

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

In re: Google LLC,
Petitioner,

On Petition for Writ of Mandamus
to the United States Patent and Trademark Office,
Patent Trial and Appeal Board in
Nos. IPR2024-01464, IPR2024-01465

**ACTING DIRECTOR'S RESPONSE
TO PETITION FOR MANDAMUS**

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INTRODUCTION

Congress has committed the decision to institute an inter partes review (IPR) to the United States Patent and Trademark Office (USPTO) Director's discretion and expressly insulated the exercise of that discretion from any appeal. Accordingly, this Court has made clear that the only circumstance in which it can review the USPTO's denial of a petition to institute IPR is through a petition for a writ of mandamus, which may be brought solely based on colorable claims that the USPTO has exercised its discretion in an unconstitutional manner. *See Mylan Lab'ys Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021). And to obtain the "drastic and extraordinary" mandamus remedy, a petitioner must show that it has (1) a "clear and indisputable" right to relief; (2) no "alternative avenues of relief"; and (3) that "the writ is appropriate under the circumstances." *Cheney v. U.S. Dist. Ct. for D.C.*, 542 U.S. 367, 379-81 (2004) (quotation marks omitted).

Petitioners here, Google LLC, Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc., seek that extraordinary remedy based on their dissatisfaction with the current Acting Director's decision to alter a former Director's guidance regarding the appropriate circumstances for institution of an IPR considering parallel district court litigation.

Petitioners do not claim that they lacked notice of the rescission of the prior Director's guidance, nor do they dispute that they had multiple opportunities to brief whether the Acting Director's guidance to the Board on how to exercise her institutional discretion should impact their requests for institution. Rather, they contend that withdrawing the former Director's guidance violates the Administrative Procedure Act (APA) and the Constitution. Such complaints do not approach the very high bar for mandamus relief.

To begin, much of petitioners' argument is barred by 35 U.S.C. § 314(d), which precludes judicial review of claims that the USPTO's institution decisions violate a statute, including the APA. Petitioners seek to evade § 314(d) by creatively reframing alleged statutory violations as separation-of-powers problems and challenges under the APA's standards for judicial review of agency action as "due process" arguments. Such challenges arise under statutes, not the Constitution, and are nonjusticiable in this mandamus action.

In addition to that threshold defect, petitioners fail to make the stringent showing required for mandamus relief. Petitioners not only fail to establish a clear and indisputable right to relief; their arguments are baseless. Petitioners have no entitlement to either IPR institution or any

particular set of criteria the agency might use to determine if it considers institution warranted—both matters that are entirely within the Director’s discretion. And even if petitioners could establish the type of entitlement that might support a constitutionally protected liberty or property interest, petitioners received the due-process requisites of notice and the opportunity to be heard; the USPTO afforded petitioners multiple opportunities to make their case for institution under the Acting Director’s current guidance. Furthermore, the rescission of prior guidance to the Patent Trial and Appeal Board (Board) on discretionary institution does not implicate the presumption against retroactivity. And petitioners’ asserted reliance interest in the former Director’s prior guidance was entirely unreasonable. Petitioners’ separation-of-powers claims state, at most, statutory violations and are equally without merit; the statutory estoppel provision petitioners cite leaves the agency free to deny institution for any constitutionally permissible reason.

Nor can petitioners satisfy the mandamus standard’s other requirements. Petitioners say that they have no other avenue for relief because this Court has said that review of institution decisions is available only through mandamus. But that just highlights the fact that petitioners are attempting to obtain judicial review of decisions this Court has

recognized are within the USPTO's unreviewable discretion. At base, petitioners are seeking a chance to invalidate patent claims. They claim no independent harm from any asserted constitutional violation. Accordingly, petitioners have several "alternative avenues of relief" through which they may seek invalidation of the challenged patent claims, as they remain free to avail themselves of district court litigation or ex parte reexamination.

Finally, even apart from all other defects in their petition, petitioners cannot show that mandamus relief would be appropriate. Congress gave the USPTO Director wide latitude to manage IPR proceedings and insulated institution decisions from appellate review. Each Director must balance requests for administrative review of patent claims against the other needs of the USPTO and the patent system more generally. The current Acting Director faces a significantly different situation than existed in 2022. When the Acting Director took office in February 2025, the backlog and pendency of ex parte appeals that the Board needed to address was higher, the number of Administrative Patent Judges was lower, and the agency was subject to a hiring freeze. Petitioners contend that the rescission of the prior guidance has led to "chaos" and "unpredictability." Pet. 27, 28. But petitioners' complaint is about the rescission's change in policy, which may result in a reduced number of IPR proceedings and an increase in district

court actions. Courts are not the appropriate fora for objecting to the USPTO’s discretionary policy choices. Petitioners’ request for a judicial order forcing the current Acting Director to adhere to a prior Director’s guidance to the Board concerning the exercise of institution discretion, issued under different circumstances, is not an “appropriate” use of the writ.

