

No. 15-\_\_\_\_

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IN THE  
**Supreme Court of the United States**

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BIOGEN MA, INC.,  
*Petitioner,*

v.

JAPANESE FOUNDATION FOR CANCER RESEARCH  
AND BAYER PHARMA AG,  
*Respondents.*

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

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**PETITION FOR A WRIT OF CERTIORARI**

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## **QUESTION PRESENTED**

Whether the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011), eliminated federal district courts' jurisdiction over patent interference actions under 35 U.S.C. § 146.

**RULE 29.6 STATEMENT**

Biogen MA, Inc. is a wholly owned subsidiary of Biogen Inc. No corporation or publicly held company owns ten percent or more of Biogen Inc.'s stock.

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## **OPINIONS BELOW**

The Federal Circuit's opinion is reported at 785 F.3d 648. Pet App. 1a-25a. The district court's opinion is reported at 38 F. Supp. 3d 162. Pet. App. 26a-40a.

## **JURISDICTION**

The Federal Circuit issued its decision on May 7, 2015. Pet. App. 1a. Petitioner filed a timely petition for rehearing and rehearing en banc, which the court denied on August 12, 2015. *Id.* at 41a-42a. This Court has jurisdiction under 28 U.S.C. § 1254(1).

## **STATUTORY PROVISIONS INVOLVED**

The relevant provisions of §§ 3, 6, and 7 of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (codified in part at scattered sections of 35 U.S.C.), as well as § 1(k)(3) of the Leahy-Smith America Invents Technical Corrections amendments, Pub. L. No. 112-274, 126 Stat. 2456 (2013), and 35 U.S.C. § 146 (2006), are set forth at Pet. App. 43a-50a.

## **STATEMENT**

This case concerns the Federal Circuit's elimination of district court jurisdiction over patent interference actions—disputes between competing applicants seeking to patent substantially the same invention. District court jurisdiction over interferences has been an essential mainstay of the U.S. patent system since 1836, and is expressly codified in 35 U.S.C. § 146, a statute that—as relevant here—remains unchanged. Yet the Federal Circuit held that only the Federal Circuit may hear patent interference appeals on the theory that Congress silently abrogated § 146 through other amendments to the patent laws. That holding

conflicts with longstanding decisions of this Court, and only this Court can correct it.

For more than a century, this Court has held that when “statutes clearly defin[e] the jurisdiction of the courts, the force and effect of such provisions should not be disturbed by a mere implication flowing from subsequent legislation.” *Rosencrans v. United States*, 165 U.S. 257, 262 (1897). When a statute expressly grants jurisdiction, a later statute must be “equally express” to divest that jurisdiction. *Id.*; accord *Mims v. Arrow Fin. Servs., LLC*, 132 S. Ct. 740, 750-51 (2012). This Court thus has refused to find divestitures of jurisdiction based on “statutory silence,” *Hertz Corp. v. Friend*, 559 U.S. 77, 83 (2010), or “mere inferences and doubtful construction,” *Rosencrans*, 165 U.S. at 263.

Contrary to these longstanding precedents, the Federal Circuit held that the Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011), “eliminated the district court’s § 146 jurisdiction to review decisions from interference proceedings declared after September 15, 2012.” Pet. App. 12a. The court below did not point to any express language in the AIA divesting district courts of § 146 jurisdiction, and none exists. The court, rather, found the divestiture based solely on purported “silence” in one AIA provision and negative inferences that the court drew from two other provisions. *Id.* at 14a-18a.

The Federal Circuit’s elimination of jurisdiction is directly at odds with this Court’s longstanding precedents precluding divestiture by silence or implication. The inferences drawn by the court below, moreover, were based on a fundamental misreading of the AIA,

which expressly preserved district courts' § 146 jurisdiction for both pre-AIA and post-AIA inventorship disputes.

The elimination of district court interference actions will have far-reaching consequences for the patent system for at least a decade or more. These actions serve a vital purpose, providing competing patent applicants the only means to conduct civil discovery, present live witnesses, and have a trial on the merits in disputes often involving multi-million or billion-dollar inventions. Under the decision below, these fact-intensive disputes will be considered only within the limited confines of an administrative board and the Federal Circuit's deferential review of that board's decisions. The decision below thus will deny critical protections to competing patent applicants in all future interference proceedings concerning any of the millions of pre-AIA patents and applications.

Given the Federal Circuit's exclusive appellate jurisdiction over district court interference decisions, *see* 28 U.S.C. § 1295(a)(4)(C), the issue in this case will not be further vetted by lower courts. This Court is the only forum available to correct the Federal Circuit's fundamental departure from this Court's jurisprudence and its elimination of a critical avenue of judicial review in the patent system.

