

No. 15-607

IN THE
Supreme Court of the United States

BIOGEN MA, INC.,

Petitioner,

v.

JAPANESE FOUNDATION FOR CANCER
RESEARCH AND BAYER PHARMA AG,

Respondents.

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

**BRIEF OF *AMICUS CURIAE* MERCK & CO.,
INC. IN SUPPORT OF PETITIONER**

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December 10, 2015

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CORPORATE DISCLOSURE STATEMENT

Amicus curiae Merck & Co., Inc. (d/b/a outside the United States and Canada as Merck Sharp & Dohme Corp.) states that it has no parent corporation and there is no publicly held company owning 10% or more of its stock.

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INTEREST OF AMICUS CURIAE

The amicus curiae, Merck & Co., Inc. (“Merck”),¹ is a research pharmaceutical company dedicated to the discovery and development of innovative and effective medicines. During the past decade, Merck has made substantial investments in research to discover such innovation and has filed more than 7,000 patent applications with the United States Patent & Trademark Office (“PTO”). Merck thus has a strong interest in maintaining a stable and effective system of intellectual property rights that encourages and protects investments in discovering useful innovations.

In the decision below, the Federal Circuit decided an important issue for patent law and policy: whether, in enacting the America Invents Act, 125 Stat. 284 (2011) (“AIA”), Congress eliminated federal district courts’ jurisdiction under 35 U.S.C. § 146 to review the PTO’s patent interference decisions. Merck has a strong interest in the correct resolution of this issue because it has relied upon the longstanding, traditional right of patent owners and applicants to present new evidence in district court § 146 actions should any of their patent applications or patents be subject to interference proceedings.

¹ Counsel for the parties were timely notified of the amicus’s intent to file this brief under Rule 37.2(a) and have consented to the filing of this brief; their consents have been filed with the Clerk of this Court. Pursuant to Rule 37.6, counsel for the amicus certifies that no counsel for any party had any role in authoring this brief, and no person other than the named amicus and its counsel has made any monetary contribution to the preparation and submission of this brief.

Merck intends to seek district court review pursuant to § 146 of any unfavorable PTO interference decisions if such relief is available. One Merck affiliate has already sought such district court review for an interference declared on December 3, 2013. *See Idenix Pharm. LLC v. Gilead Pharmasset LLC*, No. 1:15-cv-416 (D. Del. filed May 21, 2015).²

Furthermore, Merck has a much more general interest in maintaining stable, reliable and predictable rules in intellectual property law, and the Federal Circuit's decision below presents a more general threat to the stability and predictability of such statutory law.

SUMMARY OF ARGUMENT

This is a case about the need for stability in law. The Federal Circuit's decision below shows disregard for the value of legal stability that is reflected in a host of this Court's traditional canons of statutory construction. Granting certiorari in this case is important not only because the result below threatens to unsettle patent applicants' expectations by removing a traditional avenue of judicial review for years to come, but also because this is a perfect case demonstrating the need to maintain stabilizing canons of statutory construction even in periods of transition.

Where multiple applicants seek patent rights to the same invention, Congress has consistently

² While participating as an *amicus curiae* in this appeal, Merck preserves all arguments and rights for cases in which it is or may be a party.

allowed parties dissatisfied with the patent office’s administrative decision to seek review of that decision in district court pursuant to § 146 (and its predecessors). This tradition is long-running—stretching back more than 150 years—and it is continuing, for it is undisputed that the new version of § 146 (as amended by the 2011 America Invents Act or “AIA”) continues to supply district jurisdiction to review the PTO’s decisions concerning which of multiple competing applicants is entitled to the patent on a particular invention.³

Under the Federal Circuit’s holding below, however, Congress supposedly deviated from authorizing district court jurisdiction under § 146 *only during the transition* between the pre-AIA and post-AIA patent priority systems, and indeed only during a *part* of that transition period (albeit a part of the transition period likely to last decades). In other words, under the Federal Circuit’s reasoning, Congress took the hugely controversial step of removing a traditional jurisdiction to review patent office administrative decisions; took that step only with respect to proceedings falling into a certain window (not before and not after); and took that step by the negative implications of statutory language contained in the AIA (or in the AIA’s “technical” corrections statute⁴) with no hint anywhere in the

³ Under both pre-AIA and post-AIA law, PTO decisions between competing applicants are rendered under the authority of 35 U.S.C. § 135.