BACKGROUND

1. When Congress created IPR, it set out various statutory bars precluding the USPTO Director from instituting an IPR but no set of circumstances in which institution is required. *See* 35 U.S.C. §§ 314(a), 315. Congress further provided that although the agency’s final written decision with respect to patentability is subject to appeal in this Court, *see id.* §§ 318, 319, the determination by the Director whether to institute an IPR is “final and nonappealable,” *id.* § 314(d). Both this Court and the Supreme Court have repeatedly made clear that the USPTO is under “no mandate to institute review” and the “decision to deny [an IPR] petition is a matter committed to the Patent Office’s discretion.” *Mylan*, 989 F.3d at 1382 (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016)). Thus, “[t]he Director is permitted, but never compelled, to institute an IPR,” and “no petitioner has a right to ... institution.” *Id.*

2. The Director has delegated broad discretion over whether to institute IPR proceedings to the Board, *see* 37 C.F.R. § 42.4(a), and Directors have set out various criteria for the Board to use in employing that delegated authority, *see, e.g., General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, No. IPR2016–01357, 2017 WL 3917706 (P.T.A.B. Sept. 6, 2017) (precedential) (discussing discretionary factors for multiple IPR petitions). As relevant here, because IPR proceedings often coincide with parallel district court litigation, for years Directors have instructed the Board to consider a non-exhaustive list of factors when concerns are raised about redundancy or wastefulness considering a requested IPR and parallel district court litigation. These factors are set forth in *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, 2020 WL 2126495 (P.T.A.B. Mar. 20, 2020) (precedential), and instruct the Board to take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review,” *id.* at *3.

On June 21, 2022, the prior USPTO Director issued a memorandum (June 2022 Memo) setting out “interim” guidance regarding the Board’s application of the *Fintiv* factors when exercising its delegated discretion while the USPTO “explore[d] potential rulemaking on proposed approaches through an Advanced Notice of Proposed Rulemaking.” Appx37, Appx38.

The June 2022 Memo stated that it would “appl[y] to all proceedings pending before the [USPTO]” and would “remain in place until further notice.” Appx45.

Relevant here, the June 2022 Memo directed the Board to “not discretionarily deny institution [of an IPR] in view of parallel district court litigation where a petitioner [stipulates] not to pursue in a parallel [district court] proceeding the same grounds [as in the petition] or any grounds that could have reasonably been raised before the [Board].” Appx39. Such a stipulation is known as a *Sotera* stipulation. Appx39; see *Sotera Wireless, Inc. v. Masimo Corp.*, No. IPR2020-01019, 2020 WL 7049373, at *4 (P.T.A.B. Dec. 1, 2020) (precedential as to II.A). The June 2022 Memo expressly noted that “even if the [Board] does not deny institution under *Fintiv*, it retains the right to deny institution for other reasons” within the Board’s discretion. Appx45.

On February 28, 2025, the current Acting Director of the USPTO rescinded the June 2022 Memo (Rescission), noting that *Fintiv* and *Sotera* continued to provide applicable guidance. Appx46-50. On March 24, 2025, then-Chief Administrative Patent Judge Scott Boalick issued a memorandum providing additional guidance as to how the Board should proceed considering the Rescission. See Appx51-53. The June 2022 Memo

explained that “the Interim Procedure’s recission applies to any case in which the Board has not issued an institution decision, or where a request for rehearing or Director Review of an institution decision was filed and remains pending.” Appx49. It further noted that “[t]he Board will consider timely requests for additional briefing on the application of the Interim Procedure’s recission on a case-by-case basis.” Appx49. As then-Chief Judge Boalick explained, “a timely-filed *Sotera* stipulation ... is highly relevant, but will not be dispositive by itself.” Appx49-50 (footnote omitted). “Instead, the Board will consider such a stipulation as part of its holistic analysis under *Fintiv*.”¹ Appx50.

3. This mandamus petition concerns two IPR petitions filed by petitioners challenging patents held by Cerence Operating Company. *See* Appx60-156 (IPR2024-01464, filed October 16, 2024) (exemplar petition). On February 3, 2025, the Samsung petitioners offered a *Sotera* stipulation

¹ Acting Director Stewart has updated the institution process in other ways as well, providing for a new briefing process in which the Acting Director herself makes institution decisions that involve discretionary denials, including the application of the *Fintiv* factors and *Sotera* stipulations, in consultation with the Board. *See* Memorandum from Coke Morgan Stewart, Acting Under Sec’y of Com. for Intell. Prop. & Acting Dir. of the USPTO, to All PTAB Judges (Mar. 26, 2025), <https://perma.cc/N8WW-69XG>. Because this new process applies only “where the deadline for the patent owner to file a preliminary response has not yet passed,” *id.* at 3, the guidance is not applicable to this matter.

stating that upon institution, they would “not pursue in [*Cerence Operating Co. v. Samsung Electronics Co.*, No. 23-482 (E.D. Tex.),] any grounds that were raised or reasonably could have been raised in the IPR.” Appx268. The “stipulation does not extend to co-petitioner Google, which is not a party” to that district court proceeding. Appx268. Should the Board deny institution, the notice stated, “Samsung reserves the right to pursue in this litigation any ground that was raised or reasonably could have been raised in the IPR.” Appx268.

