

No. 2020-1558, -1559

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

QUALCOMM INCORPORATED,

Appellant,

v.

APPLE INC.,

Appellee.

Appeal from the Patent Trial and Appeal Board in
IPR2018-01315, -01316

BRIEF OF APPELLANT QUALCOMM INCORPORATED

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CERTIFICATE OF INTEREST

Pursuant to Federal Circuit Rule 47.4, counsel for Appellant Qualcomm Incorporated, certifies as follows:

1. The full name of every party represented by me in this case is:

Qualcomm Incorporated.

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:

Qualcomm Incorporated.

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:

None.

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

Jones Day: Jennifer L. Swize; I. Sasha Mayergoyz; David B. Cochran; David M. Maiorana; Joseph M. Sauer; Matthew W. Johnson; Joshua R. Nightingale.

5. The title and number of any cases known to counsel 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.

None.

June 22, 2020

/s/ I. Sasha Mayergoyz

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TABLE OF ABBREVIATIONS

The following abbreviations are used in this brief.

Parties

| Abbreviation | Term |
|---------------------|-----------------------|
| Apple | Apple Inc. |
| Qualcomm | Qualcomm Incorporated |

Citations

| Abbreviation | Term |
|---------------------|---|
| Appx____ | Joint Appendix at page(s)____. |
| Appx____:____:____ | Joint Appendix at page__:column__:line(s)____ |

Terms

| Abbreviation | Term |
|-----------------------|--|
| IPR | <i>Inter Partes</i> Review |
| The Board | The Patent Trial and Appeal Board |
| The challenged claims | Claims 1, 2, 5-9, 12, 13, and 16-22 of U.S. Patent No. 8,063,674 |
| POSITA or POSA | A person of ordinary skill in the art at the time of the invention |
| Steinacker | U.S. Patent No. 7,279,943 (Appx1226-1235) |

| | |
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| Doyle | U.S. Patent No. 4,717,836 (Appx1236-1246) |
| Park | Park, J. C. & Mooney, V. J. (Nov. 2006). Sleepy Stack Leakage Reduction. <i>IEEE Transactions on Very Large Scale Integration (VLSI) Systems</i> , 14(11), 1250-1263 (Appx1247-1260) |
| Majcherczak | U.S. Patent Publication No. 2002/0163364 (Appx1261-1272) |
| Matthews | U.S. Patent No. 6,646,844 (Appx1273-1285) |
| I/O | Input/Output |
| POC | Power-on/off-control |
| AIA | America Invents Act |
| The '674 Patent | U.S. Patent No. 8,063,674 |

All emphasis is added throughout unless otherwise indicated.

STATEMENT OF RELATED CASES

U.S. Patent No. 8,063,674 (the “’674 Patent”), which is the subject of the *Inter Partes* Review (“IPR”) proceeding on review in this appeal, was previously asserted in the following litigations:

- a. *Mobile Electronic Devices and Radio Frequency and Processing Components*, 337-TA-1093 (ITC) (this case has been resolved); and
- b. *Qualcomm Incorporated v. Apple Inc.*, No. 3-17-cv-02398 (S.D. Cal.) (this case has been resolved).

STATEMENT OF JURISDICTION

This appeal arises from two *inter partes* review (“IPR”) proceedings filed by Apple Inc. (“Apple”) before the Patent Trial and Appeal Board (“the Board”) pursuant to 35 U.S.C. §§ 311 et seq. On January 3, 2020, the Board entered a Final Written Decision in the IPR2018-01315 and IPR2018-01316 proceedings, which the Board treated collectively during a joint oral hearing and issued one opinion. In those proceedings, the Board held claims 1, 2, 5-9, 12, 13, and 16-22 (“the challenged claims”) of U.S. Patent No. 8,063,674 (“the ’674 Patent”) unpatentable under 35 U.S.C. § 103. Qualcomm Incorporated (“Qualcomm”) timely filed a notice of appeal on March 4, 2020. (Appx756-843; 35 U.S.C. § 142.) This Court has jurisdiction under 28 U.S.C. § 1295(a)(4)(A) and 35 U.S.C. §§ 141(c) & 319.

