petitioner Spokeo counters that standing requires “concrete harm,” which it vaguely defines as “real-world injury.” Br. Pet’r 2.

Though the facts of the present case relate to issues of information privacy, the standing issue broadly affects all areas of law. Of particular concern to *amicus*, Spokeo’s proposed standing test could frustrate efforts to invalidate problematic patents. This Court’s patent jurisprudence has repeatedly sought to avoid the inhibitory power of questionable patents, and so the Court should look skeptically at Spokeo’s “real-world harm” test, which could have the undesirably opposite effect of enhancing the enforceability of such patents and consequently their potential for abuse.

I. THE ISSUANCE OF LOW-QUALITY PATENTS ON
IMPROPER, UNPATENTABLE SUBJECT MATTER
CONTINUES TO CAUSE SERIOUS PUBLIC HARM

It was only last Term when every Justice of this Court agreed that abusive assertion of questionable patents was a major public policy problem demanding solution. Writing for the Court, Justice Kennedy observed that “companies may use patents as a sword to go after defendants for money, even when their claims are frivolous,”

which could result in “a harmful tax on innovation.” *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1930 (2015). Justice Scalia used stronger language, warning against “the *in terrorem* power of patent trolls” to threaten third parties. *Id.* at 1932 (Scalia, J., dissenting).

Fear of assertion of likely-invalid patents to threaten industry was not unique to *Commil*. In *eBay Inc. v. MercExchange, LLC*, Justice Kennedy wrote: “An industry has developed in which firms use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees.” 547 U.S. 388, 396 (2006) (Kennedy, J., concurring). And as far back as 1883, this Court decried patent procedures that improperly “grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator.” *Atl. Works v. Brady*, 107 U.S. 192, 200 (1883).

This Court’s frustration about the existence of such questionable patents has driven its many decisions, recent and historical, that have tightened the requirements for patentability. The doctrine of obviousness is a key defense against undesirable patents, for which this Court has taken an “expansive and flexible approach,” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 415 (2007), in order to avoid “patents whose effects are to remove existent knowledge from the public domain,” *Graham v. John Deere Co.*, 383 U.S. 1, 6 (1966); see 35 U.S.C. § 103 (2013). This Court’s subject matter eligibility decisions also shield the public from excessive patents on “the basic tools of scientific and technological work.” *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972); accord *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014); *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct.

1289, 1301 (2012); *see* 35 U.S.C. § 101. Indeed, prior to the Supreme Court’s explication on § 101 eligibility, patents issued under the more lenient Federal Circuit standard “ranged from the somewhat ridiculous to the truly absurd.” *Bilski v. Kappos*, 130 S. Ct. 3218, 3259 (2010) (Breyer, J., concurring) (quoting *In re Bilski*, 545 F.3d 943, 1004 (Fed. Cir. 2008) (en banc) (Mayer, J., dissenting)). These decisions reflect the general public interest against questionable, unproductive patents.

Rejection of false limits on Article III standing has also played a part in this Court’s jurisprudence on avoiding the ill effects of invalid patents. *MedImmune, Inc. v. Genentech, Inc.* struck down the Federal Circuit’s rule that a patent licensee has no standing to contest the validity of the licensed patent. *See* 549 U.S. 118, 137 (2007); *see also* Megan M. La Belle, *Standing to Sue in the Myriad Genetics Case*, 2 Cal. L. Rev. Circuit 68, 85 (2011), URL *supra* p. vi (explaining that effect of *MedImmune* is to facilitate invalidation of “bad patents”). And in *Cardinal Chemical Co. v. Morton International, Inc.*, this Court rejected a Federal Circuit rule of automatically moot-ing declaratory judgments of invalidity when noninfringement had been found, in part because of “the importance to the public at large of resolving questions of patent validity.” 508 U.S. 83, 100 (1993) (citing *Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313 (1971)).

In sum, improperly issued patents cause incredible harm to the economy, to innovation, and to the public. But avoidance of those negative effects depends on avenues for contesting those patents that are plainly invalid yet duly issued, and the effectiveness of those avenues, as will be argued below, depends on the proper interpretation of Article III in the present case.

