Nos. 2021-1614, -1616, -1617; 2021-1673, -1674, -1675; 2021-1676, -1677; 2021-1738, -1739; 2021-1740, -1741

IN THE
UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

INTEL CORPORATION,
Appellant,

v.

VLSI TECHNOLOGY LLC,
Appellee,

ANDREW HIRSHFELD, Performing The Functions And Duties Of The Under Secretary Of Commerce For Intellectual Property And Director Of The United States Patent And Trademark Office,
Intervenor.

2021-1614, -1616, -1617

Appeals From The United States Patent And Trademark Office, Patent Trial And Appeal Board In Nos. IPR2020-00106, IPR2020-00158, And IPR2020-00498

INTEL CORPORATION,
Appellant,

v.

VLSI TECHNOLOGY LLC,
Appellee,

ANDREW HIRSHFELD, Performing The Functions And Duties Of The Under Secretary Of Commerce For Intellectual Property And Director Of The United States Patent And Trademark Office,
Intervenor.

2021-1673, -1674, -1675

Appeals From The United States Patent And Trademark Office, Patent Trial And Appeal Board In Nos. IPR2020-00112, IPR2020-00113, And IPR2020-00114

INTEL CORPORATION,
Appellant,

v.

VLSI TECHNOLOGY LLC,
Appellee,

ANDREW HIRSHFELD, Performing The Functions And Duties Of The Under Secretary Of Commerce For Intellectual Property And Director Of The United States Patent And Trademark Office,
Intervenor.

2021-1676, -1677

Appeals From The United States Patent And Trademark Office, Patent Trial And Appeal Board In Nos. IPR2020-00141 And IPR2020-00142

INTEL CORPORATION,
Appellant,

v.

VLSI TECHNOLOGY LLC,
Appellee,

ANDREW HIRSHFELD, Performing The Functions And Duties Of The Under Secretary Of Commerce For Intellectual Property And Director Of The United States Patent And Trademark Office,
Intervenor.

2021-1738, -1739

Appeals From The United States Patent And Trademark Office, Patent Trial And Appeal Board In Nos. IPR2020-00526 And IPR2020-00527

INTEL CORPORATION,
Appellant,

v.

VLSI TECHNOLOGY LLC,
Appellee,

ANDREW HIRSHFELD, Performing The Functions And Duties Of The Under Secretary Of Commerce For Intellectual Property And Director Of The United States Patent And Trademark Office,
Intervenor.

2021-1740, -1741

Appeals From The United States Patent And Trademark Office, Patent Trial And Appeal Board In Nos. IPR2020-00582 And IPR2020-00583

APPELLEE VLSI TECHNOLOGY LLC'S RESPONSE TO INTEL CORPORATION'S COMBINED PETITION FOR PANEL REHEARING AND REHEARING EN BANC

Nathan Nobu Lowenstein
Kenneth Weatherwax
LOWENSTEIN & WEATHERWAX LLP
1880 Century Park East, Suite 815
Los Angeles, California 90067
Telephone: (310) 307-4500
Facsimile: (310) 307-4509

Counsel for Patent Owner-Appellee
VLSI Technology LLC

August 10, 2021

CERTIFICATE OF INTEREST

Counsel for Appellee VLSI Technology LLC certifies the following:

1. The full name of every party or amicus represented by me is:

VLSI Technology LLC.

2. The name of the real party in interest (if the party named in the caption is not the real party in interest) represented by me is:

None.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the party or amicus represented by me are:

CF VLSI Holding LLC.

4. The names of all law firms and the partners or associates that have appeared for the party in the lower tribunal or are expected to appear for the party in this court and who are not already listed on the docket for the current case are:

Bridget Smith, Flavio Rose, Edward Hsieh, Parham Hendifar, Patrick Maloney, Jason Linger, LOWENSTEIN & WEATHERWAX LLP.

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal are:

VLSI Technology LLC v. Intel Corp., No. 1-19-cv-00977 (W.D. Tex.);
VLSI Technology LLC v. Intel Corp., No. 6-19-cv-00254 (W.D. Tex.);
VLSI Technology LLC v. Intel Corp., No. 6-19-cv-00255 (W.D. Tex.);
VLSI Technology LLC v. Intel Corp., No. 6-19-cv-00256 (W.D. Tex.).

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

None.

