

2018-1638, -1639, -1640, -1641, -1642, -1643

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**United States Court of Appeals  
for the Federal Circuit**

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SAINT REGIS MOHAWK TRIBE and ALLERGAN, INC.,

*Appellants,*

– v. –

MYLAN PHARMACEUTICALS INC.,  
TEVA PHARMACEUTICALS USA, INC. and AKORN, INC.,

*Appellees.*

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*Appeal from the United States Patent and Trademark Office, Patent Trial and Appeal Board in Case Nos. IPR2016-01127, IPR2016-01128, IPR2016-01129, IPR2016-01130, IPR2016-01131, IPR2016-01132, IPR2017-00576, IPR2017-00578, IPR2017-00579, IPR2017-00583, IPR2017-00585, IPR2017-00586, IPR2017-00594, IPR2017-00596, IPR2017-00598, IPR2017-00599, IPR2017-00600 and IPR2017-00601*

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**BRIEF FOR *AMICUS CURIAE* ASKELADDEN L.L.C.  
IN SUPPORT OF APPELLEES**

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MAY 17, 2018

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

**SAINT REGIS MOHAWK TRIBE v. MYLAN PHARMACEUTICALS INC.**

Nos. 2018-1638, -1639, -1640, -1641, -1642, -1643

**CERTIFICATE OF INTEREST**

Counsel for amici curiae state the following:

1. The full names of every party or amicus represented by me are:

Askeladden L.L.C.

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:

Not applicable.

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

The Clearing House Payments Company L.L.C.

4. The names of all law firms and the partners or associates that appeared for any of the parties or amicus now represented by me in the trial court or agency or are expected to appear in this Court are:

Charles R. Macedo, Mark Berkowitz, and Sandra A. Hudak of Amster, Rothstein & Ebenstein 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:

*Allergan, Inc. v. Teva Pharm. USA, Inc.*, No. 2018-1130 (Fed. Cir.)

*Allergan, Inc. v. Deva Holding A.S.*, No. 2:16-cv-1447 (E.D. Tex.)

Dated: May 17, 2018

By: /s/Charles R. Macedo

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**TABLE OF CONTENTS**

STATEMENT OF INTEREST.....1

SUMMARY OF THE ARGUMENT .....3

ARGUMENT .....6

I. The Transaction .....6

II. Notions of Tribal Sovereign Immunity Do Not Apply to Administrative Proceedings Like This One.....8

    A. Tribal Immunity Does Not Extend to PTAB Proceedings.....8

    B. The Tribe’s Patent Rights Are Subject to the Patent Office’s Jurisdiction .....12

III. The PTAB May Proceed Without a Patent Owner.....16

IV. Post-Institution Acts of the Patent Owner Should Not Divest the Office of Jurisdiction to Complete These Proceedings.....19

CONCLUSION.....22

**TABLE OF AUTHORITIES**

	<b>Page(s)</b>
<b>CASES</b>	
<i>Allergan, Inc. v. Teva Pharms. USA, Inc.</i> , No. 2:15-cv-1455-WCB, slip op. (E.D. Tex. Oct. 16, 2017) .....	7
<i>In re Ayers</i> , 123 U.S. 443 (1887).....	14
<i>Blackberry Corp. v. MobilMedia Ideas LLC</i> , IPR2013-00016, Paper 31 (PTAB Dec. 11, 2013) .....	20
<i>In re Business Council of the N. Arapaho Tribe</i> , 29 FCC Rcd. 2650 (F.C.C. Mar. 10, 2014), available at <a href="https://apps.fcc.gov/edocs_public/attachmatch/DA-14-331A1.pdf">https://apps.fcc.gov/edocs_public/attachmatch/DA-14-331A1.pdf</a> . .....	10
<i>In re Confederated Tribes and Bands of the Yakama Nation</i> , 31 FCC Rcd. 8857 (F.C.C. Aug. 10, 2016), available at <a href="https://apps.fcc.gov/edocs_public/attachmatch/DA-16-904A1.pdf">https://apps.fcc.gov/edocs_public/attachmatch/DA-16-904A1.pdf</a> .....	10
<i>Covidien LP v. University of Florida Research Foundation Inc.</i> , IPR2016-01274, Paper 21 (PTAB Jan. 25, 2017) .....	17
<i>Crowell v. Benson</i> , 285 U.S. 22 (1932).....	12, 14, 17
<i>Cty. of Yakima v. Confederated Tribes and Brands of Yakima Nation</i> , 502 U.S. 251 (1992).....	16
<i>Cuozzo Speed Techs. v. Lee</i> , 136 S. Ct. 2131 (2016).....	passim
<i>Ex parte Bakelite Corp.</i> , 279 U.S. 438 (1929).....	14
<i>Fed. Power Comm’n v. Tuscarora Indian Nation</i> , 362 U.S. 99 (1960).....	18
<i>Federal Maritime Commission v. S.C. State Ports Authority</i> , 535 U.S. 743 (2002).....	12, 13, 14, 15

*Freeport-McMoRan Inc. v. K N Energy, Inc.*  
 498 U.S. 426, 428 (1991).....20

*Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*,  
 523 U.S. 751 (1998).....passim