INTRODUCTION

This case involves a novel issue of statutory interpretation under the Leahy-Smith America Invents Act (“AIA”): whether the Board, which has authority in IPR proceedings to review the patentability of challenged claims “*only* on the basis of *prior art* consisting of *patents* or printed publications,” 35 U.S.C. § 311(b), may rely on statements about the “prior art” in the challenged patent itself as a ground for unpatentability (a concept coined as “Applicant Admitted Prior Art”). The Board concluded that it could do so by relying on a convoluted, illogical reading of statutory language reciting “prior art . . . patents.” The Board’s reading is contrary

to a straightforward statutory construction. Simply put, a patent challenged in an IPR proceeding is not itself a “prior art patent[.]”

This statutory issue is dispositive in this case. There was no unpatentability ground without Apple’s and the Board’s use of purported prior art referenced only in the challenged ’674 Patent. In one ground, Apple asserted two prior-art patents (Steinecker and Doyle) and one prior-art printed publication (Park), but the Board “considered the entirety of the evidence submitted by the parties, both for and against obviousness, and determine[d] that” Apple did not “show[] by a preponderance of the evidence that the [challenged claims] are unpatentable.” (Appx81.) The Board found the challenged claims unpatentable based solely on other prior art (the Majcherczak patent application and the Mathews patent) in combination with the ’674 Patent’s own statements. In fact, Apple used those statements in the ’674 Patent as the primary “reference” for this ground. Accordingly, the Board’s determination that the challenged claims would have been obvious hinges on an obviousness combination that exceeded the Board’s authority under Section 311.

Given that the Board exceeded its statutory authority in holding the challenged claims of the ’674 Patent unpatentable based on disclosures in the ’674 Patent itself, the Board’s conclusion should be reversed.

STATEMENT OF THE ISSUES

1. Did the Board err as a matter of law by relying on disclosures in the challenged '674 Patent as combinable prior art given that Section 311(b) of the AIA explicitly restricts the Board to holding claims unpatentable in an IPR proceeding “*only on the basis of prior art consisting of patents or printed publications*”?

2. Was the Board unconstitutionally appointed when it heard the evidence in this IPR proceeding, warranting a reversal or remand consistent with *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), or with any subsequent Supreme Court decision on the *Arthrex* Appointments Clause issues?

STATEMENT OF THE CASE

A. The '674 Patent And The Challenged Claims

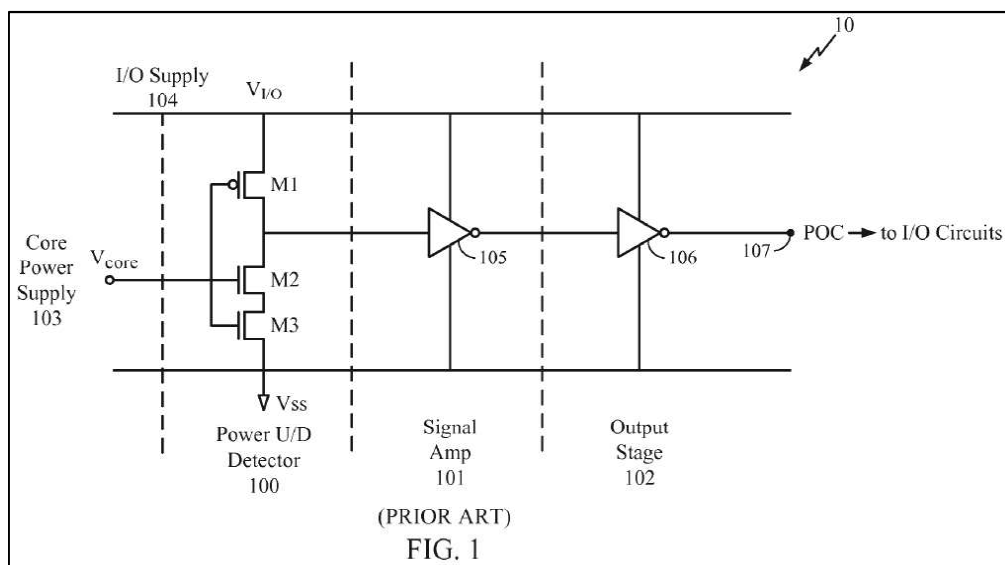
The '674 Patent, entitled “Multiple Supply-Voltage Power-Up/Down Detectors,” issued on November 22, 2011. (Appx85.) The patent identifies Chang Ki Kwon and Vivek Mohan as the named inventors. (Appx85.)