#### **A. Statutory Framework**

1. *Administrative Interference Proceedings.* Oftentimes, “more than one applicant seeks a patent on substantially the same invention.” 3A-10 Chisum on Patents § 10.09(1)(a) (Matthew Bender 2015). Or, an applicant may seek to patent an invention claimed in an existing patent. When this occurs, the Patent and Trademark Office declares an “interference” and

conducts an administrative proceeding before the Patent Trial and Appeal Board (or, until recently, before the Board of Patent Appeals and Interferences) (“Board”). 35 U.S.C. § 135(a) (2006). The purpose of patent interference proceedings is to determine which competing inventor is entitled to the patent—*i.e.*, to “determine questions of priority of the inventions and . . . questions of patentability.” *Id.*

In interference proceedings before the Board, the competing applicants have only limited opportunities to develop and present evidence. “[I]n no case is live testimony given before the Board, which would allow the Board to observe demeanor, to hear the witnesses rebut one another’s testimony in response to questioning from the parties and the judges, and thus to determine credibility.” *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 1347 (Fed. Cir. 2000). Applicants present witness testimony through written submissions. *Id.*; 37 C.F.R. § 41.157(a).

Nor do Board interference proceedings permit discovery under the Federal Rules of Civil Procedure. *Id.* § 41.150. By regulation, discovery is “limited.” *Id.* § 41.150(a). Parties generally cannot take depositions or compel written discovery to develop their case-in-chief, and instead are restricted to cross-examination and rebuttal. *See id.* §§ 41.150(c), 41.156. A standing order of the Board thus provides that additional discovery beyond certain initial disclosures is “rarely authorized.” Standing Order ¶ 150.2, PTO, <http://www.uspto.gov/sites/default/files/ip/boards/bpai/interf/forms/standingordermar2011.pdf>.

2. *Judicial Proceedings.* After the Board issues its decision in an interference proceeding, parties historically have had two mutually exclusive options.

First, until the decision below, parties could file a civil action in federal district court under 35 U.S.C. § 146 (2006), allowing for all of the discovery and other rights afforded in any civil action. Unlike in the Board, “there are no limits on the admissibility of evidence . . . except those in the Federal Rules of Evidence and Federal Rules of Civil Procedure.” *Troy v. Samson Mfg. Corp.*, 758 F.3d 1322, 1325, 1337-38 (Fed. Cir. 2014). Filing a district court interference action thus allows parties to “bring to bear, upon contested issues . . . the procedures and rules of federal litigation,” including civil discovery and a trial on the merits. A civil action provides parties the ability to “shore up evidentiary gaps in the agency record.” *AbbVie Deutschland GmbH & Co., KG v. Janssen Biotech, Inc.*, 759 F.3d 1285, 1296 (Fed. Cir. 2014) (citation omitted).

Second, in lieu of a district court action, parties can appeal Board decisions directly to the Federal Circuit under 35 U.S.C. § 141 (2006). “Unlike a § 146 action, a direct appeal under § 141 is based solely on the agency record and . . . therefore more akin to a traditional appeal from a district court decision.” *AbbVie Deutschland*, 759 F.3d at 1296.

In cases where the Board’s interference decision turns on a purely legal question, parties may prefer immediate *de novo* review in the Federal Circuit. But if an interference proceeding involves complex factual disputes or questions concerning complicated technology or science—as is often the case—parties may prefer a district court action and the opportunity to develop the record through discovery and a trial.

2. *AIA Amendments.* On September 16, 2011, Congress enacted the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284. The AIA

“convert[ed] the United States patent system from ‘first to invent’ to a system of ‘first inventor to file’” to improve and harmonize the U.S. system with patent schemes used in other countries. AIA § 3(o), (p).

As relevant here, for patents and applications filed under the new system, the AIA replaced the interference proceeding with a new “derivation proceeding.” AIA § 3(i) (amending 35 U.S.C. § 135). “Like interferences, the [derivation] proceeding is to resolve a conflict between two applicants who claim the same invention when the conflict cannot be fully resolved based on filing dates.” 3A-10 Chisum, *supra*, § 10.10(4)(d)(i). The question in a “derivation proceeding” is not who was the first to invent, but whether an applicant’s invention “derived from an inventor named in another application or patent.” *Id.* § 10.10(4)(b), (4)(d)(i). Under the new regime, the AIA replaced the Board of Patent Appeals and Interferences with the new Patent Trial and Appeal Board. AIA § 7(a)(1) (amending 35 U.S.C. § 6).

As with interferences, once the Board issues a decision in a derivation proceeding, parties have two mutually exclusive options: a district court action under § 146, or, alternatively, an appeal of the Board’s derivation decision directly to the Federal Circuit under § 141. Specifically, AIA § 3(j) amended § 146 district court jurisdiction by “striking ‘an interference’ and inserting ‘a derivation proceeding.’” And AIA § 7(c)(1) amended § 141 to make Federal Circuit review applicable to derivations.