*Kramer v. Caribbean Mills, Inc.*,  
 394 U.S. 823 (1969).....7

*Lundgren v. Upper Skagit Indian Tribe*,  
 187 Wash. 2d 857 (Wash. 2017) .....21

*Michigan v. Bay Mills Indian Cmty.*,  
 134 S. Ct. 2024 (2014).....4, 8, 10, 14

*Microsoft Corp. v. Global Techs., Inc.*,  
 IPR2016-00663, Paper 35 (PTAB June 2, 2017) .....19

*Nevada v. Hall*,  
 440 U.S. 410 (1979).....8, 21

*Oil States Energy Servs., LLC v. Greene’s Energy Group, LLC*,  
 No. 16-712, slip op. at 8–9 (U.S. Apr. 24, 2018) .....passim

*Okla. Tax Comm’n v. Citizen Band Potawatomi Indian Tribe*,  
 498 U.S. 505 (1991).....9, 10

*Precision Instr. Mfg. Co. v. Auto. Maint. Mach. Co.*,  
 324 U.S. 806 (1945).....5, 21

*Reactive Surfaces Ltd., LLP v. Toyota Motor Corp.*,  
 IPR2016-1914, Paper 36 (PTAB July 13, 2017).....15, 16

*Republic Gen. Ins. Group, Inc. v. Owner of U.S. Patent No. 6,519,581*,  
 IPR2015-01956, Paper 39 (PTAB Apr. 18, 2017) .....19

*Tennessee Student Assistance Corp v. Hood*,  
 541 U.S. 440 (2004).....17

*Three Affiliated Tribes of Fort Berthold Reservation v. Wold Eng’g*,  
 476 U.S. 877 (1986).....15

*Ultratec, Inc. v. CaptionCall, LLC*,  
872 F.3d 1267 (Fed. Cir. 2017) .....11

*Upper Skagit Indian Tribe v. Lundgren*,  
138 S.Ct. 543 (2017).....16

*Vas-Cath, Inc. v. Curators of the Univ. of Mo.*,  
473 F.3d 1376 (Fed. Cir. 2007) .....21

*Washington v. Confederate Tribes of Colville Reservation*,  
447 U.S. 134 (1980).....22

*Yahoo! Inc. v. CreateAds, L.L.C.*,  
IPR2014-00200, Paper 40 (PTAB Feb. 2, 2015).....19

**CONSTITUTIONS**

U.S. Const. art. III .....12, 13

U.S. Const. amend. XI .....14, 15

**STATUTES**

35 U.S.C. § 101 .....18

35 U.S.C. § 143 .....11

35 U.S.C. § 261 .....18

35 U.S.C. §311(a) .....2, 18, 19

35 U.S.C. §§ 311–319.....5, 18

35 U.S.C. § 312 .....16

35 U.S.C. § 313 .....16, 18

35 U.S.C. § 314(a) .....11

35 U.S.C. § 315 .....16

35 U.S.C. § 317(a) .....16, 19

35 U.S.C. § 318(a) .....18

Pub. L. No. 112-29, 125 Stat. 284 (2011).....2

**RULES**

Fed. R. App. P. 29(c)(5)..... 1

37 C.F.R. § 42.107(a).....18

**OTHER AUTHORITIES**

H.R. Rep. No. 112-98 (2011).....5, 13

Joanna Shepherd, *Disrupting the Balance: The Conflict Between Hatch-  
Waxman and Inter Partes Review*

6 NYU J. INTELL. PROP. & ENT. L. 14, 37 (2016).....11

## STATEMENT OF INTEREST

Amicus Askeladden L.L.C. (“Amicus” or “Askeladden”) respectfully submits this *amicus curiae* brief in support of the response filed by Mylan Pharmaceuticals Inc., Teva Pharmaceuticals USA, Inc., and Akorn, Inc. (“Appellees”).<sup>1</sup>

Askeladden is a wholly owned subsidiary of The Clearing Housing Payments Company L.L.C. Askeladden founded the Patent Quality Initiative (“PQI”) as an education, information, and advocacy effort to improve the understanding, use, and reliability of patents in financial services and elsewhere.

Among other activities, Askeladden regularly files petitions for *inter partes* review at the U.S. Patent and Trademark Office’s (“Patent Office”) Patent Trial and Appeals Board (“PTAB”) to take a second look at patents that it believes are invalid and may be used to inhibit innovation in the financial services industry. Askeladden also supports the patent system by regularly filing amicus briefs in cases presenting important issues of patent law. The applicability of the doctrine of tribal sovereign immunity to *inter partes* review proceedings before the

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<sup>1</sup> Each of the parties have consented to the filing of this *amicus curiae* brief in separate e-mails dated April 4 through 17, 2018. Pursuant to FRAP 29(c)(5), no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person other than Askeladden or their counsel made a monetary contribution to fund the preparation or submission of this brief. Askeladden filed an amicus brief below. (Paper 107). All paper numbers and exhibits cited herein refer to filings in IPR2016-01127.



PTAB—raised by Appellant St. Regis Mohawk Tribe (“the Tribe”) in this appeal—is one such important issue.