⁴ The Federal Circuit’s decision was unclear as to the precise statutory language that, in the lower court’s view, actually repealed district court jurisdiction under § 146 to review PTO decisions in the relevant portion of the transition window. In

legislative record that Congress ever contemplated such a bizarre transition rule.

It bears emphasis that, although the Federal Circuit's ruling targets a transition period from one statutory system to a new one, the transition period at issue is not months or years but *decades*. Administrative proceedings to determine entitlement of patent rights amongst multiple applicants can last for many years,⁵ and patent rights themselves continue in force for approximately twenty years. Moreover, the larger interest at stake here is the role of legal stability in transition periods. If statutory changes are accompanied by unanticipated, disruptive changes—such as the supposed transitional abolition of § 146 district court jurisdiction found by the Federal Circuit—then statutory changes will be needlessly disruptive.

This case—especially because it involves an untenable and bizarre transition rule—is a perfect vehicle to decide whether such courts should be indifferent to such disruption (as the Federal Circuit was) or whether courts should instead apply traditional canons of statutory construction that resist such disruptive interpretations.

the concluding paragraph of the portion of its opinion concerning jurisdiction, the court relied on the negative implications from *both* “the AIA and its technical corrections.” Pet. 18a.

⁵ See, e.g., *Brown v. Barbacid*, 436 F.3d 1378, 1383 (Fed. Cir. 2006) (reversing, and remanding for additional proceedings, an administrative decision concerning competing patent applications filed 16 years earlier).

REASONS FOR GRANTING THE PETITION

I. **The Overarching Structure of the America Invents Act Demonstrates Congress’s Intent for Continuity of District Court Jurisdiction Under § 146.**

In contrast to the Federal Circuit’s decision below—which is admittedly difficult to explain because it relies on nothing more than silence and negative implications from multiple uncodified statutory sections—the overarching structure of the America Invents Act (AIA) and the explicit text of the statute’s *codified provisions*⁶ demonstrates the clear and undisputed congressional intent to maintain the continuity of district court jurisdiction for reviewing PTO decisions under § 146.

One of the most important legal changes made by the AIA was the switch of the United States patent system from a “first to invent” to a “first inventor to file” rule of priority. That change was accomplished in § 3 of the statute, which is unsurprisingly entitled “First inventor to file.” 125 Stat. at 284 (table of contents) and at 285 (setting forth § 3).

Under both the pre-AIA first-to-invent and the post-AIA first-inventor-to-file systems of priority, the

⁶ Title 35 of the U.S. Code was enacted into *positive law* by the Patent Act of 1952, ch. 950, 66 Stat. 792 (Act of July 19, 1952). As explained by the Office of the Law Revisions Counsel, a positive law title of the U.S. Code (such as Title 35) “is itself a Federal statute,” while a non-positive law title (such as title 42) is merely “an editorial compilation of Federal statutes.” See Office of the Law Revision Counsel, United States Code, *Positive Law Modification*, <http://uscode.house.gov/codification/legislation.shtml#.xhtml>.

PTO has adjudicative power under § 135 of the Patent Act (35 U.S.C. § 135) to determine which applicant is entitled to be awarded patent rights where multiple applicants are seeking patent rights to the same invention. While the agency's adjudicative task under § 135 was changed to reflect the new priority rule (and hence the name of the adjudications was changed from "interferences" to "derivation proceedings"⁷), the both pre- and post-AIA versions of § 135 charged the agency with a similar adjudicative task of deciding whether a later filing applicant could prevail over an earlier filing applicant who sought the same patent rights.