The '674 Patent explains that modern integrated circuits often include multiple networks operating with different supply voltages (*e.g.*, V1 and V2). (Appx94:1:22-25.) For example, a lower voltage V1 may be used for a core logic network, while a higher voltage V2 may be used for an input/output (“I/O”) network. (Appx94:1:22-25.) Multiple independent supply voltages provide flexibility in operating different networks, such as turning off parts of a circuit that

are not needed and thereby achieving significant power savings. (Appx94:1:26-40.)

The '674 Patent further describes that “[i]n order to facilitate communication between the core and I/O devices, level shifters are employed.” (Appx94:1:28-29.) As the '674 Patent explains, “[b]ecause the I/O devices are connected to the core devices through level shifters, problems may occur when the core devices are powered-down.” (Appx94:1:29-32.) One such problem involves stray currents that cause the level shifters to “send a signal to the I/O devices for transmission,” which results in the I/O devices “transmit[ting] the erroneous signal into the external environment.” (Appx94:1:34-40.)

One solution to the problems identified in the Background section of the '674 Patent is the use of “power-up/down detectors to generate a power-on/off-control (POC) signal internally” that “instructs the I/O devices when the core devices are shut down.” (Appx94:1:55-58.) Figure 1, as described in the Background section (Appx94:1:58-2:39), illustrates a POC system 10 that includes a power-up/down detector 100:

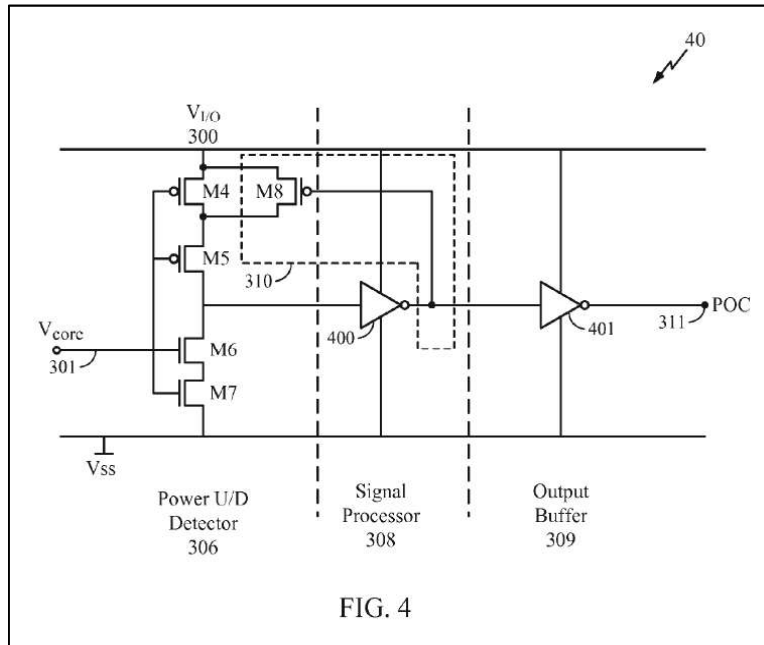


(Appx86.)

The '674 Patent identifies a number of problems with the design in Figure 1. For example, when I/O power supply 104 is on and core power supply 103 is off, powering on the core power supply leads to “a period in which all three transistors within power up/down detector 100 are on,” resulting in a virtual short “to ground causing a significant amount of current to flow from I/O power supply 104 to ground.” (Appx94:2:21-29.) The '674 Patent notes that “[t]his ‘glitch’ current consumes unnecessary power.” (Appx94:2:29-30.) Although the glitch current can be reduced by reducing the size of transistors M1-M3, such a reduction limits “the actual amount of current that can pass through the transistors” and reduces their switching speeds, which “translates into less sensitivity in detecting power-up/down of core supply voltage 103 or longer processing time for power-up/down events.” (Appx94:2:31-39; *see* Appx94:2:63-Appx95:3:11.)

The invention of the '674 Patent uses feedback to increase the speed of the power-up/down detection while simultaneously reducing power consumption.

Figure 4 shows an exemplary implementation of such feedback:



(Appx90.)

During a power-up transition (*i.e.*, V_{core} transitioning from low to high), M8 transitions from being on to off. (Appx96:6:12-18.) When M8 is off, the current capacity of the power up/down detector is decreased. (Appx96:6:12-18.) During a power-down transition (*i.e.*, V_{core} transitioning from high to low), M8 transitions from off to on. (Appx96:6:21-28.) When M8 is on, the current capacity of the power up/down detector 40 is increased, and the “power up/down detector 40 will detect the V_{core} 301 powering down more quickly than the existing POC networks.”