Congress established *inter partes* review, as well as the post-grant review and covered business method patent review, as a way for the Patent Office to “review and cancel issued patent claims.” *Cuozzo Speed Techs. v. Lee*, 136 S. Ct. 2131, 2149 (2016) (citing Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284 (2011)); *see also Oil States Energy Servs., LLC v. Greene’s Energy Group, LLC*, No. 16-712, slip op. at 8–9 (U.S. Apr. 24, 2018). Under an *inter partes* review, “anyone may file a petition challenging the patentability of an issued patent claim at almost any time,” regardless of the case-or-controversy requirement for standing in court. *Cuozzo*, 136 S. Ct. at 2149; *see also Oil States*, slip op. at 2 (“Any person other than the patent owner can file a petition for *inter partes* review.” (citing 35 U.S.C. §311(a) (2012 ed.)).

The misplaced notions of tribal sovereign immunity advanced by the Tribe threaten the proper functioning of *inter partes* reviews. Thus, Askeladden believes that the PTAB’s decision denying the Tribe’s motion to dismiss or terminate should be affirmed.

## SUMMARY OF THE ARGUMENT

This is an appeal from the PTAB's decision denying the Tribe's motion to dismiss or terminate six *inter partes* review proceedings based on a theory that the doctrine of tribal sovereign immunity from "suit" should be applied. (See Appx1–42). In this regard, shortly before the oral hearing was scheduled, the Tribe informed the PTAB that it was the assignee of the patents-at-issue. This assignment was part of a larger transaction that granted back to the prior patent owner, Allergan, virtually all of the significant commercial rights in the patents. As a strawman patent owner, the Tribe requested that the PTAB dismiss the case under the doctrine of tribal sovereign immunity.<sup>2</sup>

Askeladden respectfully submits that the PTAB correctly found that "the Tribe has not established that the doctrine of tribal sovereign immunity should be applied to [the] proceedings [below]" and, in any event, "the proceedings can continue even without the Tribe's participation in view of Allergan's retained ownership interest in the challenged patents." (Appx4).

First, *the Tribe's request is based on the misplaced theory that tribal sovereign immunity from suit is applicable to administrative proceedings before the PTAB*. There is no dispute that, absent abrogation or waiver, Native American Tribes (like the Tribe) are generally immune from "suits" in federal or state court

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<sup>2</sup> As the PTAB noted, the Tribe's motion was stylized as a "motion to dismiss" but was more properly framed as a "motion to terminate." (Appx2-3, n.2).

(see Red Br. at 13 (“a tribe is not subject to *suit* in federal or state *court*”) (emphasis added)). However, such immunity does not extend to all government action. See, e.g., *Kiowa Tribe of Okla. v. Mfg. Techs., Inc.*, 523 U.S. 751, 755 (1998) (“We have recognized that a State may have authority to tax or regulate tribal activities occurring within the State but outside Indian country . . .”).

In this regard, a PTAB proceeding is not a *suit* in court, but instead an administrative proceeding in which the Patent Office (through the PTAB) takes “a second look at an earlier administrative grant of a patent.” *Cuozzo*, 136 S. Ct. at 2144 (2016); see also *Oil States*, slip op. at 7 (“[T]he decision to *grant* a patent is a matter involving public rights—specifically, the grant of a public franchise. Inter partes review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO’s authority to conduct that reconsideration.”). Like other administrative actions in which States and Federal Agencies (e.g., the Federal Power Commission) may regulate rights or responsibilities of Tribes with respect to off-reservation activities, a PTAB proceeding is one of the “other mechanisms” available to the USPTO to resolve questions of patent validity as the administrative authority granting the patent in the first instance. Cf. *Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024, 2028 (2014).

Second, even if the Tribe cannot be compelled to participate in this proceeding, the PTAB retains authority to adjudicate the validity of patents under

review. Indeed, *there is no requirement under the AIA that a patent owner participate in an instituted proceeding in order for the PTAB to proceed.* See 35 U.S.C. §§ 311–319. The Tribe does not dispute this point. (Red Br. at 27 (noting that “Board cited its ability to complete a case even if the patent owner fails to participate or even if the case is settled”)). Thus, the Board correctly held that it “does not exercise personal jurisdiction over the patent owner”—“[a]t most, the Board exercises jurisdiction over the challenged patent in an *inter partes* review proceeding.” (Appx16–17).

Finally, given that the PTAB has had jurisdiction over the challenged patents all along, *the subsequent transaction by Allergan and the Tribe cannot and should not be entitled to divest the PTAB of its rights and duty to complete these proceedings.* Cf. *Cuozzo*, 136 S. Ct. at 2144. This is true irrespective of whether notions of tribal sovereign immunity are applicable. The Patent Office has a duty to “protect the public’s ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’” *Cuozzo*, 136 S. Ct. at 2144–45 (quoting *Precision Instr. Mfg. Co. v. Auto. Maint. Mach. Co.*, 324 U.S. 806 (1945)), and *inter partes* review is an “efficient system for challenging patents that should not have issued.” *Cuozzo*, 136 S. Ct. at 2144–45 (quoting H.R. Rep. No. 112-98, at 39–40 (2011)). Consistent with the Court’s guidance, the agreements here should

not divest the PTAB of its jurisdiction to complete the task it has rightfully begun, and the stay should be lifted promptly.