The codified versions of § 146—both pre- and post-AIA—show continuity of jurisdiction, not change. It is undisputed in this litigation—and in fact indisputable given the plain language of the relevant statutes—that both prior to the enactment of the AIA and after the complete transition to AIA's new system of priority, any party to a § 135 proceeding "dissatisfied with the decision of [PTO]" in such a proceeding may have a remedy by a civil

⁷ Prior to the enactment of the AIA, § 135 proceedings were called "interferences" and were directed to determining which of the multiple applicants had invented first. After the enactment of the AIA, § 135 proceedings are called "derivation proceedings" and are directed to determining whether an earlier applicant (who would otherwise be entitled to priority under the new first-to-file system) should be denied priority because that applicant had derived the invention from the work of a later filing applicant. Despite the different names of the proceedings and the different priority systems, however, the PTO adjudicative task is the same: the agency must determine which of competing applicants should be recognized as being entitled to the award of the disputed patent rights.

action brought in U.S. district court. Thus, a lawyer reading the codified provisions of the Patent Act⁸—both those provisions as they existed before and as they exist after the AIA amendments—would see no hint of any disruption to a district court’s §146 jurisdiction over the agency’s § 135 decisions:

⁸ For the pre-AIA version of § 146, see Pet. App. 43a; for the post-AIA version of § 146, see 35 U.S.C. § 146 (2012). The clarity of the pre-AIA and post-AIA versions of § 146—i.e., the absence of any apparent discontinuity in district court jurisdiction to review the PTO’s § 135 decisions—is significant. Because “[p]ositive law codification provides an opportunity to greatly improve the organization of existing law and create a flexible framework that can accommodate new legislation in the future,” Office of the Law Revision Counsel, United States Code, *Positive Law Modification*, <http://uscode.house.gov/codification/legislation.shtml#.xhtml>), subsequent amendments to a positive law title of the U.S. Code (such as title 35) follow the convention of legislating changes directly to provisions of the U.S. Code title. The AIA follows that convention, and all of the major provisions of the statute are framed as amendments to title 35 with only various transition rules and some other details left uncodified. Since all of the *codified* provisions of the Patent Act (both pre- and post-AIA) show continuity of district court jurisdiction, the Federal Circuit’s reasoning is forced to rely on various uncodified portions of the AIA to justify a radically different structure of judicial review applicable only during the transition from pre-AIA to post-AIA law.

Pre-AIA U.S. Code	Post-AIA U.S. Code
<p>§ 135 Interferences.</p> <p>[Authorizing the PTO’s adjudicatory board to decide “interferences” between multiple applicants and providing that the board’s final decision adverse to an applicant’s claims “shall constitute the final refusal by the Patent and Trademark Office of the claims involved.”]</p>	<p>§ 135 Derivation proceedings.</p> <p>[Authorizing the PTO’s adjudicatory board to decide “deviation proceedings” between multiple applicants and providing that the board’s final decision adverse to an applicant’s claims “shall constitute the final refusal by the Office on those claims.”]</p>
<p>§ 146 Civil action in case of interference.</p> <p>Any party to an interference dissatisfied with the decision of the Board of Patent Appeals and Interferences on the interference may have remedy by civil action</p>	<p>§ 146 Civil action in case of derivation proceeding.</p> <p>Any party to a derivation proceeding dissatisfied with the decision of the Patent Trial and Appeal Board on the derivation proceeding, may have remedy by civil action</p>

In the view of the Petitioner and of amicus Merck, the transition rule between these two regimes was simple, straightforward and expressed in AIA § 3(n)(1):

(1) IN GENERAL.—Except as otherwise provided in this section, the amendments made

by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act [i.e., March 16, 2013], and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time—

(A) a claim to a claimed invention that has an effective filing date ... that is on or after the effective date described in this paragraph

Under Petitioner's and Amicus's view, the changes made by § 3 of the AIA—*all* of the changes made by that section, including not only the change from the first-to-invent to the first-inventor-to-file priority system but also the changes made to 35 U.S.C. §§ 135 & 146—are either inapplicable or applicable depending on whether a claim in the patent application has an “effective filing date” before or after, respectively, March 16, 2013.