Notably, Congress for obvious fairness reasons declined to apply the AIA’s new first-inventor-to-file system to patents and applications filed under the first-to-invent regime. In AIA § 3(n)(1), Congress made the new scheme—including § 3(j)’s change to



§ 146—prospective only, for patents and applications with “effective filing dates” on or after March 16, 2013:

(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 . . . .

AIA § 3(n)(1) (emphases added).<sup>1</sup>

Thus, “under AIA § 3(n)(1) interference proceedings are to continue with respect to previously-filed patent applications, that is, applications filed before March 16, 2013.” Pet. App. 14a; *accord Tobinick v. Olmarker*, 753 F.3d 1220, 1223 n.1 (Fed. Cir. 2014). When the PTO declares an interference involving patents or applications filed before March 16, 2013, the pre-AIA, unamended provisions governing interferences still apply. By contrast, when inventorship disputes arise involving patents or applications filed on or after

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<sup>1</sup> The “effective filing date” includes “the actual filing date of the patent or the application for the patent containing a claim to the invention” or “the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), 365(b), 386(a), or 386(b) or to the benefit of an earlier filing date under section 120, 121, 365(c), or 386(c).” 35 U.S.C. § 100(i)(1)(A)-(B). For simplicity, this petition hereafter refers to the “effective filing date” as the date that a patent or application was “filed.”

March 16, 2013, the AIA provisions governing the new derivation proceedings instead apply. Pet. App. 13a-14a.

## **B. Proceedings Below**

1. *Board Interference Proceedings.* On July 16, 2013, the PTO declared an interference between two U.S. patent applications: No. 08/253,843, which was filed by Walter Fiers and owned by petitioner Biogen, and No. 08/463,757, which was filed by Haruo Sugano (and others) and owned by respondent JFCR. Pet. App. 4a. The applications were filed in 1994 and 1995, respectively, but they both claim the benefit of earlier applications and assert a chain of priority dating back to 1980. *Id.* at 3a.

The applications generally relate to claims to precursor and/or mature forms of human fibroblast interferon (“hFIF”) proteins, which are important immune system modulators. *Id.* These hFIF proteins form the basis of Biogen’s pioneering drugs for treating multiple sclerosis, Avonex<sup>®</sup> and Plegridy<sup>®</sup>.

The Board issued an order to show cause why Fiers (whose application is owned by Biogen) “should not be estopped from proceeding, given that Fiers lost [] prior interferences and the subject matter was again the same as in the prior interferences.” *Id.* at 4a. Fiers argued that his claims to hFIF proteins are not the same and instead are “patentably distinct” from the DNA-sequence claims at issue in the earlier interferences. *Id.* The Board rejected Fiers’ contention that prior rulings had precluded him from presenting hFIF protein claims in the earlier interferences, and concluded that Fiers had failed to submit “sufficient evidence”—within the evidentiary confines of Board proceedings—to show that the protein claims

were patentably distinct. The Board thus held that Fiers was “estopped” from pursuing the interference. *Id.* at 5a.

2. *Biogen’s District Court Action.* Following the Board’s decision, Biogen elected to file a civil action under 35 U.S.C. § 146 (2006), rather than appeal the Board’s decision to the Federal Circuit under § 141. Pet. App. 5a. Biogen brought this suit in the U.S. District Court for the District of Massachusetts. *Id.* at 26a. In response to respondents’ motion to dismiss for lack of jurisdiction, Biogen explained that, because the applications at issue were filed before March 16, 2013, under a plain reading of AIA § 3(n)(1) the pre-AIA, unamended statutes governing interferences—including § 146—applied.

The district court held that the AIA divested district courts of jurisdiction under § 146 to review “interferences declared on or after September 16, 2012.” Pet. App. 37a. Such interferences, the court found, “may be brought only in the Federal Circuit.” *Id.* The district court therefore transferred this case to the Federal Circuit. *Id.* at 40a.

3. *Decision Below.* Though rejecting the district court’s reasoning, Pet. App. 14a n.8, the Federal Circuit affirmed, holding that the AIA “eliminated the district court’s § 146 jurisdiction to review decisions from interference proceedings declared after September 15, 2012.” *Id.* at 12a.

The court below acknowledged that under AIA § 3(n)(1), the shift to a first-inventor-to-file regime set forth throughout § 3 applied only prospectively to patents and applications filed on or after March 16, 2013. *Id.* at 13a. But the court reasoned that § 3(n)(1) was “silent as to whether interference proceedings and

judicial review of these proceedings continues with respect to patent applications filed prior to March 16, 2013.” *Id.* at 14a.

To determine the significance of Congress’ purported “silence,” the court looked to § 6(f)(3)(C) of the AIA and § 1(k)(3) of the Leahy-Smith America Invents Technical Corrections amendments (“TCA”), Pub. L. No. 112-274, 126 Stat. 2456 (2013). Pet. App. 15a-16a. The court found that these provisions—by negative inference—divested district courts of § 146 jurisdiction to hear interferences declared after September 15, 2012.