(Appx96:6:21-28.) The feedback technique disclosed in the '674 Patent thus provides fast and energy-efficient power up/down detection.

This appeal concerns claims 1, 2, 5-9, 12, 13, and 16-22 of the '674 Patent. Claims 1, 8, and 17 are independent. Claim 1 illustrates the claimed invention (Appx7) and is reproduced below:

1. A multiple supply voltage device comprising:
 - a core network operative at a first supply voltage; and
 - a control network coupled to said core network wherein said control network is configured to transmit a control signal, said control network comprising: an up/down (up/down) detector configured to detect a power state of said core network; processing circuitry coupled to said up/down detector and configured to generate said control signal based on said power state;
 - one or more feedback circuits coupled to said up/down detector, said one or more feedback circuits configured to provide feedback signals to adjust a current capacity of said up/down detector;
 - at least one first transistor coupled to a second supply voltage, the at least one more first transistor being configured to switch on when said first supply voltage is powered down and to switch off when said first supply voltage is powered on;
 - at least one second transistor coupled in series with the at least one first transistor and coupled to said first supply voltage, the at least one second transistor being configured to switch on when said first supply voltage is powered on and to switch off when said first supply voltage is powered down;

at least one third transistor coupled in series between the at least one first transistor and the at least one second transistor.

(Appx97:8:44-Appx98:9:3.)

Qualcomm previously asserted the '674 Patent at the International Trade Commission in *Certain Mobile Electronic Devices and Radio Frequency and Processing Components Thereof*, Investigation No. ITC-337-TA-1093, and in district-court litigation No. 3:17-CV-02398 (S.D. Cal.). Both matters were resolved during the pendency of these IPR proceedings. (Appx4 n.2.)

B. The Relevant Statutes And Regulations

Section 311(b) of the AIA provides that a petitioner in an IPR proceeding may request cancellation of one or more claims “only on the basis of prior art consisting of patents or printed publications”:

(b) Scope.— A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

35 U.S.C. § 311(b). The Board’s rules likewise require that the petition “must specify where each element of the claim is found in the prior art patents or printed publications relied upon.” 37 C.F.R. § 42.104(b)(4).

C. The Asserted Prior Art

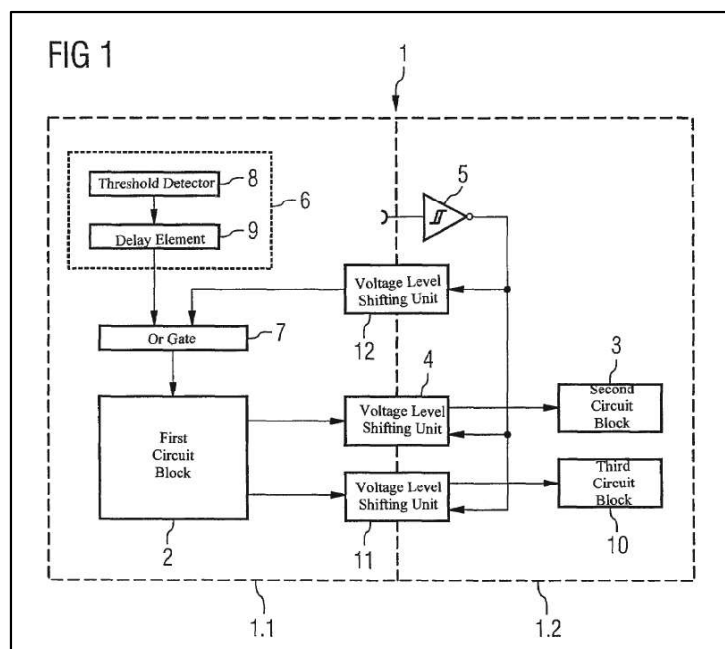
The Board instituted the IPRs at issue in this appeal on two grounds. (Appx8-9, Appx363-364, Appx2537-2538.)

1. Ground 1

The lead ground in Apple’s petitions asserted that the challenged claims are obvious over the combination of Steinacker, Doyle, and Park. (Appx205, Appx2366.) In its Final Written Decision, the Board rejected this ground and found the challenged claims patentable over these references. (Appx81.)

a. Steinacker

The Steinacker reference, entitled “Circuit Arrangement Receiving Different Supply Voltages” (Appx1226), relates to a “mixed signal” circuit that includes at least one analog circuit and at least one digital circuit that operate at two different supply voltages. (Appx1230:1:18-28.) Steinacker addresses “providing a circuit arrangement having at least two circuit blocks operating at different supply voltages which is able to ensure reliable operation of the circuit arrangement regardless of turn-on profiles for the different supply voltages in the circuit blocks.” (Appx1230:2:14-19.) Figure 1 provides an example of Steinacker’s circuit arrangement:



(Appx1227.)