This view has three undeniable strengths:

- First, the transition rule for the changes made by AIA § 3 is found within AIA § 3, not (as under the Federal Circuit's interpretation) hidden in the negative implications of scattered statutory section elsewhere in the AIA and in the AIA's subsequent Technical Corrections Act.
- Second, the structure of district court jurisdiction to review the PTO's § 135 decisions is always governed by codified law—i.e., it is governed by the codified law set forth either in the pre-AIA version of 35

U.S.C. § 146 or in the post-AIA version of 35 U.S.C. § 146.

- Third, the continuity of § 146 district court jurisdiction reflected in pre- and post-AIA codified law is not interrupted by some strange interregnum where district courts lack jurisdiction over some of the PTO's § 135 decisions even though they maintain jurisdiction over such decisions both before and after the transition.

II. The Federal Circuit's Decision Violates Multiple "Stabilizing Canons" of Statutory Construction.

As fully explained in the Petition for Certiorari, the Federal Circuit's decision below cannot be reconciled with this Court's longstanding canon of statutory construction that grants of jurisdiction in prior legislation "should not be disturbed by a mere implication flowing from subsequent legislation." *Rosencrans v. United States*, 165 U.S. 257, 262 (1897). See Pet. 11-16 (demonstrating the conflict between the Federal Circuit's holding below and this Court's traditional canon of construction concerning repeals of prior grants of jurisdiction). Merck fully endorses the Petitioner's arguments on this point.

The Federal Circuit's error is, however, inconsistent with not only one but with multiple canons of statutory construction designed to preserve *stability* in the law. As two prominent commentators have noted, an entire genus of statutory construction canons seek to foster some degree of legal stability. See ANTONIN SCALIA & BRYAN A. GARNER, *READING LAW: THE INTERPRETATION OF LEGAL TEXTS* 318-39

(2012) (devoting an entire section to the “stabilizing canons” of statutory interpretation). One of the stabilizing canons is surely the rule against implied repeals, *see id.* at 327, and as Petitioner notes the Federal Circuit’s decision also conflicts with that canon. Pet. at 14. Merck endorses that argument too.

Another common-sense canon of statutory construction articulated by this Court is the presumption that Congress does not “hide elephants in mouseholes.” *Whitman v. American Trucking Ass’n*, 531 U.S. 457, 468 (2001). That canon also promotes stability in the law, for it prevents courts finding dramatic and unexpected changes (elephants) in the inevitable ambiguities and interstices (mouseholes) of lengthy complex statutes. Like other stabilizing canons, the canon against finding elephants in mouseholes makes sure that significant legal changes have actually been approved by the legislature rather than merely imagined by the judiciary.

The decision below plainly violates this stabilizing canon of construction, for under the Federal Circuit’s reasoning, Congress not once but twice hid very large elephants in extremely small mouseholes.

First, under the Federal Circuit’s reasoning, Congress’s partial repeal of § 146 jurisdiction over the PTO’s § 135 decisions is contained in a sub-sub-sub provision of § 6 America Invents Act. As an initial matter, that location is an extraordinarily odd place for Congress to have hidden a transition rule that strips district courts of their traditional § 146 jurisdiction because the vast bulk of § 6 has nothing to do with interferences.

Most of § 6 has nothing to do with 35 U.S.C. § 135 or § 146. Instead, that section adds to the Patent Act a new set of “post grant review proceedings” by which issued patents can be challenged by third parties. Thus, under the Federal Circuit’s reasoning, district courts had their § 146 jurisdiction stripped *not* by any provision of the AIA codified in the United States Code; *not* by any provision in § 3 of the AIA (which is where the section of the AIA that amended § 135 & § 145 is located and is a natural place to look for the transition rule for those amendments); but instead by an uncodified sub-sub-sub provision of a statutory section dealing generally with different proceedings.