## ARGUMENT

### I. The Transaction

The Appellants' argument rests upon an eleventh hour transaction entered into between Allergan (the original patent owner at the time the proceedings began and were instituted) and the Tribe (the putative patent owner as of one week before the original hearing date in the *inter partes* review proceedings below).

This transaction included two components: (1) an assignment from Allergan to the Tribe; and (2) a license which granted back to Allergan virtually all of the relevant commercial rights in the patent. (*See* Appx5–6). The “grant back” was “an irrevocable, perpetual, transferable and exclusive license” (Appx6, quoting Ex. 2087, § 2.1) for a small fraction of the revenue Allergan generates for the subject matter of the patents, its “Restasis” drug.

As the PTAB's fact finding below recognized, the transaction was the result of activity by the Tribe “to engage in new business activities related to enforcement of intellectual property rights, known as the ‘Intellectual Property Project.’” (Appx5, quoting Ex. 2094, at 1). Thus, in the words of the Tribe itself, the Tribe was pursuing “business activities,” in contrast to acting as a sovereign in its sovereign capacity. Allergan also acknowledges that the purpose of the

transaction was “to strengthen the defense of its intellectual property in IPR proceedings.” (Red. Br. at 6).

Upon effectuating the transaction, the Tribe requested that the PTAB dismiss the pending *inter partes* reviews under the doctrine of tribal sovereign immunity, in favor of a related district court proceeding presided over by Judge Bryson (C.J.), sitting by designation.<sup>3</sup>

Askeladden respectfully submits that the PTAB correctly found that “the Tribe has not established that the doctrine of tribal sovereign immunity should be applied to [the] proceedings [below]” and, in any event, “the proceedings can continue even without the Tribe’s participation in view of Allergan’s retained ownership interest in the challenged patents.” (Appx4).

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<sup>3</sup> As Judge Bryson explained in this related litigation, which invalidated the patent claims at issue there, “[t]he Court has serious concerns about the legitimacy of the tactic that Allergan and the Tribe have employed.” Ex. 1163, Memorandum Opinion and Order, *Allergan, Inc. v. Teva Pharms. USA, Inc.*, No. 2:15-cv-1455-WCB, slip op. at 4 (E.D. Tex. Oct. 16, 2017) (ECF No. 522) (Bryson, U.S. Cir. J., sitting by designation). Indeed, Judge Bryson likened the structure of the current transaction to “sham transactions, such as abusive tax shelters.” *Id.* at 5–6. *Cf. Kramer v. Caribbean Mills, Inc.*, 394 U.S. 823, 826–30 (1969) (“If federal jurisdiction could be created by assignments of this kind, which are easy to arrange and involve few disadvantages for the assignor, then a vast quantity of ordinary contract and tort litigation could be channeled into the federal courts at the will of one of the parties.”).

## **II. Notions of Tribal Sovereign Immunity Do Not Apply to Administrative Proceedings Like This One**

The Tribe’s motion below was premised on the proposition that “The Tribe Possesses Immunity from Suit.” (Paper 81, at 8). On appeal, the Tribe repeats its argument that “a tribe is not subject to *suit* in federal or state *court* absent waiver or abrogation.” (Red Br. at 13 (emphasis added)). However, the Tribe fails to acknowledge that sovereign immunity granted to Native American tribes is limited, and does not extend to administrative proceedings, like *inter partes* reviews before the PTAB.

### **A. Tribal Immunity Does Not Extend to PTAB Proceedings**

Native American tribes are “domestic dependent nations” that exercise “inherent sovereign authority.” *Bay Mills*, 134 S. Ct. at 2030. Among the core aspects of sovereignty that tribes possess—subject to congressional action—is the “common-law immunity from *suit* traditionally enjoyed by sovereign powers.” *Id.* (emphasis added). Such immunity is found “in an agreement, express or implied between the two sovereigns, or in the voluntary decision of the second [sovereign] to respect the dignity of the first [sovereign] as a matter of comity.” *Nevada v. Hall*, 440 U.S. 410, 416 (1979). The doctrine of tribal sovereign immunity developed on a “slender reed” from a “passing reference to immunity” to become “an explicit holding that tribes had immunity from *suit*.” *Kiowa*, 523 U.S. at 757

(emphasis added). “As sovereigns or quasi sovereigns, the Indian Nations enjoyed immunity ‘from *judicial* attack’ absent consent to be sued.” *Id.* (emphasis added).

As recognized in *Cuozzo*, an *inter partes* review is an administrative process held before the U.S. Patent and Trademark Office, an administrative agency, and not a law suit held in a Court (or a “judicial attack”). 136 S. Ct. at 2137–38. As such, traditional concerns regarding sovereign immunity, which focus on immunity from suit in a court, do not come into play. This is because the Supreme Court recognizes a distinction between passing a law which may govern off-reservation activities of a tribe (e.g., taxing the sale of cigarettes, denying a casino license, or cancelling a patent) and the ability to enforce those laws in *courts*. *Kiowa*, 523 U.S. at 755 (“We have recognized that a State may have authority to tax or regulate tribal activities occurring within the State but outside Indian country . . . [,] however, [that] is not to say that a tribe no longer enjoys immunity from suit.”).