Section 6(f)(3)(C) provides that parties may pursue both district court § 146 actions and Federal Circuit § 141 appeals for patent interferences declared “before” September 16, 2012. Pet. App. 15a. The court below found that this provision implied an intent to eliminate *all* “judicial review for interferences declared *after* September 15, 2012.” *Id.*

Section 1(k)(3) provides that, for interferences “declared after September 15, 2012,” parties may appeal to the Federal Circuit. *Id.* at 16a. The court below found that § 1(k)(3)—by referring to Federal Circuit review under § 141 but not district court actions under § 146—implied that “pre-AIA § 146 review was eliminated for interference proceedings declared after September 15, 2012.” *Id.*

The court concluded: “[B]ecause the AIA and its technical corrections provided that only pre-AIA § 141 review in this court would be available for interferences declared after September 15, 2012, and the ’939 interference here was declared July 16, 2013, the district court properly found that it lacked subject matter jurisdiction.” *Id.* at 18a.

On the merits, the Federal Circuit affirmed the Board's estoppel ruling, finding insufficient evidence that petitioner's hFIF protein claims are patentably distinct from the DNA-sequence claims at issue in prior interferences. *Id.* at 25a.

## **REASONS FOR GRANTING THE PETITION**

### **I. THE FEDERAL CIRCUIT'S DECISION CONFLICTS WITH THIS COURT'S JURISPRUDENCE BARRING DIVESTITURES OF JURISDICTION BY IMPLICATION**

Since the Patent Act of 1836, Congress has granted district courts jurisdiction over patent interference actions. Act of July 4, 1836, ch. 357, § 16, 5 Stat. 117, 123-24. Since the Patent Act of 1952, this jurisdiction has been codified in 35 U.S.C. § 146. Act of July 19, 1952, ch. 950, § 146, 66 Stat. 792, 803. While the AIA amended § 146 by replacing references to “an interference” with “a derivation proceeding” to conform to the new first-inventor-to-file regime, *see* AIA § 3(j), that amendment expressly applies *only* prospectively to patents and applications filed on or after March 16, 2013, *id.* § 3(n)(1). For interferences involving patents and applications filed *before* March 16, 2013, § 146 to this day remains unchanged. *See id.* Because this interference action concerns patents and applications filed before March 16, 2013, Pet. App. 4a, § 146 on its face granted the district court jurisdiction to hear this case.

The Federal Circuit nonetheless held that the AIA “eliminated” district courts’ § 146 jurisdiction over interferences declared after September 15, 2012. The court below did not find that the AIA expressly withdrew jurisdiction under § 146. Nor could it. The court, rather, concluded that Congress restricted

§ 146’s grant of jurisdiction through “silence” in one provision of the AIA and negative inferences drawn from two other provisions. That conclusion is at odds with more than a century of this Court’s jurisprudence as well as decisions of other circuits.

**A. Silence and Implications From Subsequent Statutes Cannot Divest Courts of Jurisdiction**

“Federal courts . . . in the main ‘have no more right to decline the exercise of jurisdiction which is given, then to usurp that which is not given.’” *Mims v. Arrow Fin. Servs., LLC*, 132 S. Ct. 740, 747 (2012) (quoting *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264 (1821)). Jurisdiction conferred by statute thus “should hold firm against ‘mere implication flowing from subsequent legislation.’” *Id.* at 751 (quoting *Colorado River Water Conserv. Dist. v. United States*, 424 U.S. 800, 808 (1976) (quoting *Rosencrans v. United States*, 165 U.S. 257, 262 (1897))). Courts may not read subsequent statutes to “destroy a jurisdiction otherwise clearly existing, by mere inferences and doubtful construction.” *Rosencrans*, 165 U.S. at 263. Stated more succinctly, “jurisdiction is not defeated by implication.” *Galveston, Harrisburg & San Antonio Ry. Co. v. Wallace*, 223 U.S. 481, 490 (1912).

Similarly, the “cardinal rule . . . that repeals by implication are not favored . . . counsels a refusal to pare down . . . jurisdiction” granted by statute on the basis of negative inferences drawn from later enactments. *Lynch v. Household Fin. Corp.*, 405 U.S. 538, 549 (1972) (citation omitted). When a statute expressly grants jurisdiction, a later statute must be “equally express” to divest courts of that jurisdiction. *Rosencrans*, 165 U.S. at 262. Thus, only “a clear

and explicit withdrawal of jurisdiction withdraws jurisdiction,” *Rockwell Int’l Corp. v. United States*, 549 U.S. 457, 468 (2007) (emphasis omitted)—*i.e.*, statutory text that “expressly restricts application of a jurisdiction-conferring statute,” *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 515 n.11 (2006).