Because petitioners’ IPR petitions were still pending when the Acting Director rescinded the former Director’s interim guidance, the Board authorized petitioners and Cerence to file supplemental briefs addressing the effect of the Rescission of the June 2022 Memo on petitioners’ IPR petitions. Appx270-271. Cerence’s supplemental brief argued that the rescission made a *Sotera* stipulation “just one factor to consider as part of the Board’s holistic analysis of the *Fintiv*[] factors.” Appx183. And it argued that the existence of the parallel district court proceedings was a reason for the Board to discretionarily deny the IPR petitions, notwithstanding the Samsung petitioners’ *Sotera* stipulation. Appx183-185, Appx187. Petitioners’ supplemental brief did not directly address the Rescission. Instead, it argued that the Samsung petitioners’ stipulation “weighs

strongly” against discretionary denial. Appx198 (quoting *Sotera*, 2020 WL 7049373, at *7). Petitioners emphasized that *Sotera* “remain[s] binding precedent,” and they noted that the decision “remains fully supported” by two former USPTO Directors. Appx198. Petitioners’ supplemental brief did not raise any constitutional objection to the Rescission, nor did it suggest that they had been afforded an inadequate opportunity to brief the *Fintiv* factors in light of the Rescission. Petitioner Samsung did not request that the Board consider an alternative stipulation to their *Sotera* stipulation. Appx198-199; Appx270-271.

The Board denied institution of petitioners’ two IPR petitions. The Board conducted a holistic review of the six *Fintiv* factors, including the Samsung petitioners’ *Sotera* stipulation. Appx8-18, 25-35. The Board determined that that factor 1 (likelihood of stay) and factor 6 (other circumstances) were neutral. Appx8-18, 25-35. However, the Board found that factor 2 (litigation trial date), factor 3 (investment in district court litigation), and factor 5 (identity of parties) each favored denying institution. Appx8-18, 25-35. In particular, the Board explained that trial was scheduled to occur almost seven months before the final written decision would be due in any instituted IPR (Appx11; Appx28), and that the “work by the district court and the parties is at an advanced stage” (Appx12;

Appx29). The Board also determined that factor 4 (overlap of the issues) weighed slightly against denying institution because petitioners' *Sotera* stipulation "appears to mitigate some concern of duplication between the District Court Litigation and this proceeding as well as the possibility of conflicting decisions." Appx15, Appx32. The Board concluded, however, that the stipulation does not "ensure that this proceeding would be a 'true alternative' to the District Court Litigation" because, among other reasons, the Samsung petitioners' "invalidity contentions in the District Court Litigation are much more expansive," and the Samsung petitioners "reserved the right" to rely on the more expansive contentions "to prove invalidity." Appx15, Appx32 (quoting *Sotera*, 2020 WL 7049373, at *7). Weighing all six factors, the Board concluded that it should exercise its discretion to deny institution. Appx18, Appx35.

Petitioners then requested Director Review of the Board's decision, and Cerence filed a response. Appx202, Appx222. Petitioners argued that the Board erred by applying the Rescission retroactively, "thereby depriving Petitioners of their due process." Appx206, Appx209-210. They urged the Acting Director to conclude that the Board's "suggestion" that the Samsung petitioners' *Sotera* stipulation "was not broad enough" was *ultra vires* and in need of correction. Appx206, Appx206-209. And they claimed that the

Board incorrectly weighed the *Fintiv* factors. Appx206, Appx211-220. Among other things, petitioners argued that *Sotera* remains precedential and that the Board's decision effectively would require the Samsung petitioners to stipulate that they would not proceed in the district court litigation on grounds they could not raise in IPR, thereby forcing them to "consent to estoppel" on issues they would have no opportunity to pursue. Appx217. The Acting Director denied petitioners' requests for review. Appx1-2. Petitioners then filed their petition for mandamus in this Court.

ARGUMENT

I. Petitioners' Statutory Complaints Are Barred by 35 U.S.C. § 314(d).

In § 314(d), Congress expressly precluded judicial review of the Director's "determination ... whether to institute an inter partes review," providing that the decision is "final and nonappealable." 35 U.S.C. § 314(d). The Supreme Court in *Cuozzo* held that the "decision to deny a petition [for IPR] is a matter committed to the Patent Office's discretion." *Cuozzo*, 579 U.S. at 273. Accordingly, "no petitioner has a right to ... institution." *Mylan*, 989 F.3d at 1382. The Supreme Court further clarified in *Thryv, Inc. v. Click-to-Call Technologies, LP*, that § 314(d)'s bar on appeals from institution decisions means that there is no judicial review of the USPTO's

compliance with even clear statutory provisions regarding IPR institution. *See* 590 U.S. 45, 53-60 (2020).

This Court has held that § 314(d) does not bar this Court from “protect[ing] [its] prospective jurisdiction through mandamus” where the USPTO issues “[a] decision denying institution,” which “prevents the Board from issuing any final decision that falls within our direct appellate jurisdiction.” *Mylan*, 989 F.3d at 1380. But importantly, this Court has recognized that its mandamus jurisdiction is limited by Congress’s decision to commit the institution decision to the Director’s discretion and to prohibit appeals of such decisions: “[T]here is no reviewability of the Director’s exercise of [her] discretion to deny institution except for colorable constitutional claims.” *Id.* at 1382. “Given the limits on [the Court’s] reviewability,” *ultra vires* or other statutory arguments “cannot be a basis for granting [a] petition for mandamus” over a decision denying IPR institution. *Id.* at 1382-83.