For example, in *Okla. Tax Comm’n v. Citizen Band Potawatomi Indian Tribe* the Supreme Court held that while a State (Oklahoma) may tax cigarette sales by a Tribe’s store to nonmembers, the Tribe enjoys immunity from a suit to collect unpaid state taxes. 498 U.S. 505, 510 (1991). In other words, there is a difference between the right to demand compliance with state laws and the means available to enforce them. *See id.* at 514.



This distinction was also recognized in *Michigan v. Bay Mills*, where the Supreme Court held that, even if sovereign immunity barred a lawsuit by the State of Michigan against a tribe, “Michigan must therefore resort to *other mechanisms*, . . . to resolve this dispute.” 134 S. Ct. at 2028 (emphasis added). One of “the panoply of tools Michigan can use to enforce its law on its own lands” was that “Michigan could, in the first instance, deny a license to [the identified tribe] for an off-reservation casino.” *Id.* at 2035.<sup>4</sup>

Askeladden respectfully submits that *inter partes* review is one these “other mechanisms” authorized by *Potawatomi* and *Bay Mills* to be used with Native American Tribes. Specifically, an *inter partes* review is more akin to a state imposing a tax or granting or revoking a franchise or license, than it is to a lawsuit seeking to enforce those tax laws or impose penalties for unlicensed activities. *Cf. Potawatomi*, 498 U.S. at 512 (“Although the doctrine of tribal sovereign immunity applies to the Potawatomis, that doctrine does not excuse a tribe from all obligations to assist in the collection of validly imposed state sales taxes.”), *with*

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<sup>4</sup> Federal Agencies, such as the Federal Communications Committee (“FCC”), have exercised their power to regulate the continuation of previously issued licenses, even when the licensee is a tribe. *See, e.g., In re Confederated Tribes and Bands of the Yakama Nation*, 31 FCC Rcd. 8857, 8857 (F.C.C. Aug. 10, 2016), available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-16-904A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-16-904A1.pdf); *In re Business Council of the N. Arapaho Tribe*, 29 FCC Rcd. 2650, 2650 (F.C.C. Mar. 10, 2014), available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DA-14-331A1.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DA-14-331A1.pdf).

*Oil States*, slip op. at 9 (“*inter partes* review involves the same interests as the determination to grant a patent in the first instance”).

An *inter partes* review is an administrative proceeding before an administrative agency—the Patent Office’s PTAB—to take a second look at the agency’s earlier grant of a patent. Contrary to Appellants’ contentions, (Red Br. 19–21), such proceedings cannot properly be characterized as “lawsuits.” As this Court has noted, although “[t]he PTO at times refers to the IPR proceedings as a ‘trial’[,] [v]ery seldom do IPR proceedings have the hallmarks of what is typically thought of as a trial.” *Ultratec, Inc. v. CaptionCall, LLC*, 872 F.3d 1267, 1270 n.2 (Fed. Cir. 2017) (citation omitted). In this regard, “discovery is significantly restricted and live testimony is rarely allowed in IPR proceedings.” See Joanna Shepherd, *Disrupting the Balance: The Conflict Between Hatch-Waxman and Inter Partes Review*, 6 NYU J. INTELL. PROP. & ENT. L. 14, 37 (2016).

The *Cuozzo* court explained how, in many ways, “*inter partes* review is less like a judicial proceeding and more like a specialized agency proceeding.” *Cuozzo*, 136 S. Ct. at 2143. For example, the private parties that initiate *inter partes* reviews need not stay in the proceedings, and the Patent Office (i.e., the U.S. Government) exercises discretion over institution and is permitted to intervene in any appeal of an *inter partes* review proceeding. *Cuozzo*, 136 S. Ct. at 2140 (citing 35 U.S.C. § 314(a)); 35 U.S.C. § 143.

**B. The Tribe's Patent Rights Are Subject to the Patent Office's Jurisdiction**

In *Oil States*, the Supreme Court reaffirmed that “Patent claims are granted subject to the qualification that the PTO has ‘the authority to reexamine—and perhaps cancel—a patent claim’ in an inter partes review.” *Oil States*, slip op. at 9 (quoting *Cuozzo*, 36 S. Ct. 2131, 2137). “Patents thus remain ‘subject to [the Board’s] authority’ to cancel outside of an Article III court.” *Oil States*, slip op. at 9 (quoting *Crowell v. Benson*, 285 U.S. 22, 50 (1932)).

Appellants rely heavily on *Federal Maritime Commission v. S.C. State Ports Authority*, 535 U.S. 743 (2002) (“*FMC*”) for the proposition that tribal immunity can be invoked in *inter partes* review proceedings. (See Red Br. at 21–24). While *FMC* is instructive, it is distinguishable. As discussed above, *inter partes* review proceedings do not have the hallmarks of a traditional lawsuit. This is in contrast to the particular type of administrative proceeding at issue in *FMC*:

FMC administrative proceedings bear a ***remarkably strong resemblance to civil litigation in federal courts***. For example, the FMC's Rules governing pleadings are quite similar to those found in the Federal Rules of Civil Procedure.... Not only are discovery procedures virtually indistinguishable, but the role of the ALJ, the impartial officer designated to hear a case ... is similar to that of an Article III judge.... In fact, to the extent that situations arise in the course of FMC adjudications which are not covered by a specific Commission rule, the FMC's own Rules of Practice and Procedure specifically provide that the Federal Rules of Civil Procedure will be followed to

the extent that they are consistent with sound administrative practice.