For instance, in *Mims*, this Court held that a provision of the Telephone Consumer Protection Act, by authorizing parties to bring TCPA suits in state courts, did not implicitly divest district courts of federal-question jurisdiction to hear TCPA suits under 28 U.S.C. § 1331. The Court rejected an argument that “the TCPA, a later, more specific statute, displaces § 1331, an earlier, more general prescription.” *Mims*, 132 S. Ct. at 748. “[S]ilence . . . leaves the jurisdictional grant of § 1331 untouched. For where otherwise applicable jurisdiction was meant to be excluded, it was excluded expressly.” *Id.* at 750 (quoting *Verizon Md. Inc. v. Pub. Serv. Comm’n of Md.*, 535 U.S. 635, 644 (2002)). The TCPA accordingly posed no “barrier to the U.S. district courts’ exercise of the general federal-question jurisdiction they have possessed since 1875.” *Id.* at 745.

Applying the same principle, this Court has held that silence or implications cannot strip district courts of jurisdiction otherwise conferred by statute, including where, as here, “the elimination of federal district-court review would not amount to the elimination of all review.” *Verizon Md.*, 535 U.S. at 643. This Court likewise has refused to read “statutory silence as implicitly modifying or limiting” its own jurisdiction under 28 U.S.C. § 1254. *Hertz Corp. v. Friend*, 559 U.S. 77, 83 (2010); *see also Felker v. Turpin*, 518 U.S. 651, 659-61 (1996) (statute limiting the Court’s

appellate jurisdiction over lower courts' habeas judgments did not implicitly divest the Court of its original habeas jurisdiction).

Following these longstanding precedents, courts of appeals routinely refuse to find divestitures of jurisdiction by inference or implication. "There is a strong presumption against implied repeals of federal statutes, and this presumption is perhaps an even stronger one when the repeal is a grant of jurisdiction to the federal courts." *United States v. Lahey Clinic Hosp., Inc.*, 399 F.3d 1, 9 (1st Cir. 2005) (citations omitted) (holding that Medicare Act did not implicitly divest district courts of jurisdiction under 28 U.S.C. § 1345 over suits brought by the United States); *see also Gottlieb v. Carnival Corp.*, 436 F.3d 335, 340 (2d Cir. 2006) (district courts retain diversity jurisdiction under 28 U.S.C. § 1332 "unless Congress expresses a clear intent to the contrary"); *United States v. Com. of Puerto Rico*, 721 F.2d 832, 838 (1st Cir. 1983) (Clean Air Act and Clean Water Act reflected "no clear or manifest legislative intent" to divest district courts of jurisdiction under § 1345).

### **B. The Federal Circuit Held That Congress Divested District Courts of Jurisdiction Through "Silence" and Negative Inferences**

The decision below cannot be squared with the above jurisprudence.

Nothing in the AIA "explicit[ly]," *Rockwell*, 549 U.S. at 468, or "expressly," *Arbaugh*, 546 U.S. at 515 n.11, divests district courts of § 146 jurisdiction over patent interference actions. To the contrary, the amendments in AIA § 3 replacing interferences with derivation proceedings—including § 3(j)'s amendment to



§ 146—expressly apply only to patents and applications filed on or after March 16, 2013. AIA § 3(n)(1). For patents and applications filed before that date, Congress deliberately left in place the first-to-invent regime, including the Board’s authority to declare and hear interferences under pre-AIA § 135. The court below thus acknowledged that “pre-AIA law applies generally to old interferences.” Pet. App. 13a (citing *Tobinick v. Olmarker*, 753 F.3d 1220, 1223 n.1 (Fed. Cir. 2014)). Even respondents agreed that “under AIA § 3(n)(1) interference proceedings are to continue with respect to previously-filed patent applications, that is, applications filed before March 16, 2013.” *Id.* at 14a. Likewise, for patents and applications with effective dates on or *after* March 16, 2013, the AIA retained § 146 district court actions for the new “derivation” disputes under the AIA’s first-inventor-to-file regime.

In holding that the AIA “eliminated the district court’s § 146 jurisdiction,” *id.* at 12a, the Federal Circuit relied solely on legislative “silence” and negative inferences. *Id.* at 14a-18a. First, the court below stated that AIA § 3(n)(1) “on its face is silent as to whether interference proceedings and judicial review of these proceedings continues with respect to patent applications filed prior to March 16, 2013.” *Id.* at 14a. The court likewise noted that “the legislative history is silent” on the question. *Id.* at 17a. But “silence leaves the jurisdictional grant of [§ 146] untouched.” *Mims*, 132 S. Ct. at 750 (citation and alteration omitted). The court below thus erred in reading “statutory silence as implicitly modifying or limiting” district courts’ jurisdiction under § 146. *Hertz*, 559 U.S. at 83.