These principles foreclose petitioners’ mandamus petition insofar as it raises claims regarding statutory requirements, including petitioners’ APA claims. Whatever constitutional claims about the agency’s decision not to institute an IPR § 314(d) might permit litigants to raise through a mandamus petition, they do not include “run-of-the-mill statutory

interpretation” questions reframed as constitutional violations. *Apple Inc. v. Vidal*, 63 F.4th 1, 13 (Fed. Cir. 2023); see *Mylan*, 989 F.3d at 1381-83 (rejecting two statutory challenges “[g]iven the limits on [the Court’s] reviewability” through mandamus of decisions not to institute IPR).

Thus, petitioners’ claims that the Rescission violated the APA because it failed to go through notice and comment (Pet. 26-28), was arbitrary and capricious (Pet. 29-33), or was impermissibly retroactive in violation of the agency’s statutory authority (Pet. 29-30) necessarily fail. Petitioners attempt to circumvent this conclusion by arguing that § 314(d) only precludes judicial review of the USPTO Director’s exercise of “*unfettered* discretion.” Pet. 15. Here, petitioners claim the Acting Director’s “discretion was fettered” because the former Acting Director “unequivocally surrendered” it in the June 2022 Memo. Pet. 15-16. But the prior Director’s memo constituted “instructions” to the Board and did not bind the Director herself, as she retained the power to review and reverse any Board institution decision. *Apple*, 63 F.4th at 6-7. And petitioners cite no authority for the proposition that one Acting Director’s “interim” instructions to the Board, which was to “remain in place until further notice,” Appx45, somehow “fetter[s]” (Pet. 15) a subsequent Director’s discretion to institute IPR review or otherwise alter those instructions.

And even had a Director somehow imposed limits on her own discretion, petitioners offer no explanation for their view that this Court could use its mandamus jurisdiction to scrutinize institution decisions insulated by § 314(d) to enforce such self-imposed limitations, when the Court has already explained that it will entertain only constitutional challenges to such decisions. *Cuozzo* puts petitioners' attempt to avoid § 314(d) to rest. There, the Court invoked the § 314(d) bar against a challenge to an institution decision based on the claim that the USPTO violated the statute authorizing IPR. 579 U.S. at 275-76; *see* 35 U.S.C. § 312(a)(3). If § 314(d) precludes a challenge to an institution decision based on an alleged statutory violation, *a fortiori*, it bars a challenge based on a claim that the USPTO failed to adhere to the prior Director's interim institution guidance.

Petitioners argue that this Court in *Apple* held that § 314(d) does not preclude a challenge to the USPTO's decision not to employ notice-and-comment rulemaking to announce instructions governing the Board's exercise of discretion in considering IPR petitions, and they contend that their mandamus petition makes such a challenge. Pet. 16-17 (discussing *Apple*, 63 F.4th at 14-15). But *Apple* held that plaintiffs could bring APA claims in district court if they "seek[] prospective relief only" rather than

relief in connection with a specific institution-related decision. 63 F.4th at 10; *see id.* at 13-16 (making clear that plaintiffs may not bring “a petition-specific challenge”); *see also id.* at 17-18 (concluding that Apple established sufficient likelihood of future injury to establish standing to bring notice-and-comment challenge without reference to any specific IPR petitions). Petitioners have not brought an APA suit in district court seeking only prospective relief. Rather, petitioners challenge institution decisions the Board has already made, candidly admitting they seek “relief with respect to the specific IPR petitions” at issue here and that they do not want to use the route this Court identified in *Apple* to challenge certain USPTO actions because it could not afford such relief.² Pet. 38. Moreover, *Apple* made clear that in addition to foreclosing challenges to specific institution decisions, § 314(d) precludes judicial review of the content of “the instructions [concerning institution] given by the Director to the Board as delegate.” 63 F.4th at 13; *see id.* (“[T]he IPR statute’s preclusion of review ...

² Accordingly, petitioners’ reliance on *DHS v. Regents of the University of California* is inapposite. Pet. 16. The limitations on judicial review in *DHS* applied to “proceeding[s] brought to remove an alien” or “commence proceedings, adjudicate cases, or execute removal orders” on an alien, *i.e.*, cases involving a specific alien. 591 U.S. 1, 19 (2020). Those limitations, the Court held, did not apply to stand alone APA challenges to government policies, which did not involve removal of any specific alien. Petitioners do not bring a standalone APA challenge—what *DHS* allowed—but a challenge to a specific institution decision—what 314(d) forbids.

encompass[ed] ... the content-focused challenges to the instructions at issue here.”). An APA suit may only challenge the *manner* in which the Director relayed those instructions, not their substance. Thus, even had petitioners brought a district-court APA suit, they could not obtain review of either the USPTO’s decision not to institute IPR or the substance of the Director’s instructions to the Board about how to make such decisions, whether pre- or post-Rescission. Nothing in *Apple* provides support for petitioners’ contention that they may evade the limitations on district court review by seeking mandamus from this Court.³

Petitioners paint a picture of “current chaos around discretionary denials” generating a “storm of unpredictability.” Pet. 27-28, 39. Such rhetoric only highlights the impropriety of petitioners’ mandamus petition. What petitioners hyperbolically describe as “chaos” and “unpredictability”