Figure 1 shows (i) first supply voltage domain 1.1 that provides a first circuit block 2 with a first supply voltage, and (ii) second supply voltage domain 1.2 that provides a second circuit block 3 with a second supply voltage. (Appx1231:4:5-12.) The “second circuit block is deactivated when the first supply voltage is still too low in order to ensure safe operation of the first circuit block.”

(Appx1230:2:35-38.)

b. Doyle

The Doyle reference, entitled “CMOS Input Level Shifting Circuit with Temperature-Compensating N-Channel Field Effect Transistor Structure” (Appx1236), relates to an interface between a TTL [transistor-transistor logic] circuit and a CMOS circuit. (Appx1240:2:37-46.)

Doyle discloses “a CMOS inverter circuit having a trip point that is relatively stable with respect to temperature and/or to certain CMOS manufacturing process parameters,” and “provide[s] a stable TTL compatible input circuit in a CMOS integrated circuit.” (Appx1240:2:37-46.) Doyle also discloses a CMOS input level shifting circuit with a temperature-compensating NFET structure. (Appx1240:2:47-57, Appx1242:5:67-6:4.)

c. Park

The Park reference, entitled “Sleepy Stack Leakage Reduction,” relates to a CMOS circuit structure for reducing leakage power consumption. (Appx1247.) Park refers to this structure as a “sleepy stack” structure, combines “two major prior approaches, the sleep transistor technique and the forced stack technique.” (Appx1247.) Figure 1 of Park illustrates the previous “forced stack” and “sleep transistor” techniques that its new “sleepy stack” structure improves upon.

Park explains that the disclosed “sleepy stack” design “can achieve more power savings” and an improvement of “up to two orders of magnitude leakage power reduction compared to the forced stack.” (Appx1247.) According to Park, “the sleepy stack technique can utilize high- V_{th} transistors without 5x (or greater) delay penalties ... [and] the sleepy stack technique can achieve ultra-low leakage power consumption while saving state.” (Appx1248.)

2. Ground 2

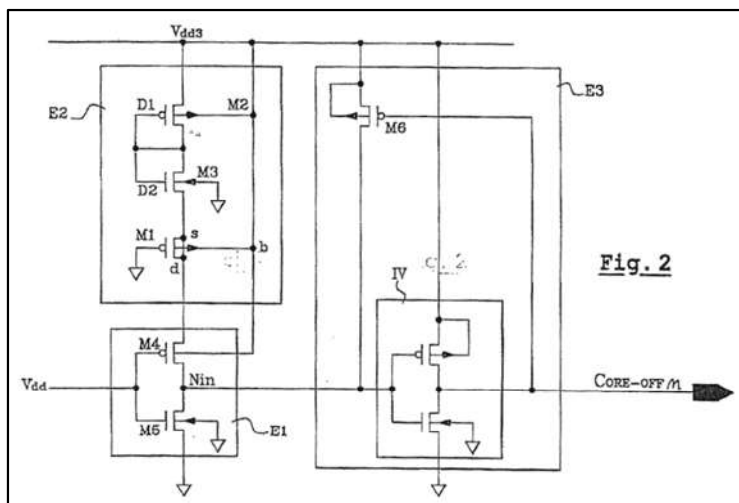
The second ground in Apple’s petitions argued that the challenged claims are obvious over the combination of the “Applicant’s Admitted Prior Art” in the ’674 Patent in combination with Majcherczak (and Matthews for certain claims). (Appx205, Appx2366.)

a. The Alleged “Applicant’s Admitted Prior Art” In The ’674 Patent

Apple argued that the power-on/off-control system 10 described in the ’674 Patent’s Background section constitutes prior art. (Appx240-242, Appx2410-2412 (citing Appx86 at Figure 1; Appx94:1:57-2:39).) The Board applied the ’674 Patent’s disclosure as a reference in its obviousness analysis to hold the challenged claims unpatentable. (Appx83.)