*FMC*, 535 U.S. at 757-759 (emphasis added) (internal quotation marks and citations omitted).

Also unlike an FMC administrative proceeding, a PTAB proceeding does not result in a litigation-like remedy. In *FMC*, the Court noted that, in FMC proceedings, an Administrative Law Judge issues a decision that includes “relief,” such as “directing the payment of reparation to an aggrieved party” and “require[ing] the losing party to pay the prevailing party’s attorney’s fees.” *FMC*, 535 U.S. at 759. In contrast, the PTAB “does not make any binding determination regarding ‘the liability of [Patent Owner] to [Petitioner] under the law as defined.’” *Oil States*, slip op. at 15–16. Rather, *inter partes* review is intended to be an “efficient system for challenging patents that should not have issued.” H.R. Rep. No. 112-98, at 39–40 (2011); *see also Cuozzo*, 136 S. Ct. at 2144 (“the purpose of the proceeding is not quite the same as the purpose of district court litigation”).

As the Supreme Court recently reinforced, the PTAB does not exercise judicial power:

[The Supreme Court] has never adopted a ‘looks like’ test to determine if an adjudication has improperly occurred outside of an Article III court. ***The fact that an agency uses court-like procedures does not necessarily mean it is exercising judicial power....*** Although *inter partes* review includes some of the features of adversarial litigation, ***it does not make any binding determination***

*regarding ‘the liability of [Greene’s Energy] to [Oil States] under the law as defined.’* *Crowell*, 285 U.S., at 51. It remains a matter involving public rights, one ‘between the government and others, which from [its] nature do[es] not require judicial determination.’ *Ex parte Bakelite Corp.*, 279 U.S., at 451.

*Oil States*, slip op. at 15–16 (emphasis added).

Further, in *FMC*, a State run entity asserted sovereign immunity as a defense against litigation before an independent agency, the Federal Maritime Commission. In finding that Eleventh Amendment State Sovereign Immunity principles were applicable to that proceeding, *FMC* relied upon, *inter alia*, the bargain reached between the States in the constitutional convention to arrive at the Eleventh Amendment (a factor not at play in the case of tribal sovereign immunity, which is merely grounded in comity). *Compare FMC*, 535 U.S. at 751–52, *with Bay Mills*, 134 S. Ct. at 2031.

Another factor behind the *FMC* Court’s decision was the “interest in protecting States’ dignity,” explaining that “[p]rivate suits against nonconsenting States . . . present ‘the indignity of subjecting a State to the coercive process of judicial tribunals at the instance of private parties,’ *regardless of the forum.*” *FMC*, 535 U.S. at 751 (quoting *In re Ayers*, 123 U.S. 443, 505 (1887)) (emphasis in original). The Court noted that—rather than subjecting sovereign states to this indignity of being sued by private parties—private parties could obtain the same relief sought in the FMC proceedings by bringing their complaints to the FMC

directly, and urging the FMC to bring a suit in district court. 535 U.S. at 768 & n.19. No similar procedure exists here for patents.

Prior PTAB decisions holding that *a state* may assert Eleventh Amendment sovereign immunity are inapplicable here. *See, e.g., Reactive Surfaces Ltd., LLP v. Toyota Motor Corp.*, No. IPR2016-1914 (PTAB July 13, 2017) (Paper 36). Those decisions turned on the notion that *inter partes* reviews are the type of proceeding from which the Framers of the Constitution would have thought the States possessed immunity. However, even if those decisions were correct, “the immunity possessed by Indian tribes is not coextensive with that of the States,” *Kiowa*, 523 U.S. at 755–56<sup>5</sup>, since it evolved out of judicial doctrine rather than the Eleventh Amendment. Thus, the Board correctly refused to extend these prior decisions to include tribal sovereign immunity. (Appx9; *see also* Paper 130, at 2–4).

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<sup>5</sup> *Three Affiliated Tribes of Fort Berthold Reservation v. Wold Eng’g*, 476 U.S. 877, 890 (1986) (“Of course, because of the peculiar ‘quasi-sovereign’ status of the Indian tribes, the Tribe’s immunity is not congruent with that which the Federal Government, or the States, enjoy.”).