³ Petitioners suggest that this Court is bound by its statement in *In re Power Integrations, Inc.*, 899 F.3d 1316 (Fed. Cir. 2018), that mandamus challenges to institution denials are permissible to address “actions by the agency beyond its statutory limits.” Pet. 17 (quoting 899 F.3d at 1321). But the statement in that decision is dicta that came before *Mylan*—the Court described such a challenge as a “potential candidate[] for mandamus review,” 899 F.3d at 1321—as are similar statements in the Supreme Court decisions petitioners cite. *Mylan* later expressly considered a petitioner’s claim that mandamus is available to consider a claim that the USPTO “exceeded the scope of its statutory authority.” 989 F.3d at 1831. And *Mylan* squarely held that “there is no reviewability of the Director’s exercise of his discretion to deny institution except for colorable constitutional claims.” *Id.* at 1382.

is a change in USPTO policy governing the institution of IPR proceedings. Congress vested the Director with discretion whether to institute an IPR or let a district court resolve the parties' dispute. The Rescission may channel more patent disputes to Article III district courts. That is not "chaos" but simply the impact of a reasoned policy determination. Although petitioners may dislike that effect, courts are not the appropriate fora for debating the Director's discretionary decisions concerning resource allocation.

II. Petitioners' Constitutional Claims Are Meritless.

To be eligible for mandamus relief, a petitioner must show a "clear and indisputable" right to relief. *In re Dominion Dealer Sols., LLC*, 749 F.3d 1379, 1381 (Fed. Cir. 2014) (quotation marks omitted); *see also Cheney*, 542 U.S. at 380-81. This Court has observed that "it is difficult to imagine a mandamus petition that challenges a denial of institution and identifies a clear and indisputable right to relief." *Mylan*, 989 F.3d at 1382. Petitioners' constitutional claims provide no such example.

1. As an initial matter, it is far from clear that petitioners have the requisite interest to support any sort of due-process challenge.

The Due Process Clause protects against the deprivation "of life, liberty, or property, without due process of law." U.S. Const. amend. V. The threshold "inquiry in every due process challenge is [therefore] whether the

plaintiff has been deprived of a protected interest” in liberty or property. *American Mfrs. Mut. Ins. Co. v. Sullivan*, 526 U.S. 40, 59 (1999). The Supreme Court has explained that “[t]o have a property interest in a benefit,” a person must “have a legitimate claim of entitlement to it,” not just “an abstract need or desire” or “a unilateral expectation of” the benefit. *Town of Castle Rock v. Gonzales*, 545 U.S. 748, 756 (2005) (quoting *Board of Regents of State Colls. v. Roth*, 408 U.S. 564, 577 (1972)). And “a benefit is not a protected entitlement if government officials may grant or deny it in their discretion.” *Id.*; see also, e.g., *Bloch v. Powell*, 348 F.3d 1060, 1069 (D.C. Cir. 2003) (“[W]hen a statute leaves a benefit to the discretion of a government official, no protected property interest in that benefit can arise.”) (collecting cases).⁴

⁴ Similarly, the Supreme Court has stated that “[w]here a matter is committed to discretion, it cannot be said that a litigant’s right to a particular result is ‘clear and indisputable.’” *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 36 (1980) (per curiam); see also, e.g., *In re Miller*, 828 F. App’x 717, 718 (Fed. Cir. 2020) (applying *Allied* to petition concerning evidentiary decision); *In re Synthes (U.S.A.)*, 346 F. App’x 583, 584 (Fed. Cir. 2009) (applying *Allied* to petition concerning district court’s stay of proceedings). The Board has been delegated broad discretion over IPR decisions. Nothing in the statute requires the Acting Director to provide guidance on how the Board exercises that discretion. Petitioners do not contend that any of the criteria the Acting Director employed are constitutionally impermissible, instead basing their challenge entirely on matters within the USPTO Director’s discretion. See *Cuozzo*, 579 U.S. at 273 (explaining the “decision to deny a petition [for institution of IPR] is a matter committed to the Patent Office’s discretion”). It is thus unclear how

Although petitioners do not clearly explain the nature of the alleged protected interest they claim, they appear to argue that they have a property interest in a benefit: the benefit of having their IPR petitions considered under their preferred standard articulated in the June 2022 Memo.⁵ Pet. 19-22. Petitioners claim that the June 2022 Memo “‘restrict[ed] the exercise of official discretion’” in a way that “created a protected interest for petitioners in reaching an institution decision on the merits when they made the [*Sotera*] stipulation.” Pet. 19 (quoting *Tarpeh-Doe v. United States*, 904 F.2d 719, 722-23 (D.C. Cir. 1990)). Petitioners contend that they “were entitled to rely on [the June 2022 Memo] as an existing, and deemed ‘binding,’ agency rule,” which gave them a “‘legitimate entitlement’ to have their petitions considered on the merits.” Pet. 21 (quoting *Tarpeh-Doe*, 904 F.2d at 722-23). But both granting IPR and articulating guidance about institution criteria are entirely discretionary matters and thus cannot support petitioners’ asserted interest. *See Mylan*, 989 F.3d at 1382 (“The Director is permitted, but

petitioners could satisfy the mandamus standard even if they could somehow make out a protected property interest in an institution decision the agency never has to grant.

⁵ Despite citing cases involving the liberty interests of the incarcerated, *see* Pet. 19-20 & n.7, petitioners appear to rest their due-process argument solely on an asserted property interest in the way the USPTO considers their IPR petitions.

never compelled, to institute an IPR. And no petitioner has a right to such institution.”).