b. Majcherczak

The Majcherczak reference, entitled “Power Supply Detection Device” (Appx1261), relates “to a power supply detection device for an integrated circuit using at least two power supply voltages.” (Appx1268 ¶ 0001.) Majcherczak describes a voltage detection device that detects when the core voltage is powered down or when there is an excessively slow build-up of the voltage. (Appx1268 ¶¶ 0008-11.) Figure 2 shows an embodiment of Majcherczak’s detection device:



(Appx1264.) The detection device “comprises an output stage E3 following the input stage E1, to obtain the desired output levels for the inverse detection signal CORE-OFF_n” (Appx1270 ¶ 0037.)

c. Matthews

The Matthews reference, entitled “Apparatus for Power-On Disable in a Multiple Power Supply System and a Method Therefor” (Appx1273), discloses a comparator for comparing two voltages, VDD and VDDH. (Appx1277:2:63-Appx1278:3:4.) Matthews teaches that if the difference between VDD and VDDH exceeds a threshold, the comparator outputs a signal preventing certain pads from operating. (Appx1277:2:63-Appx1278:3:4.) The Board applied Matthews in its patentability determination regarding claims 7, 16, and 22. (Appx83.)

D. The IPR Proceedings

1. Apple's Petitions And The Board's Institution Decisions

On June 29, 2018, Apple filed two petitions challenging claims 1, 2, 5-9, 12, 13, and 16-22 of the '674 Patent. Apple proposed two grounds of unpatentability. First, Apple asserted that the challenged claims are unpatentable under Section 103 in view of Steinacker, Doyle, and Park. Second, Apple contended that claims 1, 2, 5, 6, 8, 9, 12, 13, and 17-21 are unpatentable under Section 103 in view of portions of the '674 Patent's disclosure in combination with Majcherczak, and that claims 7, 16, and 22 are also unpatentable in further view of Matthews. (Appx205, Appx2366.)

For the first ground, Apple asserted that skilled artisans would have been motivated to combine circuit components from Doyle and Park based on the teachings of Steinacker. In its preliminary response, Qualcomm explained that Apple's proposed combination was based on impermissible hindsight, and Apple did not sufficiently articulate why skilled artisans would have been motivated to combine the references. Although instituting on this ground, the Board's decision stated that it "question[ed] the sufficiency of [Apple's] evidence" and expressed "concerns regarding whether [Apple's] arguments and evidence are based on impermissible hindsight." (Appx359-363, Appx2533-2537.)

For the second ground, Apple argued that skilled artisans would have been motivated to integrate Majcherczak's feedback transistor into various disclosures identified by the '674 Patent as prior art, "in order to enable[] the proper stabilizing of the detection device." (Appx248.) In the preliminary response, Qualcomm explained that this ground was improper because the challenged '674 Patent did not qualify as prior art under Section 311(b). (Appx318-319.) In the Institution Decisions, the Board stated "that a petition for an *inter partes* review can rely on applicant admitted prior art in combination with a prior art patent or printed publication." (Appx344-345, Appx2519.)

2. Post-Institution Briefing

After institution, Qualcomm filed responses to Apple's petitions. Among other things, Qualcomm explained that the disclosure in the '674 Patent itself could not serve as a reference in an obviousness combination because Section 311(b) limits unpatentability grounds in IPR proceedings "only on the basis of prior art consisting of patents or printed publications." (Appx403-406 (citing 35 U.S.C. § 311(b).) Qualcomm further showed that the regulations governing IPR proceedings require that the petitioner "specify where each element of the claim *is found in the prior art patents* or printed publications relied upon." (Appx403-406 (citing 37 C.F.R. § 42.104(b)(4)).)

In reply, Apple criticized Qualcomm for not “advanc[ing] any new arguments that were not otherwise addressed by the [Institution Decisions].” (Appx458-459.) Apple further argued that the Board “diligently followed the logic articulated” by other Board panels that relied on applicant’s admitted prior art as eligible for use in IPR proceedings. (Appx458-459.)

3. The Board’s Final Written Decision

On January 3, 2020, the Board issued a Final Written Decision (Appx1-84) holding the challenged claims unpatentable only under Apple’s second ground. (Appx83.)

Addressing whether disclosures in the ’674 Patent itself could be used as a reference supporting unpatentability, the Board stated that “[w]e agree with [Apple] that an admission in the patent that is the subject [of] an *inter partes* review—that is, applicant admitted prior art—can be used to challenge claims in an *inter partes* review.” (Appx18.) After quoting various portions of Section 311 and 37 C.F.R. § 42.104, the Board concluded that “[b]ecause AAPA is admitted to be prior art and is found in the ’674 patent, it can be used to challenge the claims in an *inter partes* review.” (Appx19.) Citing to *In re NTP, Inc.*, 654 F.3d 1279 (Fed. Cir. 2011), and *In re Nomiya*, 509 F.2d 566 (C.C.P.A. 1975), the Board stated that “the Federal Circuit has found ... that ‘prior art consisting of patents or publications’ includes applicant admitted prior art” for purposes of reexaminations.