Date: August 10, 2021

/s/ Nathan Nobu Lowenstein
Nathan Nobu Lowenstein
Counsel for Patent Owner-Appellee
VLSI Technology LLC

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page(s)

CASES

STATUTES

ADMINISTRATIVE DECISIONS

REGULATIONS

OTHER AUTHORITIES

I. INTRODUCTION

Intel's Petition for Panel Rehearing and Rehearing *En Banc* (the "Petition") should be denied.

The statute provides that "[t]he determination by the Director whether to institute an inter partes review ... shall be final and nonappealable." 35 U.S.C. § 314(d). In accord, this Court has repeatedly held, without exception, that denials of institution—including denials under *NHK/Fintiv*—are nonappealable. Indeed, 11 judges[1] of this Court have already concluded that noninstitution decisions under *NHK/Fintiv* are not reviewable.

---

[1] Each of Chief Judge Moore and Judges Newman, Lourie, Dyk, Prost, O'Malley, Taranto, Chen, Hughes, Stoll, and Wallach (all but two of the active Circuit Judges on this Court) have found that *NHK/Fintiv* denials of institution are not appealable. *Mylan Laboratories Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375 (Fed. Cir. 2021) (Moore, C.J., joined by Newman and Stoll, JJ.); *Cisco Systems Inc. v. Andrei Iancu*, 834 F. App'x. 571 (Fed. Cir. 2020) (nonprecedential) (Wallach, J., joined by Dyk and Taranto, JJ.); *Apple Inc. v. Maxell, Ltd.*, Nos. 20-2132 et al., ECF No. 38 (Fed. Cir. Oct. 30, 2020) (nonprecedential) (Wallach, J., joined by Dyk and Taranto, JJ.), *reh'g denied, reh'g en banc denied*, ECF No. 49 (Fed. Cir. Feb. 22, 2021); *Apple Inc. v. Optis Cellular Tech., LLC*, Nos. 21-1043 et al., ECF No. 19 (Fed. Cir. Dec. 21, 2020) (nonprecedential) (Lourie, J., joined by Prost, C.J. and Chen, J.), *reh'g denied, reh'g en banc denied*, ECF No. 22 (Fed. Cir. Feb. 26, 2021); *Google LLC v. Uniloc 2017 LLC*, No. 20-2040, ECF No. 21 (Fed. Cir. Oct. 30, 2020) (nonprecedential) (Wallach, J., joined by Dyk and Taranto, JJ.); *GlaxoSmithKline Consumer Healthcare Holdings (US) LLC v. Cipla Ltd.*, No. 21-1016, ECF No. 14 (Fed. Cir. Dec. 2, 2020) (nonprecedential) (O'Malley, J., joined by Moore C.J. and Hughes, J.); *Intel Corp. v. VLSI Tech. LLC*, No. 21-1614 et al., ECF No. 21 (Fed. Cir. May 5, 2021) (nonprecedential) (Prost, C.J., joined by O'Malley and Wallach, JJ.).

Nor is this the first time *en banc* relief has been sought in such a case. This Court has already twice rejected requests for *en banc* rehearing of an *NHK/Fintiv* noninstitution. *Apple Inc. v. Maxell, Ltd.*, No. 20-2132, ECF No. 49 (Fed. Cir. Feb. 22, 2021) (en banc); *Apple Inc. v. Optis Cellular Tech., LLC*, No. 21-1043, ECF No. 22 (Fed. Cir. Feb. 26, 2021) (en banc).[2] Notably, the petitioner-appellant in both cases was represented by the same firm that represents Intel here, and Intel's arguments are substantially similar to and, in large part, copied-and-pasted from those raised previously.[3] Intel acknowledges the *Maxell* and *Optis* decisions in a footnote (Petition, 4 n.1), but does not attempt to distinguish the present request. This Petition should likewise be denied.

If anything, the law has become clearer since those two petitions were denied in February 2021. In March 2021, this Court held in *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021) that

---

[2] All of the then-active judges of this Court, except Judge O'Malley, participated in the consideration of these two requests.