Nothing in the statute requires the Director or her delegates to explain the decision whether to institute an IPR. To the contrary, “[n]othing in the unreviewability principle [of § 314(d)] ... turns on whether the Director has provided an explanation.” *Apple*, 63 F.4th at 13. “[T]he Supreme Court has rejected the notion that ‘if the agency gives a “reviewable” reason for otherwise unreviewable action, the action becomes reviewable.’” *Id.* (quoting *Interstate Com. Comm’n v. Brotherhood of Locomotive Eng’rs*, 482 U.S. 270, 283 (1987)). Accepting petitioners’ asserted interest—to have their petitions considered under a particular set of entirely discretionary criteria—would permit any litigant to transform an agency’s transparency regarding its exercise of discretion into a constitutional entitlement through the simple expedient of artful framing. Petitioners thus have no protected interest in having their petitions resolved pursuant to any specific guidance by the Director about how the Board should weigh the *Fintiv* factors.⁶

⁶ For the same reasons, petitioners’ claim (Pet. 22-23) that the fees they paid in connection with their IPR petitions constitute a protected property interest that gave them an entitlement to have their IPR petition considered under the guidance in the June 2022 Memo is equally meritless. Moreover, the premise of petitioners’ fee argument is baseless. Contrary to petitioners’ suggestion, the statute does not entitle petitioners to an evaluation of the petition’s merits. Section 314(c) requires a written

In addition, the factual presumptions underlying petitioners' argument are mistaken. The June 2022 Memo did not bind the Director, and the Rescission did not foreclose petitioners' IPRs by instructing the Board to holistically evaluate the various *Fintiv* considerations—including submission of a *Sotera* stipulation—which may or may not support discretionary denial. Petitioners' citations to cases where statutes or regulations created some entitlement supporting a property interest are inapposite. *See, e.g., Perry v. Sindermann*, 408 U.S. 593, 601 (1972); *cf. Patlex Corp. v. Mossinghoff*, 758 F.2d 594, 605 (Fed. Cir. 1985) (“[A] procedure created by statute to govern [patent] litigation” is not “a property right subject to the protection of the Constitution.”).

2. Even if petitioners could demonstrate a protected property interest in an institution decision the agency never has to grant, they could still not establish a due process violation. “Once a property interest is shown, all due process requires is notice and an opportunity to be heard.” *Alberico v. United States*, 783 F.2d 1024, 1027 (Fed. Cir. 1986) (citing *Cleveland Bd. of*

notification of “the Director’s determination under [§ 314(a)].” The § 314(a) determination includes both the substantive institution threshold and the Director’s discretion to institute (even if the substantive standard is met). Thus, the IPR “request fee” under 37 C.F.R. § 42.15(a)(1) does not entitle petitioners to anything other than the USPTO’s evaluation of the petition for institution purposes, which they received.

Educ. v. Loudermill, 470 U.S. 532, 546 (1985)). Here, the USPTO's publication of the change to its discretionary criteria gave petitioners notice, and petitioners had multiple briefing opportunities to be heard about the effects of that change and urge institution taking the change into account.

In both the post-Rescission supplemental brief they were permitted to file and their request for Director Review, petitioners vigorously argued that the *Fintiv* factors—without the application of the rescinded June 22 Memo—supported institution. Appx211-220. Before the Board, petitioner Samsung did not take the opportunity to directly address the Rescission or offer an alternative to their *Sotera* stipulation despite the opportunity. *See* Appx195-199. Moreover, petitioners argued in their request for Director Review that the application of the Rescission violated the APA and petitioners' due process rights. Appx206-210. The relief petitioners seek is not to be heard on their institution petition in light of the Rescission—because they were heard—but for the USPTO to apply a former Director's discretionary criteria and reach a different outcome. The Due Process Clause requires no such remedy and certainly does not guarantee petitioners a specific outcome once heard.

3. Petitioners’ invocation of retroactivity and reliance principles similarly fail. A “retroactive” rule is one that “would impair rights a party possessed when he acted, increase a party’s liability for past conduct, or impose new duties with respect to transactions already completed.” *Landgraf v. USI Film Prods.*, 511 U.S. 244, 280 (1994). As an initial factual matter, petitioners are wrong to suggest that the Rescission applied retroactively. Pet. 24. Because neither institution decision was final, Appx4, Appx20, any application of the Rescission to the institution decisions was necessarily prospective. However, even assuming the Rescission did operate retroactively with respect to petitioners, this Court has made clear that the retroactivity analysis examines “not merely whether a change has occurred,” but “the *nature and extent* of the change in the law,” as well as “familiar considerations of fair notice, reasonable reliance, and settled expectations.” *Rodriguez v. Peake*, 511 F.3d 1147, 1153 (Fed. Cir. 2008) (first quoting *Princess Cruises, Inc. v. United States*, 397 F.3d 1358, 1363 (Fed. Cir. 2005); and then quoting *Landgraf*, 511 U.S. at 270).

Here, the application of the Acting Director’s guidance to petitioners’ IPR petitions did not affect any of petitioners’ rights, because an IPR petitioner never has a right to institution, let alone a right to the application of any particular set of discretionary criteria regarding institution. The

statute contains no such criteria, and the USPTO is “never compelled[] to institute an IPR.” *Mylan*, 989 F.3d at 1382. Whether IPR is instituted or not, petitioners’ substantive rights and obligations are unchanged. The institution decision neither invalidates the challenged patent claims nor ends a petitioner’s duty not to infringe a patent. Petitioners may prefer to challenge patent validity through IPR rather than in parallel district court proceedings, but the institution or non-institution of IPR does not impose any substantive legal consequences on petitioners’ conduct—past, present, or future.