(Appx19.) Having determined that disclosures in the '674 Patent were eligible for use in an obviousness combination in IPR proceedings, the Board then held the challenged claims unpatentable. (Appx22-56.)

The Board rejected Apple's first ground of unpatentability, finding that "[Apple] has not demonstrated by a preponderance of the evidence that ... [the challenged] claims ... would have been obvious under 35 U.S.C. § 103 in light of Steinacker, Doyle, and Park." (Appx82.) In reaching this determination, the Board carefully summarized the parties' respective positions and concluded that "[Apple] has not shown ... that a person of ordinary skill in the art at the time of the invention would have combined the teachings of Steinacker and Doyle in the manner argued in the Petition." (Appx70.) In particular, the Board noted that Apple's petition "contains a single paragraph discussing why a person having ordinary skill in the art would combine Steinacker and Doyle." (Appx65.) The Board also explained that, "[a]lthough we requested further briefing on Petitioner's reason to combine Steinacker and Doyle, we did not authorize Petitioner to develop a new theory." (Appx66.) The Board then articulated detailed findings as to why Apple failed to establish that skilled artisans would have been motivated to combine the prior-art references. (Appx71-73, Appx77-81.)

SUMMARY OF ARGUMENT

I. The statutory language in Section 311(b) clearly and unequivocally confines the grounds of an unpatentability determination in IPR proceedings only to prior-art patents and prior-art publications. The Board contravened the statutory language and exceeded its authority by using disclosures in the challenged '674 Patent itself as combinable prior art for the obviousness analysis. That is contrary to the statute, the Board's own regulations, and this Court's precedent.

The operative language in Section 311(b) directs that the Board can hold challenged claims unpatentable “*only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.*” 35 U.S.C. § 311(b). Basic canons of statutory interpretation coupled with that statute's straightforward language—such as “only” and “consisting of”—establish that Section 311 restricts the Board to unpatentability grounds based on prior-art patents rather than any disclosure in the challenged patent. This interpretation is underscored by the Board's own regulations, which require that IPR petitions “specify where each element of the claim *is found in the prior art patents* or printed publications relied upon.” 37 C.F.R. § 42.104(b)(4). Moreover, in previously addressing the reexamination statutes, this Court made clear that the same language in Section 301—“prior art consisting of patents or

printed publications”— is limited to prior-art patents. *In re Lonardo*, 119 F.3d 960, 966 (Fed. Cir. 1997).

II. The Board’s administrative law judges were unconstitutionally appointed when they heard the evidence in this IPR proceeding, warranting a reversal or remand consistent with *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019), or with any subsequent Supreme Court decision on the *Arthrex* Appointments Clause issues.

STANDARD OF REVIEW

“Statutory interpretation is an issue of law that we review *de novo*.” *Facebook, Inc. v. Windy City Innovations, LLC*, 953 F.3d 1313, 1321 (Fed. Cir. 2020). The Court reviews *de novo* the Board’s compliance with the Administrative Procedure Act (“APA”). *In re NuVasive, Inc.*, 841 F.3d 966, 970 (Fed. Cir. 2016). The Court reviews the Board’s ultimate obviousness determination *de novo* and underlying factual findings for substantial evidence. *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1364 (Fed. Cir. 2015).

ARGUMENT

I. SECTION 311(b) DOES NOT PERMIT *INTER PARTES* REVIEW BASED ON STATEMENTS IN THE CHALLENGED PATENT

A straightforward reading of Section 311(b)—both alone and in view of other statutory provisions in the Patent Act—demonstrates that the permissible bases for holding claims unpatentable in an IPR proceeding are restricted to prior-

art patents and prior-art publications. Contrary to the Board’s view, a purported “admission in the patent that is the subject [of] an *inter partes* review” cannot be used to challenge claims in the IPR. (*See Appx18.*) Where, as here, “the Patent Office has engaged in ‘shenanigans’ by exceeding its statutory bounds, judicial review remains available consistent with the Administrative Procedure Act.” *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1359, (2018); *see* 5 U.S.C. § 706(2) (directing that courts “shall hold unlawful and set aside agency action, findings, and conclusions” that are “not in accordance with law” or “in excess of statutory jurisdiction, authority, or limitations”).