Yet the out-of-the-way location of the source of the Federal Circuit’s jurisdictional holding is only the first oddity in its statutory reasoning, for the structure and text of AIA § 6 also confirm that the Federal Circuit was wrong to find an unprecedented repeal of § 146 jurisdiction hidden in its interstices.

The structure of AIA § 6 is easily understood. Subsections (a), (b) and (c) address *inter partes* review. Subsection (d), (e) and (f) address post-grant review, with subsection (f) being devoted to the “Regulations and Effective Date” of the new post-grant review proceedings.

AIA § 6 dealt with interferences in only one small way. Section 6(f)(3)—a sub-provision in the subsection on the regulations and effective date of post-grant review—concerns the relationship between post-grant review proceedings and “Pending Interferences” (the title of § 6(f)(3)). Section 6(f)(3)(A) gave the PTO director a special power, applicable only to interferences *commenced before the*

AIA's general effective date, to choose between (i) dismissing a pending interference without prejudice to the filing of post-grant review petition, *or* (ii) allowing a pending interference to proceed “as if this Act had not been enacted.” AIA § 6(f)(3)(A)(i)-(ii), 125 Stat. at 311.

Because the PTO Director’s statutory power under § 6(f)(3)(A) required him to choose between dismissing interferences or allowing them to proceed “as if [AIA] had not been enacted,” any interferences allowed to proceed under this provision would be subject to *none* of the other provisions of the AIA unless Congress added some additional caveats. That was exactly what Congress did in statutory sub-sub-sub-sections (B) and (C).

Sub-sub-sub-section (B) made clear that the PTO’s newly constituted adjudicatory board (now named the Patent Trial and Appeal Board) could be “deem[ed]” to be the PTO’s old adjudicatory board (which had been named the Board of Patent Appeals and Interferences) for purposes of any “pending interferences” allowed to proceed “as if” the AIA had not been enacted. Obviously, (B) was necessary because, if these interferences were to proceed as if nothing in the AIA had been enacted, then the interferences were supposed to be adjudicated under pre-AIA statutes, which required interferences to be adjudicated by the now-defunct Board of Patent Appeals and Interferences. Because that adjudicatory body had ceased to exist, § 6(f)(3)(B) conferred on the PTO the authority to deem the new Board to be legally equivalent to the old Board. In other words, it was a smallish authority set forth in a smallish sub-sub-sub provision.

Sub-sub-sub-section (C) was similarly narrow, as its plain text confirms. That provision applies only to any interference “commenced before the effective date [of the AIA] and that is not dismissed [by the PTO Director] pursuant to [§ 6(f)(3)].” AIA § 6(f)(3)(C), 125 Stat. at 311. For that narrow class of “pending” interferences, § 6(f)(3)(C) requires that § 146 “as amended by this Act” (and also another provision authorizing judicial review directly at the Federal Circuit) apply to parties seeking review of any pending interferences that were “not dismissed pursuant to [the PTO Director’s authority under § 6(f)(3)].” *Id.* In sum, sub-sub-sub-section 6(f)(3)(C) provides law only for “pending interferences”—those interferences commenced *before* the AIA’s general effective date (September 16, 2012) and still pending on that date.

The Federal Circuit, however, interpreted § 6(f)(3)(C) as providing law to govern “continuing interference proceedings” (Pet. App. 15a)—i.e., *both* pending interferences *and* subsequently-declared interferences (those commenced *on or after* the AIA’s general effective date). The court then reasoned that, because sub-sub-sub section 6(f)(3)(C)—about as small a mousehole as could be imagined—contained only an authorization for jurisdiction to review the PTO’s § 135 decisions in “pending interferences,” Congress must have inadvertently omitted (and thus foreclosed) *any avenue of judicial review* for subsequently-commenced interferences.

That extraordinary statutory interpretation—that huge elephant—was based not on any explicit statutory language, but instead on the supposed “omission,” within that one sub-sub-sub section, of

any language to provide judicial review for subsequently-declared interferences. Pet. App. 16a.