II. CONGRESS'S CONSISTENT MEANS FOR FACILITATING INVALIDATION OF HARMFUL PATENTS HAS BEEN TO GRANT PRIVATE PARTIES STATUTORY RIGHTS TO CHALLENGE PATENTS

Insofar as the patent system has gone astray of its constitutional purpose to “promote the progress of science and the useful arts,” U.S. Const. art. I, § 8, cl. 8, Congress has sought to grant private parties the right to challenge those patents that should not have ever issued, and—importantly—to open the federal courts to appeals of such third-party challenges. Congress has done so with the expectation that it has authority to do so under Article III, and rejection of Spokeo’s “real-world harm” test would continue to allow Congress to address this important public issue of patent validity.

As the Patent Act was originally conceived, the only way to have an invalid patent declared as such was through the courts. The lack of mechanisms for reconsideration of issued patents was seen as a major public interest problem, as the difficulty of challenging questionable patents had diminished “investor confidence in the certainty of patent rights.” *Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 602 (Fed. Cir. 1985) (quoting 126 Cong. Rec. 29895 (1980) (statement of Mr. Kastenmeier)).

To address this deficiency, in 1980 Congress created a process known as *ex parte* reexamination. “Any person at any time may file a request for reexamination” of an issued patent—that is, the class of private parties who may use the procedure is unlimited. 35 U.S.C. § 302. But while *ex parte* reexamination is used by private parties, “Congress had an important public purpose in mind” when it created the procedure: “to cure defects in an administrative system” imperfect in issuing correct

and valid patents. *Patlex*, 758 F.2d at 601, 603; *see also Amending the Patent and Trademark Laws*, H.R. Rep. No. 96-1307, at 3–4 (1980), *available at URL supra* p. vi (“Reexamination will permit efficient resolution of questions about the validity of issued patents” which will “promote industrial innovation by assuring the kind of certainty about patent validity.”).

The subsequent enactment of inter partes reexamination in 1999 indicates Congress’s determination that the public interest demanded even greater participation by private parties. Unlike ex parte reexamination, in which a private party may initiate a challenge to a patent but not participate in the proceeding, inter partes reexamination permits the challenger to participate by responding to the patent owner’s arguments. 35 U.S.C. § 315(b)(2) (2010) (repealed 2011). Because a requester of ex parte reexamination “cannot participate at all after initiating the proceedings,” Congress found that “such reexamination has been used infrequently,” and so Congress sought to give parties “an opportunity to argue their case for patent invalidity in the USPTO” in an effort to encourage use of the procedure. 145 Cong. Rec. 29972 (1999) (statement of Mr. Lott).

Further cementing the key role of private parties in patent reexamination: the original inter partes reexamination statute disallowed the challenger from appealing to the federal courts. American Inventors Protection Act of 1999, Pub. L. No. 106-113, sec. 4604, § 315(b), 113 Stat. 1501, 1501A–569. But in 2002, Congress amended that statute specifically to permit challengers to appeal decisions of patentability up to the Court of Appeals for the Federal Circuit. *See Patent and Trademark Office Authorization Act of 2002*, Pub. L. No. 107-273,

sec. 13106(a), 116 Stat. 1758, 1900–01. Congress specifically intended to allow the patent challenger in an inter partes reexamination—who, again, may be “any third-party requester,” 35 U.S.C. § 311(a) (2010) (repealed 2011)—to have the federal court system available for re-examining questionable patents. *See infra* p. 11 (discussing legislative history).

Continuing this project of expanding private party ability to challenge patents, the America Invents Act of 2011 replaced inter partes reexamination with two new procedures, inter partes review and post-grant review. These procedures had the public interest purpose to “improve patent quality and help give entrepreneurs the protection and the confidence they need to attract investment, to grow their businesses, and to hire more workers.” Remarks on Signing the Leahy-Smith America Invents Act in Alexandria, Virginia, Daily Comp. Pres. Doc. No. 644 (Sept. 16, 2011), *available at* URL *supra* p. vii. To achieve that purpose, these procedures again allow any third party to initiate a patent reconsideration procedure, and specifically allow those third parties to appeal adverse decisions to the Court of Appeals for the Federal Circuit. *See* 35 U.S.C. §§ 311, 319 (inter partes review); §§ 321, 329 (post grant review). Congress thus renewed its expectation that all parties wishing to challenge patents should have a right of appeal.