Second, the court below relied on negative inferences it divined from two other provisions. Section

6(f)(3)(C) of the AIA provides that parties may pursue both district court § 146 actions and Federal Circuit § 141 appeals for interferences declared “before” September 16, 2012. Section 1(k)(3) of the TCA provides that, for interferences “declared after September 15, 2012,” parties may appeal to the Federal Circuit under § 141. Though neither provision makes any mention of § 146 actions for interferences declared *after* September 15, 2012, the Federal Circuit drew the negative inference that § 6(f)(3)(C) and § 1(k)(3) “together make clear that pre-AIA § 146 review was eliminated for interference proceedings declared after September 15, 2012.” Pet. App. 16a. But subsequent legislation cannot “destroy a jurisdiction otherwise clearly existing, by mere inferences and doubtful construction.” *Rosencrans*, 165 U.S. at 263.

Worse, the Federal Circuit turned this Court’s jurisprudence on its head, suggesting that the AIA divested district courts of jurisdiction under § 146 because the record did not “clearly state § 146 review remains available for interferences commenced after September 15, 2012.” Pet. App. 18a n.10. The question under this Court’s decisions is not whether Congress “clearly” expressed an intention to maintain district courts’ jurisdiction under an existing statute, but whether Congress clearly *withdrew* that jurisdiction. *See, e.g., Rosencrans*, 165 U.S. at 262-63.

In short, the AIA posed no “barrier to the U.S. district courts’ exercise of . . . jurisdiction they have possessed since [1836].” *Mims*, 132 S. Ct. at 745. Certiorari is warranted to bring the Federal Circuit in line with this Court’s longstanding jurisprudence.

## II. THE FEDERAL CIRCUIT MISCONSTRUED THE AMERICA INVENTS ACT

Beyond the blackletter rule that Congress does not divest courts of jurisdiction through silence or inference, the Federal Circuit drew its inferences based on a fundamentally incorrect interpretation of the AIA. Neither AIA § 6(f)(3)(C) nor TCA § 1(k)(3) permits—much less commands—an inference that Congress intended to eliminate district courts’ § 146 jurisdiction over interferences declared after September 15, 2012.

In relevant part, AIA § 6(f)(3)(C) provides:

APPEALS.—The authorization to appeal or have remedy from derivation proceedings in sections 141(d) and 146 of title 35, United States Code, as amended by this Act . . . shall be deemed to extend to any final decision in an interference that is commenced before the effective date set forth in paragraph (2)(A) of this subsection [i.e., September 16, 2012] . . . .

This provision ensured that the AIA would *preserve*—not divest—district courts’ jurisdiction over interference actions under § 146. Specifically, under AIA § 3(n)(1), the pre-AIA, unamended § 146 continues to apply for interferences involving patents and applications filed before March 16, 2013. But the text of the pre-AIA § 146 permits district court actions following decisions by the “Board of Patent Appeals and Interferences,” a body that, as of September 16, 2012, was replaced by the Patent Trial and Appeal Board under AIA § 7(a)(1). And while § 7(a)(1) provides that “[a]ny reference in any Federal law . . . to the Board of Patent Appeals and Interferences is deemed to refer to the Patent Trial and Appeal Board,” that provision is effective *only* for interferences

declared by the new Patent Trial and Appeal Board “on or after” September 16, 2012. AIA § 7(e). Section 6(f)(3)(C) closed this gap by authorizing § 146 actions for interferences declared by the old Board of Patent Appeals and Interferences “before” September 16, 2012. The same issue affected Federal Circuit appeals under § 141, and § 6(f)(3)(C) closed this gap as well.

As for TCA § 1(k)(3), that provision addressed a different issue affecting only § 141 Federal Circuit appeals, not § 146 district court actions. Specifically, AIA § 7(c)(1) amended § 141 to authorize Federal Circuit review of decisions of the Patent Trial and Appeal Board in derivation proceedings (and other proceedings) declared after September 15, 2012, but inadvertently failed to provide for Federal Circuit review of Patent Trial and Appeal Board decisions in interference proceedings. Section 1(k)(3) of the TCA corrected this omission by authorizing § 141 appeals of Patent Trial and Appeal Board decisions in “interference proceedings that are declared after September 15, 2012”:

REVIEW OF INTERFERENCE DECISIONS.—The provisions of sections 6 and 141 of title 35, United States Code . . . as in effect on September 15, 2012, shall apply to interference proceedings that are declared after September 15, 2012 . . . .

The same problem did not exist for district court actions under § 146, because AIA § 3(n)(1) left in place the pre-AIA, unamended § 146 for interferences declared on or after September 16, 2012, and AIA § 6(f)(3)(C) authorized § 146 actions for interferences declared before September 16, 2012. Congress thus had no reason to mention § 146 in TCA § 1(k)(3), and did not do so.