The alternative interpretation of § 6(f)(3)(C)—indeed, the only reasonable interpretation of that sub-sub-sub section—is that the omission of any language concerning judicial review of subsequently-commenced interferences means only that § 6(f)(3)(C) has nothing to say (one way or the other) about judicial review for subsequently-commenced interferences. That interpretation is consistent not only with the plain text of § 6(f)(3)(C), which explicitly applies only to interferences “commenced before [the AIA’s] effective date,” 125 Stat. at 311, but it is also the only interpretation that respects the statute’s structure. Sub-sub-section 6(f)(3) is entitled “Pending Interferences” and each of its three sub-provisions (A), (B) and (C) explicitly apply only to those interferences “commenced before” the AIA’s effective date—i.e., the entirety of § 6(f)(3) applies only to those interferences that would be pending when the AIA took effect.

The Federal Circuit’s reasoning also attributes to Congress the hiding of a second elephant in a second mousehole. Under the court’s reasoning, § 1(k)(3) of the AIA’s technical corrections act (TCA), 126 Stat. 2456, corrected the supposed “omission” in § 6(f)(3)(c) of *any* judicial review for subsequently-commenced interferences. Nevertheless, in the Federal Circuit’s view, the statute—that sub-provision of a sub-section of a Technical Corrections Act—took the extraordinary step of limiting participants in subsequently-commenced interferences to only one avenue of seeking judicial review of the PTO’s § 135 decision (an appeal directly from the PTO to the

Federal Circuit) rather than maintaining the traditional choice for applicants disappointed by a PTO decision under § 146 to appeal directly to court or to commence a § 146 civil action in district court.

Even more extraordinary, Congress kept such district court review open for all of PTO's § 135 decisions in pending interferences and for all of the agency's § 135 decisions in subsequent derivation proceedings. In other words, under the Federal Circuit's reasoning, Congress—while carefully preserving district court jurisdiction over the PTO's § 135 decisions after full enactment of the AIA—nevertheless tool the hugely controversial step of removing that traditional avenue for review of § 135 decisions; took that step only with respect to § 135 decisions falling into a certain window (not before and not after); and took that step as a “technical” correction with no hint anywhere in the legislative record that such a controversial elephant was being put into the mousehole of a technical corrections act. Again, no text in the statute requires or even suggests that result. The court inferred the result merely from the negative implications of a supposed omission.

The alternative interpretation of TCA § 1(k)(3)—once again what is the only reasonable interpretation of that sub-subsection in that technical correction act—is that the provision was necessary not to correct any omission in § 6(f)(3) of the AIA but to correct a demonstrable error in § 7 of the AIA.

AIA § 7 amended 35 U.S.C. §§ 6 & 141 and 28 U.S.C. § 1295(a)(4)(A) to delete any mention of interferences, and § 7(e) explicitly made those changes “apply to proceedings commenced on or

after” the AIA’s general effective date. 125 Stat. at 315. The undeniable problem in § 7—a problem arising out of the plain text of the statute and not out of the negative implications of a supposed omission—is that § 7’s amendments were supposed to take effect on the AIA’s general effective date and apply to *all proceedings commenced after date*. But under AIA § 3, the PTO still had power to decide interferences under § 135 for all patents with an effective filing date before March 16, 2013, and such new interference actions were expected to continue (and are continuing) for many years after the enactment of the AIA.

The amendments to 35 U.S.C. §§ 6 & 141 and 28 U.S.C. § 1295(a)(4)(A) made by AIA § 7 (which eliminated all mention of interferences and took effect on September 16, 2012) were therefore out of sync with the transition rule in AIA § 3 (which authorized interferences to continue to be declared for years into the future provided that the relevant patents had been filed prior to March 16, 2013). Thus, TCA § 1(k)(3) was a correction to a problem in AIA § 7.