[3] *Compare, e.g.*, Petition, 7-13 (arguing that the panel's decision conflicts with *Cuozzo*, *SAS*, and *Thryv*) *with Maxell*, No. 20-2132, ECF No. 40, 8-15 (same); *compare* Petition, 13-15 (contending there to be "intra-circuit confusion" in light of *St. Jude* and *Arthrex*) *with Maxell*, No. 20-2132, ECF No. 40, 15-17 (same); *compare* Petition, 15-16 (arguing that review is "exceptionally important" as the *NHK/Fintiv* rule "depriv[es] accused infringers of the efficient" IPR process and has "generated numerous appeals") *with Maxell*, No. 20-2132, ECF No. 40, 17-18 (same).

noninstitution decisions, including those under *NHK/Fintiv*, are not appealable. *Mylan* and the numerous other decisions cited in footnote 1 are fully consistent with the plain meaning of the statute and this Court's and the Supreme Court's precedents. The panel's decision here faithfully applied that precedent. Like the others before it, this Petition should be denied.

II. BACKGROUND

Appellant Intel filed 12 petitions for *inter partes* review challenging a total of six patents owned by Appellee VLSI and asserted against Intel in one of three district court actions. *VLSI Tech. LLC v. Intel Corp.*, 19-cv-254, 19-cv-255, 19-cv-256 (W.D. Tex.) ("District Court Actions"). The Board, acting as the Director's delegate, exercised the Director's "complete discretion to decide not to institute review"[4] pursuant to 35 U.S.C. § 314(a) in each case in view of the co-pending District Court Actions. *See, e.g.*, 21-1614, ECF No. 1-2, Exhibit A (PTAB Decision Denying Institution). In doing so, the Board relied on two decisions that are binding upon the Board—*NHK Spring Co. v. Intri-Plex Technologies, Inc*., No. IPR2018-00752, 2018 WL 4373643 (Sept. 12, 2018) (precedential) ("*NHK*") and *Apple Inc. v. Fintiv Inc*., No. IPR2020-00019, 2020 WL 2126495 (Mar. 20, 2020)

[4] *St. Regis Mohawk Tribe v. Mylan Pharms., Inc*., 896 F.3d 1322, 1327 (Fed. Cir. 2018).

(precedential) ("*Fintiv*")—which establish factors[5] for determining whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the District Court Action ("*NHK/Fintiv* Denials"). *See, e.g.*, No. 21-1614, ECF No. 1-2, Exhibit A (Decision Denying Institution) 2, 4-6.

Following these *NHK/Fintiv* Denials, in each of the 12 cases, Intel filed a request for rehearing by the Precedential Opinion Panel ("POP") and for rehearing by the assigned Board panel. In each case, the POP declined to review the noninstitution decision, and by separate order, the panel also denied rehearing. *See, e.g.*, No. 21-1614, ECF No. 1-2, Exhibit B (Decision Denying Rehearing) 3-4.

Intel appealed the noninstitution decisions in all 12 cases. Those appeals were combined by this Court into five sets of consolidated appeals. *See, e.g.*, *id.*, ECF No. 2 (order consolidating first three appeals). VLSI filed motions to dismiss for lack of jurisdiction; Intel filed oppositions; and VLSI filed replies in support. *See, e.g.*, *id.*, ECF No. 10 (motion to dismiss), 17 (opposition), 18 (reply). The

[5] The six *Fintiv* factors are: (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board's exercise of discretion, including the merits. *Fintiv*, 2020 WL 2126495, 5-6.

USPTO intervened and filed responses, agreeing with VLSI that the Court should dismiss the appeals. *See, e.g.*, *id.*, ECF No. 16.

On May 5, 2021, the Court granted VLSI's motions, dismissing all 12 appeals for lack of jurisdiction and denying Intel's requests for mandamus relief. *See, e.g.*, *id.*, ECF No. 21. The Court, in a decision authored by then-Chief Judge Prost and joined by Judges O'Malley and Wallach, found that *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1379 (Fed. Cir. 2021) "clearly controls this case." *Id.*, 5. In accord with *Mylan*, the Court found that "35 U.S.C. § 314(d) bars the availability of jurisdiction under 28 U.S.C. § 1295(a)(4) to hear appeals from non-institution decisions." *Id.* The Court further found that "a petitioner raising the same *ultra vires* challenges that Intel raises has failed to establish the high standard necessary for mandamus relief." *Id.*

On June 21, 2021, Intel filed a combined petition for panel rehearing and rehearing *en banc*. *See, e.g.*, *id.*, ECF No. 22. On July 13, 2021, the Clerk of Court invited responses from VLSI and Intervenor. *See, e.g.*, *id.*, ECF No. 23.