Congress has sought to avoid the public harms caused by improperly issued patents through a consistent technique: creating private rights to administrative procedures, appealable to the federal courts, to challenge those improper and harmful patents. Spokeo’s proposed “real-world harm” standard subverts this technique and thus is inferior policy.

III. SPOKEO'S PROPOSED "REAL-WORLD HARM" TEST COULD INHIBIT CONGRESS'S EFFORTS TO USE PRIVATE ACTIONS AGAINST PROBLEMATIC PATENTS

Congress has made substantial headway into developing effective procedures for challenging patents, but Spokeo's unduly narrow "real-world harm" test could potentially render those efforts ineffectual. That test could make these procedures unfairly imbalanced, affording only patent owners a right of appeal while denying patent challengers the same right. Besides contradicting congressional intent, such a discrepant result would discourage important parties from using these patent challenge procedures, undermining the public good of clearing the patent system of invalid patents.

1. Spokeo's "real-world harm" test, applied to administrative patent challenge proceedings such as inter partes review, would potentially lead those proceedings to be unfairly lopsided in many situations. In such proceedings, an agency decides the validity of an issued patent. *See, e.g.*, 35 U.S.C. § 318(a). It is unquestioned that the patent owner has standing to appeal an adverse decision that the patent is invalid. *See, e.g.*, § 319.² But Spokeo's theory of Article III standing could cut off certain patent challengers from a corresponding right of ap-

²Incidentally, the patent system itself relies on Congress's ability to confer standing on parties "based on a bare violation of a federal statute" in a manner contrary to Spokeo's arguments. *Br. Pet'r i*. A patent owner may seek redress for patent infringement even while suffering absolutely no actual harm, for example where the patent owner has no intention to commercialize the patented invention. *See* 35 U.S.C. § 281 ("A patentee shall have remedy by civil action for infringement of his patent."); § 271(d) (patentee shall not be denied relief for having "refused to license or use any rights to the patent").

peal, since those challengers would not suffer “real-world harm.” Giving patent owners two bites at the apple while cutting off challengers at one would tilt the challenge procedure in favor of patent owners, and particularly in favor of owners of highly questionable patents who would be consequently less vulnerable to challenge.

It was indeed Congress’s intent *not* to construct such a lopsided system. Congress experimented with allowing only patent owners to appeal, when it created *inter partes* reexamination in 1999. *See* discussion *supra* p. 8. This one-sided appeal scheme was quickly deemed a failure:

[T]he asymmetry controlling which parties may appeal the agency’s *inter partes* reexamination decisions to the Federal courts is considered one of the major defects of the patent system and results in a major disincentive to invoke reexamination as a way of curing allegedly defective patents.

Appeals in Patent Reexamination Proceedings, H.R. Rep. No. 107-121, at 2 (2001), *available at URL supra* p. vi. Congress immediately corrected this error by giving both sides rights to appeal. *See* 35 U.S.C. § 315(b)(2) (2010) (repealed 2011); *see also America Invents Act*, H.R. Rep. No. 112-98, pt. 1, at 45 (2011), *available at URL supra* p. vi; 35 U.S.C. § 319. Congress intended to create effective mechanisms for challenging defective patents, and effectiveness demands equality of access to the federal courts.³

³Of course, standing to appeal a post-grant patentability determination must be based on an injury to a “concrete and particularized” interest. *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992); *see also* Br. Resp’t 24–26. In a patent challenge pro-

2. Interest-based organizations, new market entrants, and others would potentially suffer this unbalanced appeal situation with patent challenges, were Spokeo’s “real-world harm” test made the law.

Though Spokeo fails to define clearly the contours of its test, it is likely that the Federal Circuit would construe “real-world harm” to align with its arguably questionable⁴ standard for patent declaratory judgment standing, which requires the party seeking patent invalidation to show “both (1) an affirmative act by the patentee related to the enforcement of his patent rights . . . and (2) meaningful preparation to conduct potentially infringing activity.” *Ass’n for Molecular Pathology v. USPTO*, 689 F.3d

ceeding, that requirement is satisfied by the individual challenger’s congressionally-conferred right to bring and appeal the proceeding is a “statutory right or entitlement,” which is particularized to the challenger. *Warth v. Seldin*, 422 U.S. 490, 514 (1975); *see also* Br. Resp’t 24–26. Furthermore, an adverse decision may independently give a patent challenger standing to appeal. *Cf.* Transcript of Oral Argument at 29–31, *Already, LLC v. Nike, Inc.*, 133 S. Ct. 721 (Nov. 7, 2012) (No. 11-892) (Solicitor General suggesting that “there could be some circumstances in which [an agency]’s decision would create injury in fact”). Or the preclusive effects of the decision may give rise to a redressable injury. *Cf. Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1263 (Fed. Cir. 2014).