Once TCA § 1(k)(3) is viewed as a correction to § 7 and not § 6 of the AIA, the reason for TCA’s omission of any mention of 35 U.S.C. § 146 is obvious: AIA § 7 amended 35 U.S.C. §§ 6 & 141 and 28 U.S.C. § 1295(a)(4)(A), but not § 146. Section 146 had been amended by AIA § 3, and the effective date provisions in § 3(n) make clear that the changes to § 146 were inapplicable to applications not subject to the AIA’s new first-inventor-to-file system. *See* § 3(n)(1), 125 Stat. at 293. Nothing was wrong with

the effective date of the changes to § 146, and so the TCA did not need to make any adjustment to § 146.

III. The Federal Circuit’s Decision Is Worth the Attention of this Court.

A. This Case Presents a Perfect Vehicle to Review a Decision Flouting This Court’s Stabilizing Canons of Statutory Interpretation.

Stability in law is generally an important value, and it is particularly important in the context of a property rights system. The importance of legal stability is demonstrated not only in doctrines such as *stare decisis* that constrain judicial decisionmaking, but also in the doctrines of statutory interpretation, which are in general designed to reflect the presumed preferences of the legislative branch.

Canons of statutory stability are important, and this Court has in the past actively reviewed lower court decisions implicating issues of statutory stability. Thus, this Court has built a series of cases that articulate stabilizing canons such as the rule against implied repeals of jurisdictional grants, *see, e.g., Rosencrans*, 165 at 257 and other authority discussed at Pet. 11-16; the more general rule disfavoring implied repeals of statutory law, *see, e.g., National Ass’n. of Home Builders v. Defenders of Wildlife*, 551 U.S. 644, 663-64 (2007); and the presumption against disruptive changes hiding in the interstices of statutory ambiguities and silences, *see, e.g., Whitman*, 531 at 457 (using the vivid metaphor that Congress does not “hide elephants in mouseholes”); *Metropolitan Life Ins. Co. v. Glenn*,

554 U.S. 105, 110 (2008) (Breyer, J.) (citing *Whitman's* elephants-in-mouseholes passage and concluding that, if it had wanted to make the significant change being asserted, Congress “would have said more on the subject”).

Stabilizing canons are especially important in cases like this, where the destabilizing judicial interpretation applies in a transition period through a mistaken interpretation of statutory silence. It is often true that legislatures can be less than perfectly clear about the precise rules of transition from one statutory rule to another. Nevertheless, such transition rules are important, and this Court has previously granted certiorari to insure that lower courts do not infer destabilizing transition rules without significant statutory indicia that Congress wanted such a transition rule.

Thus, for example, after Congress enacted the Civil Rights Act of 1991 (which, like the AIA, was a major piece of legislation), this Court granted certiorari in not just one but two cases to decide the appropriate transition rule between prior law and the new statute. *See Landgraf v. USI Film Prods.*, 511 U.S. 244 (1994); *Rivers v. Roadway Express, Inc.*, 511 U.S. 298 (1994). This Court granted certiorari even though, in both cases, the lower courts had deduced the transition rule that this Court ultimately embraced.⁹

⁹ The lower courts were affirmed in both cases; both lower courts had held that a newly enacted statute presumptively does not apply retroactively.

In light of the value of legal stability, the Federal Circuit's decision below is worth the attention of this Court because it violates multiple stabilizing canons of statutory construction. Indeed, the decision below is particularly egregious because it infers from statutory silence a jurisdictional rule—district courts have no § 146 jurisdiction over the PTO's § 135 decisions—that Congress quite clearly did not want to govern in either pre-AIA or post-AIA codified statutory law. The Federal Circuit's decision is therefore a special—and especially disruptive—jurisdictional rule unsupported by any hint of policy justification for why jurisdiction should be stripped but stripped only during the transition period.

The Federal Circuit's decision thereby undermines the important public policy of fostering a smooth transition through statutory change, and that policy is especially important in contemporary patent law. Congress is paying increased attention to patent law and policy and is making changes to the Patent Act with increasing frequency. If those statutory changes are accompanied by unanticipated, disruptive changes—such as the supposed temporary abolition of district courts' traditional § 146 review over PTO decisions—then all parties with an interest in the patent system will endure unnecessary and disruptive transition costs. In an era when the patent system is already subject to significant change, no reasonable public policy supports creating disruption not contemplated by Congress.