III. ARGUMENT

A. Section 314(d) And This Court's Precedents Clearly Bar Appeals From Noninstitution Decisions.

Intel's Petition should be denied because denials of institution are nonappealable and this Court lacks jurisdiction to hear them. This result is clear from the statutory language and this Court's precedents.

Section 314(a) provides that that the Director "may"—but is not required to—institute review if the § 314(a) threshold is met. "In making this decision, the Director has ***complete discretion*** to decide not to institute review." *St. Regis*, 896 F.3d at 1327 (citation omitted, emphasis added); *see also Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (an "agency's decision to deny a petition is a matter committed the Patent Office's discretion."); *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1371 (2018) (similar).

The statute further provides that "[t]he determination by the Director whether to institute an inter partes review under this section shall be ***final and nonappealable***." 35 U.S.C. § 314(d) (emphasis added). The Supreme Court has repeatedly interpreted this provision to mean exactly what it says. *See Oil States*, 138 S. Ct. at 1371 ("The Director's decision is 'final and nonappealable.'") (quoting § 314(d)); *Cuozzo*, 136 S. Ct. at 2139 ("Like the Court of Appeals, we believe that Cuozzo's contention that the Patent Office unlawfully initiated its agency review is not appealable. For one thing, that is what § 314(d) says.").

Notably, Intel's Petition never even quotes the unmistakable language of § 314(d) providing that institution determinations "shall be final and nonappealable." Nor does Intel cite ***any*** decision in which a noninstitution decision has been found to be appealable. To the contrary, this Court has, again and again, held that the Director's decision declining to institute an *inter partes* review is not appealable.

For example, in *Mylan* this Court held that "no statute confers jurisdiction over appeals from decisions denying institution" and dismissed the appellant's appeal of the Director's decision not to institute based upon *NHK/Fintiv*. 989 F.3d at 1377-79. The Court also found that the appellant had failed to show that a denial based upon *NHK/Fintiv* met the "especially difficult" standard for mandamus relief. *Id.*, 1382-83. *Mylan* is indistinguishable from the case-at-hand. Here, the Court correctly found that *Mylan* "clearly controls this case" and properly dismissed Intel's appeals for lack of jurisdiction. *See, e.g.*, No. 21-1614, ECF No. 21, 5.

Even before *Mylan*, this Court had long and consistently held that § 314(d) bars appeals of noninstitution decisions. *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1376 (Fed. Cir. 2014) ("[§ 314(d)] contains a broadly worded bar on appeal."); *St. Regis*, 896 F.3d at 1327 ("If the Director decides not to institute, for whatever reason, there is no review."); *Biodelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc.*, 935 F.3d 1362, 1366 (Fed. Cir. 2019) ("Section 314(d) plainly states that the Patent Office's decision whether to institute IPR is not appealable.") (citing *Cuozzo*, 136 S. Ct. at 2139).

Intel contends that "[i]n *Mylan*, this Court recognized that its jurisdiction in an appeal like these would be free from doubt if § 1295(a)(4)(A) stood alone." Petition, 6. *Mylan* recognized no such thing. There, the Court wrote that "[a]t a

first glance, the 'appeal from a decision' language in § 1295(a)(4) seems broad, ***perhaps*** broad enough to reach an appeal from a decision denying institution." *Mylan*, 989 F.3d at 1378 (emphasis added). But *Mylan* further made clear that "Section 314(d) prevents 'appeal' from a decision denying institution" and that [w]ithout the ability to 'appeal,' parties cannot make use of § 1295(a)(4)'s jurisdictional grant."

Moreover, § 1295(a)(4)(A) could not possibly apply to institution decisions even if it, counterfactually, stood alone. In relevant part, § 1295(a)(4)(A) provides that this Court "shall have exclusive jurisdiction ... of an appeal from a decision of ... ***the Patent Trial and Appeal Board*** ... with respect to a ... ***inter partes review*** ...." Thus, while § 1295(a)(4)(A) applies to Board decisions, an institution decision is made by the Director. 35 U.S.C. § 314(b) ("The Director shall determine whether to institute an inter partes review ..."); *see also Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367, 1375 (2020) ("§ 314 governs the Director's institution of inter partes review"). Because an institution decision is not a decision of the Board, for purposes of the statute, it is not subject to § 1295(a)(4)(A).[6]