Nor can petitioners articulate any reasonable reliance interest in the former Director’s discretionary guidance. To the extent petitioners suggest that they altered their litigation strategy in expectation of a potential IPR (Pet. 33), they do not explain why such considerations would be relevant to a retroactivity analysis, which focuses on the “rights or obligations of the parties” rather than which “tribunal ... is to hear the case.” *Landgraf*, 511 U.S. at 274 (explaining that rules that “take[] away no substantive right but simply change[] the tribunal that is to hear the case” are not subject to the presumption against retroactivity (quotation marks omitted)).

Moreover, such reliance would be unreasonable given the discretionary nature of IPR institution decisions. The fundamental and

mistaken premise driving petitioners' argument is, absent the Rescission, they would have been entitled to institution of IPR. But as explained above, "no petitioner has a right to ... institution." *Mylan*, 989 F.3d at 1382. And the June 2022 Memo did not purport to bind the Director, *Apple*, 63 F.4th at 6-7, and even if it did, petitioners still would not have a reliance interest. The June 2022 Memo expressly stated that it was providing "*interim*" guidance, which was to "remain in place *until further notice*." Appx45 (emphasis added). Thus, petitioners had no reasonable basis to assume that the June 2022 Memo would remain in place indefinitely or would apply to any IPR petitions they might file; any reliance on the perpetual continuation of the guidance was entirely unjustified.

In any event, petitioners point to no concrete ways in which they actually did rely on the former Director's discretionary regime articulated in the June 2022 Memo. The *Sotera* stipulations the Samsung petitioners filed in connection with the IPR petitions were contingent on institution and have no ongoing effect given the USPTO's denial of institution. Petitioners vaguely suggest that their expenses associated with the IPR petitions were made "[i]n reliance" on the "assurances" in the June 2022 Memo. Pet. 24. But they do not represent that they would have declined to

seek IPR or modified their invalidity contentions if the Rescission had occurred prior to filing the IPR petitions.

Petitioners’ repeated references to the fact that the June 2022 Memo describes itself as providing “binding” guidance are equally unavailing. *See, e.g.*, Pet. 4, 6, 7, 8 (quotation marks omitted). The June 2022 Memo was “binding” on former Director Vidal’s subordinates, *i.e.*, the Board; it did not purport to bind Vidal herself or any future Director. *See Apple*, 63 F.4th at 7 (“We have also made clear that any institution decision made by the Board as delegatee of the Director is subject to reversal by the Director.”). Indeed, petitioners nowhere explain their apparent theory that one Director’s articulation of how she intended to exercise discretion could bind her successor’s discretion as well.

4. Finally, petitioners argue that the USPTO has “effectively expand[ed] the scope of the IPR-estoppel statute,” Pet. 3, and that, in doing so, it has violated the Constitution’s separation of powers. Pet. 34-38. The argument fails for several reasons. First, as discussed above, the USPTO’s alleged misapplication of the statute is not reviewable under § 314(d). *See supra* Part I. And petitioners’ contention that the Acting Director “exceeded h[er] statutory authority are not ‘constitutional’ claims.” *Dalton v. Specter*,

511 U.S. 462, 473 (1994); *see id.* at 471-475 (rejecting attempt to frame an alleged act in excess of statutory authority as a separation-of-powers claim).

Second, petitioners' contention that the USPTO's discretionary-denial practices are inconsistent with the estoppel provision in 35 U.S.C. § 315(e) is incorrect on its own terms. The statute leaves the agency free to deny institution for any constitutionally permissible reason. *See, e.g., Mylan*, 989 F.3d at 1382. The USPTO could decline to institute IPR in view of any parallel patent challenge. Such a choice would not conflict with the statute's estoppel provision, which requires petitioners to be precluded from raising certain challenges in future district court litigation after a completed IPR but contains no requirements about petitioners being later permitted to raise any later challenges.

Nor does anything in the estoppel (or any other) provision hint that the USPTO may not consider duplicative district-court litigation in deciding how to use its broad institution discretion. On the contrary, it is manifestly appropriate for the USPTO to be concerned about "overlapping [IPR and district court] proceedings," which "raise[] self-evident issues of efficiency and interbranch relations" that Congress entrusted the other "two branches to exercise their available discretion to address." *Apple*, 63 F.4th at 8; *see Mylan*, 989 F.3d at 1382; *see also* 35 U.S.C. § 316(a)(4), (b) (directing the

Director to consider “the relationship of [inter partes] review to other proceedings under this title”—such as district court litigation under 35 U.S.C. § 281—as well as “the integrity of the patent system” and “the efficient administration of the Office” in crafting IPR regulations). Considering the effect of duplicative patent challenges when deciding whether to institute discretionary proceedings serves the efficiency goals of the America Invents Act. Indeed, this Court has already made clear that “the Director is free ... to determine that[,] for reasons of administrative efficiency, an IPR will not be instituted.” *Mylan*, 989 F.3d at 1382.