B. The Right Disrupted by the Federal Circuit's Decision is Important to Patentees and to the Patent System.

The disruption caused by the decision below is also significant because district court jurisdiction under § 146 to review PTO's § 135 decisions serves a crucial purpose. Because § 146 allows parties to file a "civil action," parties have access to the full set of litigation tools available in district court to find evidence (e.g., discovery and subpoena rights); to present that evidence to the court (e.g., trial rights); and to test the evidence presented by the other side (e.g., rights to cross examine witnesses).

Section 146 jurisdiction thus enables parties to "shore up evidentiary gaps in the agency record" by presenting new evidence and arguments that were unavailable before or were foreclosed due to the limited nature of PTO proceedings, *AbbVie Deutschland GmbH & Co., KG v. Janssen Biotech, Inc.*, 759 F.3d 1285, 1296 (Fed. Cir. 2011), and the district court "must make de novo factual findings" for the new evidence, *Agilent Techs., Inc. v. Affymetrix, Inc.*, 567 F.3d 1366, 1379 (Fed. Cir. 2009). A § 146 action also enjoys all of "the procedures and rules of federal litigation" not available in the PTO. *Streck, Inc. v. Research & Diagnostic Sys.*, 659 F.3d 1186, 1196 (Fed. Cir. 2011). For more than 150 years, patent applicants and holders have had the right to seek such relief in district court if their patents or applications are subject to an interference. *Troy v. Samson Mfg. Corp.*, 758 F.3d 1322, 1327 (Fed. Cir. 2014), (dating the right "to the Patent Act of 1836").

The panel decision, however, abruptly denies that right. Yet the panel pointed to neither statutory text nor legislative history commending that result. The entire reasoning of the panel is based on the negative implications of statutory silence. In other words, for both AIA § 6(f)(3)(C) and TCA § 1(k)(3), the panel reasoned that, because Congress provided one right in one circumstance, it must be presumed to have denied other rights in other circumstances. The weaknesses of such logic—which is ultimately based on the canon of *expressio unius est exclusio alterius*—are well known. See, e.g., *Cheney R. Co., Inc. v. ICC*, 902 F.2d 66, 68-69 (D.C. Cir. 1990) (describing such reasoning as a logical fallacy).

It is inconceivable that Congress would have relied on the negative implications of statutory silences to eliminate such an important, longstanding right and to unsettle the reliance interests that have attached thereto. And it is particularly inconceivable that Congress would rely on such negative implications to eliminate that right, even though it was simultaneously reaffirming that right for review of the agency's § 135 decisions under the new statutory structure.

C. The Destabilizing Effect of the Decision Will Continue For Years.

The Federal Circuit's decision threatens to have a far broader impact than solely on the parties and the patent application in this case. For a large number of litigants—those involved in interferences declared since September 16, 2012, and in interferences yet to be declared—the panel decision precludes district court jurisdiction under § 146.

Since September 16, 2012, the Patent Trial and Appeal Board (“PTAB”) has already declared approximately 100 interferences. More interferences can be expected because patent applications frequently remain pending in the PTO for years. Indeed, as new patents are issued, interferences involving such issued patents can continue to be commenced. Because any patent with an effective filing date prior to March 16, 2013 can be subject to an interference during its lifetime, and because patents do not expire until 20 years (or sometimes more) after their date of filing, the issue in this case can have continued relevance into the 2020s and even 2030s.

The long transition period here provides two final reasons for certiorari. First, the length of this transition period highlights the extreme importance of maintaining statutory stability in transition periods. Second, the long transition period also demonstrates the degree to which Congress wanted to ensure a smooth transition from one regime to the next. Congress wanted gradual change and stability. The decision below creates disruption and discontinuity through the length of the transition period—precisely the outcome Congress did not seek.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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December 10, 2015

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