[6] *See also In re James*, 432 F.2d 473, 474-76 (CCPA 1970) (finding no jurisdiction over an appeal of decision by the Commissioner that was delegated to Board, where the statute provided for jurisdiction only in appeals from a "decision

Additionally, § 1295(a)(4)(A) concerns decisions "with respect to … [an] *inter partes* review." But, as this Court has held, an "IPR does not begin until it is instituted." *Shaw Indus. Grp. v. Automated Creel Sys.*, 817 F.3d 1293, 1300 (Fed. Cir. 2016) (citing *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1272 (Fed. Cir. 2018) ("IPRs proceed in two phases. In the first phase, the PTO determines whether to institute IPR. In the second phase, the Board conducts the IPR proceeding and issues a final decision.")). A noninstitution decision means that the Director has determined not to institute an *inter partes* review and, thus, an appeal of a noninstitution decision is not an appeal "with respect ... to [an] *inter partes* review." For these two independently sufficient reasons, a noninstitution decision is plainly outside the ambit of § 1295(a)(4)(A).

These precedents confirm, therefore, that Intel's consolidated appeals were properly dismissed.

B. The Panel's Decision Is Fully Consistent With Supreme Court Precedent.

Intel contends that "[t]he panel contradicted Supreme Court precedent" and the panel decision conflicts with *Cuozzo*, *SAS*, and *Thryv*. Petition, 2-3, 7-15. To

---

of the Board"). Amicus curiae Jeremy Doerre further explains the CCPA's decision in *James* and other similar cases. *See, e.g.*, No. 21-1614, ECF No. 27.

the contrary, the panel's decision is fully consistent with each of these precedents, which arose from final written decisions, not denials of institution.

As *Mylan* correctly found with respect to these Supreme Court precedents:

> Mylan argues the Supreme Court has undermined *St. Jude*, but that is not so. Every relevant Supreme Court case involved an appeal from a final written decision—not an institution decision. … When the Supreme Court discussed decisions denying institution, however, it suggested such decisions are unreviewable. In *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131, 2140, 195 L. Ed. 2d 423 (2016), the Court noted that decisions denying institution are "committed to agency discretion." *Id*. That suggests that, consistent with *St. Jude*, decisions denying institution are not subject to review on direct appeal.

Mylan, 989 F.3d at 1379 (certain citations omitted); *see also Cisco*, 834 F. App'x at 573 ("Far from reviewing a decision declining to institute proceedings, the Court's decisions in [*Thryv*, *Cuozzo*, and *SAS*] all involved appeals from a final written decision after a decision to institute.") (full citations omitted); *Cuozzo*, 136 S. Ct. at 2140 ("the agency's decision to deny a petition is a matter committed to the Patent Office's discretion.").

In addition to confirming that denials of petitions are committed to the Director's discretion, *Cuozzo* also makes clear that appellate review of institution decisions is "preclud[ed]." *Cuozzo*, 136 S. Ct. at 2140-41 ("The text of [§ 314(d)], along with its place in the overall statutory scheme, its role alongside the Administrative Procedure Act [("APA")], the prior interpretation of similar patent statutes, and Congress' purpose in crafting [IPR], all point in favor of precluding

review of the Patent Office's institution decisions."); *see also id*. ("Congress … has made the agency's decision 'final' and 'nonappealable.' § 314(d). Our conclusion that courts may not revisit this initial determination gives effect to this statutory command.").

Intel contends that *SAS* is "particularly instructive" for its purposes (Petition, 9), but in fact, *SAS* too reaffirmed the Director's discretion over whether to institute an IPR. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018) ("[t]he Director … is given … the choice 'whether' to institute an inter partes review."); *id.*, 1356 ("§ 314(a) invests the Director with discretion on the question *whether* to institute review …") (emphasis in original).

Cuozzo similarly confirmed that even after a final written decision, grounds may not be raised if they are "closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review." *Cuozzo*, 136 S. Ct. at 2141. Likewise, in *Thryv*, a challenge to the Board's determination as to whether a petition was timely under the § 315(b) bar was held to be not appealable even after a final written decision. *Thryv*, 140 S. Ct. at 1373.