### III. The PTAB May Proceed Without a Patent Owner

An *inter partes* review proceeding is focused on the *patent*, not the patent owner. Indeed, the patent owner is not required to participate in the proceeding. As such, principles of immunity from suit are simply inapplicable. *Cf. Cty. of Yakima v. Confederated Tribes and Bands of Yakima Nation*, 502 U.S. 251, 264–65 (1992) (recognizing that taxation of fee-patented land under *in rem* jurisdiction could be exercised against land owned by a sovereign Native American tribe).<sup>6</sup>

While the AIA sets forth certain limits on what must be in a Petition (*see, e.g.*, 35 U.S.C. § 312), who may file a Petition (*see, e.g.*, 35 U.S.C. § 315), and even provides a patent owner a right (but not obligation) to respond to the Petition (*see, e.g.*, 35 U.S.C. § 313), it ***does not require participation by a Patent Owner*** (or even the Petitioner) for the PTAB to complete its task (*see, e.g.*, 35 U.S.C. § 317(a)). *See, e.g., Cuozzo*, 136 S. Ct. at 2144 (“challengers need not remain in the proceeding; rather that Patent Office may continue to conduct an *inter partes* review even after the adverse party has settled. § 317(a).”); *Reactive Surfaces Ltd. v. Toyota Motor Corp.*, IPR2016-01914, slip op. at 17 (PTAB July 13, 2017)

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<sup>6</sup> Although the PTAB found “we need not characterize these proceedings as *in rem* in order to reach our conclusions here” (Appx17 n.6), to the extent this Court agrees that *inter partes* reviews are *in rem* proceedings, it may be otherwise dispositive. *Cf. Upper Skagit Indian Tribe v. Lundgren*, 138 S.Ct. 543 (Mem.) (2017) (currently pending on question whether “a court’s exercise of *in rem* jurisdiction overcome[s] the jurisdictional bar of tribal sovereign immunity when the tribe has not waived immunity and Congress has not unequivocally abrogated it.”).

(Paper 36) (“We conclude that Patent Owner has not shown sufficiently that dismissal of the Regents from this proceeding requires termination of the proceeding as to the remaining patent owner, Toyota.”).

In *Covidien LP v. University of Florida Research Foundation Inc.*, IPR2016-01274 (PTAB Jan. 25, 2017) (Paper 21) (Ex. 2095), another panel rejected the fact that an *inter partes* review is an *in rem* proceeding because the patent owner could be subject to an estoppel from an adverse judgment. However, the Supreme Court rejected that kind of analysis in *Tennessee Student Assistance Corp v. Hood*, 541 U.S. 440 (2004). Specifically, the Court found that sovereign immunity did not apply to a bankruptcy court’s *in rem* jurisdiction because “a nonparticipating creditor cannot be subjected to personal liability.” *Id.* at 447–48. This was true even though a discharge order would apply to a nonparticipating sovereign creditor. Thus, even though estoppel may apply to the patent holder, such estoppel is still not personal liability, and thus does not undermine this Board’s *in rem* jurisdiction over a patent.

To the contrary, as the Court recently recognized, an *inter partes* review “does not make any binding determination regarding ‘the liability of [Patent Owner] to [Petitioner] under the law as defined.’” *Oil States*, slip op. at 16 (quoting *Crowell*, 285 U.S. at 51).



Where, like the AIA, Congress adopts “a general statute in terms applying to all persons [it] includes Indians and their property interests.” *Fed. Power Comm’n v. Tuscarora Indian Nation*, 362 U.S. 99, 116 (1960) (“*FPC*”). *FPC* held “that Congress, by the broad general terms of § 21 of the Federal Power Act, has authorized the Federal Power Commission’s licensees to take lands owned by Indians, as well as those of all other citizens, when needed for a licensed project, upon the payment of just compensation . . . .” *Id.* at 123.

The PTAB correctly held that like *FPC*, “[h]ere Congress has enacted a generally applicable statute providing that *any* patent (regardless of ownership) is ‘subject to the conditions and requirements of (the Patent Act).’” Appx11 (quoting 35 U.S.C. § 101 and citing 35 U.S.C. § 261); *see also Oil States*, slip op. at 2. Indeed, the AIA allows any “person who is not a patent owner” to be a Petitioner (35 U.S.C. § 311(a))<sup>7</sup>, subject to meeting the other requirements of Sections 311–319, and offers no restriction on which Patent Owners are authorized to respond (35 U.S.C. § 313) or waive a right to respond (*e.g.*, 37 C.F.R. § 42.107(a)). As the PTAB correctly stated “a patent owner’s participation is not required and *inter partes* reviews have proceeded to a final written decision under 35 U.S.C. § 318(a) even where the patent owner has chosen not to participate.” (Appx17 (citing

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<sup>7</sup> *Cuozzo*, 136 S. Ct. at 2150 (“*any* third party can ask the agency to institute *inter partes* review of a claim”) (emphasis added); *see also Oil States*, slip op. at 2 (accord).

*Microsoft Corp. v. Global Techs., Inc.*, IPR2016-00663 (PTAB June 2, 2017) (Paper 35); *Republic Gen. Ins. Group, Inc. v. Owner of U.S. Patent No. 6,519,581*, IPR2015-01956, (PTAB Apr. 18, 2017) (Paper 39)). The Petitioner need not even have constitutional standing. *Cuozzo*, 136 S. Ct. at 2143–44; *see also* 35 U.S.C. § 311(a) (“a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of a patent.”).