The court below stressed that § 6(f)(3)(C) mentions § 146 actions, whereas § 1(k)(3) does not. Pet. App. 16a. Based on § 1(k)(3)'s failure to mention § 146, the court inferred that Congress intended to eliminate district courts' § 146 jurisdiction for interferences declared after September 15, 2012. That inference is unreasonable and illusory. First, § 6(f)(3)(C) and § 1(k)(3) address completely different issues, and the court below erred in treating the provisions as interconnected and drawing a negative inference by construing them "together." *Id.* Second, the court further erred in drawing an inference from § 1(k)(3)'s failure to mention § 146. Nothing can be gleaned—much less a divestiture of jurisdiction—from Congress' omission of language in a statute that would have served no purpose. Third, it would be passing strange for Congress to make virtually all pre-AIA patents and applications subject to pre-AIA rules, yet divest longstanding district court jurisdiction through flawed inferences and silence. That approach would be particularly odd given that Congress explicitly maintained § 146 district court jurisdiction for *all* derivation disputes in the AIA's new first-inventor-to-file system. 35 U.S.C. § 146 (2012).

The Federal Circuit compounded these errors by misapplying the "specific governs the general" canon. Pet. App. 16a. That canon applies only where "a specific provision conflicts with a general one." *Edmond v. United States*, 520 U.S. 651, 657 (1997). It does not apply when "there is no conflict." *Nat'l Cable & Telecom. Ass'n, Inc. v. Gulf Power Co.*, 534 U.S. 327, 336 (2002). Here, Section 3(n)(1) does not conflict with § 6(f)(3)(C) or § 1(k)(3). That district courts have jurisdiction over interferences declared before September 16, 2012 (§ 6(f)(3)(C)) does not conflict with their having jurisdiction for interferences declared

after that date. And whether the Federal Circuit has jurisdiction to review Board interference decisions on or after September 16, 2012 (§ 1(k)(3)) says nothing about district courts' jurisdiction at all. Because these provisions can and should be read in harmony, the "specific governs the general" canon did not apply.

In any case, § 146 and AIA § 3(n)(1) are the more specific provisions. Section 146 specifically grants district courts jurisdiction over interference actions, and AIA § 3(n)(1) specifically makes § 3(j)'s amendment to § 146 applicable only prospectively to patents and applications filed after March 16, 2013. Sections 6(f)(3)(C) and 1(k)(3) do not mention district courts' jurisdiction over interferences declared after September 15, 2012—either generally or specifically.

This Court should grant review to correct the Federal Circuit's misreading of the AIA, and to restore an essential avenue of judicial review for potential inventorship disputes concerning the millions of pre-AIA patents and applications.

### **III. THE FEDERAL CIRCUIT'S DECISION WILL HAVE FAR-REACHING CONSEQUENCES**

1. Absent this Court's intervention, the decision below will deny critical judicial review for existing and future interferences involving any of the millions of patents and applications with effective filing dates before March 16, 2013.

In 2012 alone, the PTO issued 270,258 patents, and more than a million applications remained pending—any of which are subject to interferences under pre-AIA rules and therefore directly affected by the decision below. So are the millions of patents filed before 2012. And even after the AIA's March 16, 2013

effective date, many newly granted patents are subject to pre-AIA rules because the patents' applications were filed before that date. See Dennis Crouch, *Implementing the AIA: First to File Patents*, PatentlyO.com (Sept. 14, 2015) (based on a sample of 868 patents granted in the first two weeks of September 2015, only 17% had filing dates after the AIA's March 16, 2013 effective date). Indeed, many patent applications filed after March 16, 2013, will have a pre-March 16, 2013 "effective filing date" whenever an application claims the benefit of earlier applications and a chain of priority pre-dating the AIA. 35 U.S.C. § 100(i)(1). For example, the applications in this case were filed in the mid-1990s, but claim an "effective filing date" as early as 1980.

Under current patent law, a patent's term extends for 20 years from filing, 35 U.S.C. § 154, and thus interference proceedings will continue for "many years and interference practice, the rules and precedents, will still be applicable." Jerome Rosenstock, *Priority of Invention and the AIA* § 17.01 (2015); accord *Pfizer Inc. v. Sanofi-Aventis*, Patent Interference No. 105,757 (BPAI 2012) (Dkt. No. 157) (Torczon, J., additional views) ("[Interferences] will be with us at least a decade longer.").

Beyond the sheer number of patents and patent applications affected by the decision below, the stakes are demonstrably enormous for industries that rely on patents. From 2008-2014, there were on average 54 interferences a year, frequently involving multi-million or billion-dollar inventions whose ownership

has grave implications for public health.<sup>2</sup> The patent applications at issue here relate to leading drugs for multiple sclerosis, a debilitating disorder for which few therapeutic options exist. There are many other interference proceedings before the Board that likewise involve patents and applications related to treatments for serious diseases such as muscular dystrophy (Patent Interference No. 106,013), Alzheimer's (Patent Interference No. 106,014), and cancer (Patent Interference No. 106,032).