Finally, even if all of the above could be overlooked, Intel relies on *Cuozzo* for propositions that are not binding law, but mere *obiter dictum*. *Compare* Petition, 12-13 *with Cuozzo*, 136 S. Ct. at 2141 ("***we need not, and do not***, decide the precise effect of § 314(d) on appeals that implicate constitutional questions,

that depend on other less closely related statutes, or that present other questions of interpretations that reach, in terms of scope and impact, well beyond 'this section.'") (emphasis added); *see also Thryv*, 140 S. Ct. at 1373 ("We reserved judgment in *Cuozzo*, however, on whether § 314(d) would bar appeals reaching well beyond the decision to institute inter partes review.").[7]

Thus, *Cuozzo*, *SAS*, and *Thryv* reaffirm the Director's complete discretion over whether to institute review.

C. There Is No Intra-Circuit Confusion.

Intel further contends that the panel ruling "exacerbates the intra-circuit confusion about the scope of appellate jurisdiction under § 1295(a)(4)(A)." Petition, 13. Not so. The law of this Circuit is clear, as no decision of this Court has ever found a noninstitution decision to be appealable.

This Court's *St. Jude* and *Arthrex* decisions certainly do not create any confusion. *Arthrex* did not concern an institution appeal. In *Arthrex*, the patent owner disclaimed every challenged patent claim and the PTO entered a final

[7] Intel cites to several authorities for the proposition that "bars on judicial review do not preclude review of ultra vires actions," but they do not support jurisdiction. *Aid Ass'n for Lutherans v. USPS* involved a statutory conflict so obvious that the "regulations totally pervert[ed] the meaning of the statute." 321 F.3d 1166, 1168 (D.C. Cir. 2003). And the statute in *Lindahl v. OPM* was silent about judicial review. 470 U.S. 768, 772 (1985). *Cuozzo* distinguished cases like *Lindahl*, explaining that the factors cited there "all point in favor of precluding review of the Patent Office's institution decisions" under § 314(d). 136 S. Ct. at 2141.

adverse judgment under its regulations. *Arthrex, Inc. v. Smith & Nephew, Inc.*, 880 F.3d 1345, 1347 (Fed. Cir. 2018). As this Court has already explained, *Arthrex* has no bearing on whether parties dissatisfied with noninstitution decisions can appeal. *See, e.g.*, *ARRIS Int'l PLC v. ChanBond, LLC*, 773 F. App'x 605, 606 (Fed. Cir. 2018) (nonprecedential) ("Far from review over a non-institution decision, *Arthrex* concerned the issue of whether a party could appeal from a final adverse judgment entered under 37 C.F.R. § 42.73(b).").

Arthrex itself distinguished *St. Jude*, stating that the Board's entry of an adverse judgment was a categorically different type of decision than a petition denial. *See Arthrex*, 880 F.3d at 1349 ("*St. Jude* found that non-institution decisions fall within the 'broadly worded bar on appeal' under § 314(d). Thus, the question there was whether the appeal bar foreclosed appellate jurisdiction—a question not involved here. Under these circumstances, we are not bound by the language in *St. Jude*.") (citation omitted).

Mylan too distinguished *Arthrex*'s situation (appealability of an adverse judgment) from *St. Jude*'s (appealability of a noninstitution decision). *Mylan*, 989 F.3d at 1379, n.3 ("*Arthrex*'s holding that an adverse judgment … is appealable pursuant to § 1295 does not conflict with *St. Jude*'s holding that non-institution decisions are nonappealable.").

The caselaw of this Circuit is clear and consistent; noninstitution decisions are final and nonappealable.

D. There Is Nothing Exceptional About The Panel's Dismissal.

Intel further contends that it is "exceptionally important" that review be permitted. Not so. As discussed above, the law is clear and well-settled. Section 314(d) provides that such noninstitution decisions are "final and nonappealable," and under § 314(a), the Director has complete discretion to decide whether to institute. Congress clearly intended to commit noninstitution decisions to the Director's discretion, and Congress' choice is consistent with well-established agency law principles. Agency inaction, like a decision not to institute IPR, is presumptively immune from judicial review. *Heckler v. Chaney*, 470 U.S. 821, 832 (1985) ("an agency's decision not to take enforcement action should be presumed immune from judicial review" and "[f]or good reasons, such a decision has traditionally been 'committed to agency discretion' ..."); *see also Mylan*, 989 F.3d at 1382 ("the Director is free, as in this case, to determine that for reasons of administrative efficiency an IPR will not be instituted, as agencies generally are free, for similar reasons, to choose not to initiate enforcement proceedings.") (citing *Heckler*, 470 U.S. at 830-32).