Furthermore, petitioners’ § 315(e) argument turns on an incorrect assumption about the role that stipulations not to pursue district court arguments play both in institution and in later district court litigation. No patent challenger is required to file a *Sotera* stipulation to be eligible for IPR. A petitioner’s decision to file such a stipulation is a litigation tactic with consequences, not “estoppel.” If an IPR is instituted and a petitioner is bound by a stipulation they chose to offer, that outcome does not turn on (or expand) § 315(e) any more than any other litigation choice that may later prove binding. And if the petitioners do not ultimately receive institution, then the stipulation has no effect. Appx268 (“Samsung reserves the right to pursue in this litigation any ground that was raised or

reasonably could have been raised in the IPR” should the Board decline to institute IPR).

III. Petitioners Cannot Satisfy the Remaining Mandamus Factors.

Even if they could meet the mandamus standard’s demanding merits bar, petitioners could not satisfy the remaining two factors: the absence of “adequate alternative means to obtain the relief” sought and a showing that “the writ is appropriate under the circumstances.” *Dominion Dealer Sols.*, 749 F.3d at 1381 (quotation marks omitted); *see also Cheney*, 542 U.S. at 380-81.

A. Petitioners Have Alternate Means of Reliefs.

In a single paragraph, petitioners contend that they have no alternative means of relief because this court has stated that “there is no adequate remedy by way of direct appeal of decisions denying institution” and that “judicial review is available in extraordinary circumstances by petition for mandamus.” Pet. 38 (quoting *In re Palo Alto Networks, Inc.*, 44 F.4th 1369, 1374 (Fed. Cir. 2022)). That is the only argument petitioners make about this factor. Consequently, petitioners’ argument concerning alternative means of relief is entirely dependent on their contention that petitioners have asserted the sort of constitutional challenge constituting “extraordinary circumstances” meriting this Court’s exercise of mandamus

jurisdiction. For the reasons discussed above, *see supra* pp. 18-30, that contention fails.

Petitioners observe that they could not obtain “meaningful relief” in a “district court ... challenge [to] the Rescission under the APA” because that “would not provide any relief with respect to the specific IPR petitions here.” Pet. 38. But that does not establish the absence of any alternative means of relief. It simply underscores that petitioners are attempting through mandamus to obtain judicial review that this Court has explained Congress has made unavailable. This Court has made clear that § 314(d) precludes judicial review of statutory challenges to a Director determination whether to institute IPR. *Mylan*, 989 F.3d at 1382-83. The Court has also held that § 314(d) precludes judicial review of “content-focused challenges to the instructions” from the Director governing the Board’s exercise of discretion in considering IPR petitions. *Apple*, 63 F.4th at 13. Although petitioners may think that an APA suit in district court that “seeks prospective relief only,” *id.* at 10, would not give them meaningful relief, it is the only sort of challenge they may bring in the absence of colorable constitutional claims.

At base, petitioners object to their inability to seek to invalidate patent claims through IPR. But there is no question that there are other

avenues for petitioners to pursue validity challenges. The Samsung petitioners remain “free to litigate the ... patent claims’ validity in [their] own district court case.” *Mylan*, 989 F.3d at 1383. And all petitioners may file a petition for ex parte reexamination. Petitioners’ abbreviated discussion does not address these obvious alternative means of relief, so they do not carry their burden to show that the alternatives are inadequate. Although petitioners may prefer to challenge Cerence’s patents in an IPR, the fact that the alternate relief available is not a party’s preferred type does not make that relief inadequate or support a grant of mandamus. *See Fornaro v. James*, 416 F.3d 63, 69 (D.C. Cir. 2005); *Barnhart v. Devine*, 771 F.2d 1515, 1527 (D.C. Cir. 1985); *Bryan v. McDonald*, 615 F. App’x 681, 684 (Fed. Cir. 2015) (unpublished).

B. Mandamus Relief Is Inappropriate Under the Circumstances.

Finally, “even if the first two prerequisites [for mandamus] have been met, the issuing court, in the exercise of its discretion, must be satisfied that the writ is appropriate under the circumstances.” *Cheney*, 542 U.S. at 381. For the reasons discussed above, (1) any constitutionally protected interest petitioners can identify is marginal at best; (2) petitioners had notice and an opportunity to be heard after the rescission of the former Director’s guidance; and (3) petitioners may still pursue their invalidity

defenses in the district court litigation or file ex parte reexamination requests.

Petitioners' attempt to force the current USPTO leadership to adhere to a prior Director's view of how best to exercise the broad discretion Congress afforded Directors in instituting IPRs and running the USPTO more generally raises serious political-accountability concerns. Granting relief here would inappropriately hamstring the current Acting Director from responding to evolving conditions facing the agency. *See United States v. Arthrex, Inc.*, 594 U.S. 1, 21 (2021). Nothing in these circumstances indicates that this is the sort of extraordinary situation that could warrant this Court's issuance of an extraordinary writ.

CONCLUSION

The Court should deny the petition for a writ of mandamus.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

I certify that the foregoing Acting Director's Response to Petition for Mandamus complies with the type-volume limitation of Federal Rule of Appellate Procedure 21(d)(1) because it contains 6,466 words, brief, excluding the table of contents, table of authorities, and signature block, as measured by the word-processing software used to prepare this filing.

Dated: September 16, 2025

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