2. The elimination of district court jurisdiction also has significant and recurring consequences for the patent system. The right to bring a district court action to resolve an interference dispute dates back to the Patent Act of 1836. *Troy v. Samson Mfg. Corp.*, 758 F.3d 1322, 1325, 1337-38 (Fed. Cir. 2014) (tracing history of § 146). These actions serve a vital purpose not served by either Board proceedings or the Federal Circuit's deferential appellate review of Board decisions. The decision below therefore strikes at the heart of the everyday administration of the nation's patent system.

"Section 146 affords a litigant the option of shoring up evidentiary gaps," given the limited discovery and bar on live witnesses in Board proceedings. *Agilent Techs., Inc. v. Affymetrix, Inc.*, 567 F.3d 1366, 1380 (Fed. Cir. 2009). "[B]ecause the district court may observe witnesses under examination and cross-examination it can have a 'powerful advantage' over the the Board which can never receive testimony in such a manner." *Winner Int'l Royalty Corp. v. Wang*,

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<sup>2</sup> PTO, PTAB/BPAI Statistics Archive Page, <http://www.uspto.gov/patents-application-process/appealing-patent-decisions/statistics/ptabpai-statistics-archive-page>.



202 F.3d 1340, 1347 (Fed. Cir. 2000). The need for discovery and fact-finding is especially acute in the context of interferences, which often raise complex scientific or technological issues and other fact-intensive questions, including obviousness, *id.* at 1348, conception, enablement, and timing of inventorship. *E.g.*, *Harari v. Lee*, 656 F.3d 1331, 1340 (Fed. Cir. 2011) (declining to resolve the “technical, fact-intensive” question at the heart of the parties’ interference dispute and remanding for further proceedings); *In re Jolley*, 308 F.3d 1317, 1323 (Fed. Cir. 2002) (“conception” inquiry in an interference proceeding is “fact-intensive”).

Likewise, “[e]stoppel should be decided on the facts of each case with reference to the principles of equity.” *In re Kroekel*, 803 F.2d 705, 709 (Fed. Cir. 1986). Here, the Board estopped Biogen’s interference based on a purported failure to produce “sufficient evidence” that its protein claims were patentably distinct from prior DNA-sequence claims. Pet. App. 5a.

Allowing Federal Circuit review of the Board’s decisions does not diminish the prejudice from the lack of district court actions. Direct appeals to the Federal Circuit under § 141 are limited to deferential review of the Board’s determinations on the narrow administrative record. *Streck, Inc. v. Research & Diagnostic Sys., Inc.*, 659 F.3d 1186, 1190 (Fed. Cir. 2011). Appellate review of agency decisions is an inadequate substitute for the “factfinding and record-developing capabilities of a federal district court.” *See McNary v. Haitian Refugee Ctr., Inc.*, 498 U.S. 479, 497 (1991).

3. This Court has granted certiorari to address analogous questions concerning the division of jurisdiction between the Federal Circuit and district courts, *see Kloeckner v. Solis*, 133 S. Ct. 596, 600 (2012)

(reviewing whether federal employees must seek judicial review of adverse agency decisions in district court or before the Federal Circuit), and has recognized the importance of clarifying the parameters of courts' jurisdiction, *see, e.g., United States v. Wong*, 135 S. Ct. 1625, 1628 (2015); *Gonzalez v. Thaler*, 132 S. Ct. 641, 648 (2012); *Henderson v. Shinseki*, 562 U.S. 428, 434 (2011); *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 511 (2006).

Moreover, the Court routinely grants review to correct errors that affect important aspects of the patent system, *see Shapiro, et al., Supreme Court Practice* 282 (10th ed. 2013), including to address the important distinctions between district court and Federal Circuit review of Board decisions, *Kappos v. Hyatt*, 132 S. Ct. 1690, 1694-95 (2012). *See also id.* at 1699 n.4 (citing multiple other cases in which this Court addressed § 146's predecessor statutes). Certiorari is particularly warranted where, as here, the question involves the proper administration of the patent laws.<sup>3</sup>

The error here is so plain—and so important—that the Court may wish to consider summary reversal. In all events, the significance of the issue to the administration of the patent laws merits this Court's review.

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<sup>3</sup> *E.g., Teva Pharm. USA, Inc. v. Sandoz, Inc.*, 135 S. Ct. 831, 835 (2015) (holding that the Federal Circuit must apply a “clear error” standard of review in reviewing district courts' factual findings in patent cases); *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 849 (2014) (holding that “the burden of proving infringement should remain with the patentee” in declaratory judgment actions brought by licensees against patentees); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 368, 394 (2006) (holding that the traditional, four-factor test for granting equitable relief applies equally to patent disputes as to other cases).

**CONCLUSION**

The petition for a writ of certiorari should be granted, or alternatively, the decision below should be summarily reversed.

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## **APPENDIX**