⁴In *MedImmune*, this Court rejected the Federal Circuit’s so-called “reasonable apprehension of suit” test for declaratory judgment standing. *See* 549 U.S. at 132 n.11. That defunct test strongly resembles the Federal Circuit’s current test, making that current test difficult to justify under *MedImmune*. *Cf. Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 736 (Fed. Cir. 1988) (describing the older test as requiring the declaratory plaintiff to have (1) “a reasonable apprehension that the defendant will initiate suit” and (2) “either produced the device or [] prepared to produce that device”); Michael J. Burstein, *Rethinking Standing in Patent Challenges*, 83 Geo. Wash. L. Rev. 498, 508 (2015) (“This test is quite similar to that which the Supreme Court disapproved in *MedImmune*.”).

1303, 1318 (Fed. Cir. 2012), *rev'd on other grounds sub nom. Ass'n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107 (2013). As explained in detail below, these parties have all been denied standing under this declaratory judgment standard, suggesting that they may also lack standing for appealing administrative patent challenges under Spokeo's conception.

By making it more difficult for these important parties to invalidate harmful patents, the unwelcome result of Spokeo's proposed test would potentially be to enhance the enforceability of those improperly-granted patents, allowing them to continue to be asserted to the detriment of industry and innovators. This Court should not stand for such a result, and accordingly should reject the proposed test.

a. Public interest groups, trade associations, and other interest-based entities may suffer imbalance in procedure due to a lack of standing. This is a particularly unfortunate consequence because such groups are often in the best position to bring effective and important challenges to patents.

Patent invalidation is a public good: invalidation benefits the entire public, beyond just the parties to the action. *See Blonder-Tongue Labs., Inc. v. Univ. of Ill. Found.*, 402 U.S. 313, 350 (1971). Thus, even direct competitors may forego invalidity actions, preferring to "sit back and hope that someone else will do the hard work of putting the invention into the public domain." Megan M. La Belle, *Patent Law as Public Law*, 20 Geo. Mason L. Rev. 41, 66 (2012) [hereinafter La Belle, *Public Law*] (internal quotations omitted); *see also* Joseph Farrell & Robert P. Merges, *Incentives to Challenge and Defend Patents*, 19 Berkeley Tech. L.J. 943, 952 (2004).

As a result, interest-based organizations, “whose incentives to bring suit are not limited to pecuniary interests,” are in a strong position to overcome this collective action problem and bring patent challenges. Michael J. Burstein, *Rethinking Standing in Patent Challenges*, 83 Geo. Wash. L. Rev. 498, 546 (2015). Indeed, several such groups have done so to great success, obtaining invalidity decisions on patents directed to basic, widely-used computer technology.⁵

But interest-based organizations will likely lack the “real-world harm” that Spokeo’s test demands for standing. Under current Federal Circuit jurisprudence, such groups already generally lack standing to bring declaratory judgment actions of invalidity because they have not made “meaningful preparation to conduct potentially infringing activity.” See *Ass’n for Molecular Pathology*, 689 F.3d at 1323; *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1263 (Fed. Cir. 2014); La Belle, *Public Law*, *supra*, at 79.

Assuming that “real-world harm” mirrors the declaratory judgment standard, such interest-based entities may find themselves stuck with and thus discouraged from an unbalanced patent challenge procedure. Turning such entities away from bringing patent challenges would be a serious blow to the “important public interest in permitting full and free competition in the use of ideas which are in reality a part of the public domain.” *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969). This undesirable result disfavors Spokeo’s proposed standing test.

⁵See Katharine M. Zandy, *Too Much, Too Little, or Just Right? A Goldilocks Approach to Patent Reexamination Reform*, 61 N.Y.U. Ann. Surv. Am. L. 865, 897 (2006), available at URL *supra* p. vii; Joe Mullin, *Infamous “Podcasting Patent” Knocked Out*, *Ars Technica* (Apr. 10, 2015), URL *supra* p. vii.

b. Potential new market entrants may also be discouraged from developing new products or services due to a procedural imbalance resulting from Spokeo’s narrow “real-world harm” test.