Not only does the panel's decision faithfully apply the statute, it also follows this Court's binding precedent. In the near-decade history of IPRs, this Court has

found without exception that noninstitution decisions are not appealable. *See* Section III.A. And, as discussed above, this Court has already denied at least two other substantially similar *en banc* petitions under the same circumstances.

Intel contends that the Board's precedential decisions in *NHK* and *Fintiv*—which allow for discretionary denials of institution where an IPR would be duplicative of an ongoing district court litigation—are somehow contrary to congressional intent. Petition, 15. This too is incorrect. Declining to institute a redundant IPR is entirely consistent with congressional intent:

> The proposed administrative review procedures, including IPR, were intended to provide "quick and cost effective ***alternatives to litigation***." H. REP. NO. 112-98, at 48 (2011). Another expressed congressional goal was to "establish ***a more efficient and streamlined patent system*** that will improve patent quality[.]" *Id*. at 40. At the same time, Congress recognized the importance of protecting patent owners from patent challengers who could use the new administrative review procedures as "tools for harassment." *Id*. ("While this amendment is intended to remove current disincentives to current administrative processes, ***the changes made by it are not to be used as tools for harassment*** or a means to prevent market entry ***through repeated litigation and administrative attacks on the validity of a patent***.").

WesternGeco LLC v. ION Geophysical Corp., 889 F.3d 1308, 1317 (Fed. Cir. 2018); *see also* S. Rep. No. 110-259, at 66-67 (2008) ("If second window proceedings are to be permitted, they should generally serve as a ***complete substitute*** for at least some phase of the litigation.").

The final section of Intel's Petition imagines a parade of horribles. Intel suggests that the Director may begin making institution decisions based on the flip of a coin or cancel the IPR program altogether. Petition, 17-18. But the decisions below involved no such arbitrariness, just the disciplined application of agency precedent. Courts decide the cases before them, not fanciful scenarios that have not (and will not) come to pass.[8]

In sum, Intel's argument—that noninstitution decisions are appealable—has been rejected time and again. The statute and this Court's precedents are clear, and Intel's Petition should be rejected just like the last two.

IV. CONCLUSION

For these reasons, the Court should deny Intel's Petition for panel and *en banc* rehearing.

[8] Notwithstanding Intel's fears, from 10/1/2020 to 5/31/2021, 519 IPRs (61%) were instituted, none based on a coin flip. *See* USPTO PTAB Trial Statistics (May 2021), *available at* https://www.uspto.gov/sites/default/files/documents/ptab_aia_.pdf. https://www.finnegan.com/en/insights/blogs/at-the-ptab-blog/federal-circuit-ptab-appeal-statistics-through-april-30-2021.html.

Date: August 10, 2021

Respectfully submitted,

/s/ Nathan Nobu Lowenstein

Nathan Nobu Lowenstein
Kenneth Weatherwax
LOWENSTEIN & WEATHERWAX LLP
1880 Century Park East, Suite 815
Los Angeles, CA 90067
Telephone: (310) 307-4500
Facsimile: (310) 307-4509

Counsel for Patent Owner-Appellee
VLSI Technology LLC

CERTIFICATE OF SERVICE

I certify that counsel for the parties have been served with a true and correct copy of the foregoing document via the Court's CM/ECF system on August 10, 2021.

Date: August 10, 2021

/s/ Nathan Nobu Lowenstein
Nathan Nobu Lowenstein
Counsel for Patent Owner-Appellee
VLSI Technology LLC

CERTIFICATE OF COMPLIANCE

I hereby certify that this filing: (i) complies with the type-volume limitation because this response contains 3,882 words; and (ii) complies with the typeface requirements of Rule 32(a)(5) and the type-style requirements of Rule 32(a)(6) because it has been prepared using Microsoft Word and is set in Times New Roman font in a size equivalent to 14 points or larger.

Date: August 10, 2021

/s/ Nathan Nobu Lowenstein
Nathan Nobu Lowenstein
Counsel for Patent Owner-Appellee
VLSI Technology LLC