#### **IV. Post-Institution Acts of the Patent Owner Should Not Divest the Office of Jurisdiction to Complete These Proceedings**

When the proceedings below began there was no concern about participation by any sovereign; Allergan was the patent owner, not the Tribe. Thus, at the time the Petitions were filed, and the time of the Decisions on institution, it was Allergan who owned and continued to own the patents here, and, in fact, participated as the Patent Owner in these proceedings. While a change of a party’s ownership mid-proceeding may justify the addition or substitution of a party to a proceeding, it should not entitle a party to usurp the PTAB’s ability to complete a process that was properly commenced. Consistent with the fact that “the Patent Office may continue to conduct an inter partes review even after the adverse party has settled,” the Patent Office may continue to conduct an *inter partes* review even after the adverse party has attempted to assign the patent in order to assert sovereign immunity. *Cuozzo*, 136 S. Ct. at 2144 (citing 35 U.S.C. § 317(a)); *see also Oil States*, slip op. at 2–4 (discussing procedure); *Yahoo! Inc. v. CreateAds*,

*L.L.C.*, IPR2014-00200, Paper 40 at 1–2 (PTAB Feb. 2, 2015) (refusing to terminate proceeding despite settlement by the parties and “proceed[ing] to a final written decision”); *Blackberry Corp. v. MobilMedia Ideas LLC*, IPR2013-00016, Paper 31 (PTAB Dec. 11, 2013) (same). Thus, the PTAB correctly held that “reconsideration of the patentability of issued claims via *inter partes* review is appropriate without regard to the identity of the patent owner.” (Appx18).

Allowing the PTAB to finish a proceeding it properly commenced comports with the way that courts have treated other attempts to retroactively escape jurisdiction. For example, a party cannot defeat diversity jurisdiction by moving, incorporating in another state, or otherwise changing its citizenship after the filing of a complaint. In *Freeport-McMoRan Inc. v. K N Energy, Inc.*, the Supreme Court explained that it has “consistently held that if jurisdiction exists at the time an action is commenced, such jurisdiction may not be divested by subsequent events.” 498 U.S. 426, 428 (1991). Allowing such subsequent events to defeat diversity jurisdiction “is not in any way required to accomplish the purposes of diversity jurisdiction.” *Id.* at 429.

Likewise, allowing the PTAB to complete a properly instituted *inter partes* review does not undermine the purposes of tribal sovereign immunity. The U.S. would not be disrespecting the “dignity” of the Tribe as a sovereign nor subjecting the Tribe to “judicial attack” by continuing an *inter partes* review that the Tribe

had full notice of prior to acquiring the patents at issue here. *See Hall*, 440 U.S. at 416; *Kiowa*, 523 U.S. at 757; *cf. Lundgren v. Upper Skagit Indian Tribe*, 187 Wash. 2d 857, 873 (Wash. 2017) (refusing to allow a tribe to assert tribal sovereign immunity in an *in rem* property dispute where the tribe could have discovered the dispute prior to purchasing the property), *cert. granted and pending*, No. 17-387 (S. Ct. Dec. 8, 2017).

Rather, allowing the Office to finish a proceeding it properly commenced furthers the purpose of *inter partes* reviews. Congress intended that *inter partes* reviews would “help[] protect the public’s ‘paramount interest in seeing that patent monopolies . . . are kept within their legitimate scope.’” *Cuozzo*, 136 S. Ct. at 2144–45 (quoting *Precision Instr.*, 324 U.S. at 816); *see also Oil States*, slip op. at 9 (accord). If Allergan is allowed to pull its patents from review at the eleventh hour by purchasing immunity from the Tribe, then every patent owner could safeguard its patents in a similar way, undermining the entire post-grant patent review system. *Cf. Vas-Cath, Inc. v. Curators of the Univ. of Mo.*, 473 F.3d 1376, 1383 (Fed. Cir. 2007) (“The principles of federalism are not designed for tactical advantage[.]”).

The Supreme Court has previously recognized “that principles of federal Indian law, whether stated in terms of pre-emption, tribal self-government, or otherwise, [do not] authorize Indian tribes thus to market an exemption from state

taxation to persons who would normally do their business elsewhere.” *Washington v. Confederate Tribes of Colville Reservation*, 447 U.S. 134, 155 (1980).

Similarly, here, those principles should not authorize the Tribe to market an exception from PTAB proceedings.

### CONCLUSION

For the reasons set forth herein, Amicus respectfully urges the Court to affirm the PTAB’s decision denying the Tribe’s motion to dismiss. The PTAB should be permitted to complete its review of patents it previously granted, with or without the Tribe’s participation.

May 17, 2018

Respectfully submitted,

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**United States Court of Appeals  
for the Federal Circuit**

**CERTIFICATE OF SERVICE**

I, Melissa Pickett, hereby certify pursuant to Fed. R. App. P. 25(d) that on **May 17, 2018** the foregoing was filed through the CM/ECF system and served electronically on the parties in this case.

May 17, 2018

/s/ Melissa Pickett  
Melissa Pickett  
Counsel Press

## CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 29, I certify that the foregoing *Amicus Curiae* Brief complies with the applicable type-volume limitations. Excluding those portions exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b), this brief contains 5,283 words. This certificate was prepared in reliance on the word count of the word-processing system (Microsoft Office Word 2010) used to prepare this brief.

This brief complies with the typeface and type style requirements of Federal Rule of Appellate Procedure 32(a)(5) and (a)(6) because it has been prepared in a proportionally spaced typeface using Microsoft Office Word 2010 in 14-point Times New Roman font.

Dated: May 17, 2018

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