A company may wish to seek invalidation of a patent in an effort to “quiet title” prior to entering a new market that may be covered by that patent. But again in the context of declaratory judgments, the Federal Circuit has held that a new market entrant may lack a cognizable injury because that new entrant, even when facing a known threat of future patent litigation, does not suffer a “restraint on the free exploitation of non-infringing goods.” *Prasco, LLC v. Medicis Pharm. Corp.*, 537 F.3d 1329, 1339 (Fed. Cir. 2008) (quoting *Red Wing Shoe Co. v. Hockerson-Halberstadt, Inc.*, 148 F.3d 1355, 1360 (Fed. Cir. 1998)); *see also* Burstein, *supra*, at 534–37.

If Congress is unable to open the appeals courts to such companies conducting administrative patent challenge procedures, then those companies will similarly be dissuaded from using those procedures.

c. Furthermore, *any* party who seeks to use a patent challenge procedure may face the imbalanced appeal situation, in view of a patent owner’s unilateral ability to evaporate traditional Article III injury.

In *Super Sack Manufacturing Corp. v. Chase Packaging Corp.*, the Federal Circuit held that when a patent owner grants a unilateral covenant not to sue to a party seeking a declaratory judgment of invalidity, the party automatically and immediately loses standing to prosecute the declaratory judgment action. *See* 57 F.3d 1054, 1059 (Fed. Cir. 1995). Applying this Court’s Article III doctrine, the Court of Appeals found that the party seeking the invalidity declaration could not “establish an ac-

tual controversy on the totality of the circumstances.” *Id.* at 1058 (citing *Md. Cas. Co. v. Pac. Coal & Oil Co.*, 312 U.S. 270, 272 (1941)) (internal quotes omitted). The covenant, said the Court of Appeals, rendered the patent owner “forever estopped . . . from asserting liability” over the patents and products in suit, which thus “removes from the field any controversy sufficiently actual to confer jurisdiction over this case.” *Id.* at 1059.⁶

If *Super Sack* were applied under Spokeo’s “real-world harm” test, then any party who administratively challenges a patent may find itself, midway through the proceeding after potentially massive expenditures in building up an invalidity case, in a situation procedurally tilted toward the patent owner. This possibility could strongly discourage all parties from choosing to seek patent invalidation in the first place, again frustrating the effectiveness of those invalidation proceedings and encouraging abusive assertion of invalid patents.⁷

⁶In *Already, LLC v. Nike, Inc.*, this Court recently addressed the question of mootness in view of a covenant not to sue. *See* 133 S. Ct. 721 (2013). The present argument assumes that *Super Sack* is correct and applicable law and thus does not need to consider the effect of *Already* on *Super Sack*. But it is worth observing that *Already* does not uniformly support *Super Sack*. *See Already*, 133 S. Ct. at 731 (relying on trademark-specific doctrine inapplicable to patent law); *id.* at 733 (Kennedy, J., concurring) (warning against literal application of *Already* to other covenants not to sue).

⁷The *Super Sack* doctrine has already led to to a troublingly frequent abusive practice in which patent holders initiate infringement lawsuits, demand nuisance settlements, and drop the suits right before a court invalidates the patents at issue. *See, e.g., Summit Data Sys., LLC v. EMC Corp.*, No. 1:10-cv-749, 2014 WL 4955689, at *5 (D. Del. Sept. 25, 2014) (mem.), available at URL *supra* p. iv; Rick Mescher, *Update on Patent Trolls*, Tech. L. Source (May 15, 2013), URL *supra* p. vi.

It is plainly obvious that Congress intended neither to create such a procedurally imbalanced system nor to impose that imbalance on all of these important entities, given the statutory text and legislative history. By rejecting Spokeo’s “real-world harm” test, this Court would permit Congress to ensure balance in such proceedings for reconsideration of patents, thereby serving an important public purpose of improving the patent system.

CONCLUSION

For the foregoing reasons, this Court should affirm the Court of Appeals for the Ninth Circuit.

Respectfully submitted,

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September 2015