Accordingly, there is no question that this Court can correct the Board’s interpretation and reverse the Board’s judgment.

A. The Plain Language Of Section 311(b) Establishes That A Challenged Patent Cannot Serve As A Reference For Unpatentability

“In statutory construction, [courts] begin with the language of the statute.” *Kingdomware Techs., Inc. v. United States*, 136 S. Ct. 1969, 1976 (2016). And courts do not “read into statutes words that aren’t there.” *Romag Fasteners, Inc. v. Fossil, Inc.*, 140 S. Ct. 1492, 1495 (2020).

Here, the language of Section 311(b) “supplies a ready answer” to the question dispositive of this appeal—whether statements in the challenged patent may be used as a reference in an obviousness combination to hold claims

unpatentable. *SAS*, 138 S. Ct. at 1354 (finding another IPR provision equally plain on its face). Section 311(b) uses precise and narrow language to answer that question: “No.” Section 311 delineates the specific categories of prior art upon which the Board can render an unpatentability determination—prior-art patents and prior-art publications. Clearly, a challenged patent (such as the ’674 Patent here) is neither. Section 311(b) does not permit the Board to invalidate claims using the challenged patent itself as “prior art.”

Section 311 is titled “Inter partes review.” Section 311(b), entitled “scope,” defines the statutory purview of an IPR:

A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent *only on a ground that* could be raised under section 102 or 103 *and only on the basis of prior art consisting of patents or printed publications.*

35 U.S.C. § 311(b). Likewise, if the Board institutes an IPR, it “shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).” 35 U.S.C. § 318; *see also Samsung Elecs. Am., Inc. v. Prisia Eng’g Corp.*, 948 F.3d 1342, 1351 (Fed. Cir. 2020) (“[I]t is clear that section 318(a)’s directive to the Board to issue a final written decision on the ‘patentability’ of a challenged claim refers back to the grounds on which, under section 311(b), the petitioner may request the Board to cancel as unpatentable claims of the challenged patent.”).

As the language in Section 311(b) makes clear, the AIA limits the Board’s authority as to what may be used in assessing the patentability of challenged claims. Section 311(b) specifies: “prior art consisting of patents or printed publications.” Courts “must strive to give effect to every word in the statutory text.” *Deckers Outdoor Corp. v. United States*, 714 F.3d 1363, 1371 (Fed. Cir. 2013). Such a plain reading makes clear that the statute uses the phrase “prior art” to modify “patents” (and printed publications).

The well-established “series-qualifier” canon of statutory construction is on point. Where a modifier is applicable to all terms in a series, it modifies each term in the series. *See, e.g., Porto Rico Railway, Light & Power Co v. Mor*, 253 U.S. 345, 348 (1920) (“When several words are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be read as applicable to all.”); *Pleasure-Way Indus., Inc. v. United States*, 878 F.3d 1348, 1351 (Fed. Cir. 2018) (“Because the full phrase is an integrated series of parallel terms, and the two requirements are applicable as much to the first and other words as to the last, this reading is the natural construction.”); Scalia & Garner, *Reading Law: The Interpretation of Legal Texts*, 147 (2012) (explaining canon and providing examples). That is precisely the role that the prepositive adjective “prior art” plays

in Section 311(b): It modifies each of the parallel nouns in “patents or printed publications.”

The statute’s use of “consisting” further confirms this understanding. “In patent law, as in all statutory construction, unless otherwise defined, words will be interpreted as taking their ordinary, contemporary, common meaning.” *Bilski v. Kappos*, 561 U.S. 593, 603 (2010). For purposes of statutory construction, “[o]rdinarily, a word’s usage accords with its dictionary definition.” *Yates v. United States*, 574 U.S. 528, 537 (2015). Thus, the ordinary and common meaning of statutory terms “may be derived from dictionaries from the era of [the statutory provision]’s enactment.” *New York & Presbyterian Hosp. v. United States*, 881 F.3d 877, 882 (Fed. Cir. 2018) (quoting *Sandifer v. U.S. Steel Corp.*, 571 U.S. 220, 227 (2014)). The term “consisting,” both in common and legal usage, is a transitional term that introduces an exhaustive—not an open-ended—list. *See, e.g.*, Scalia & Garner, *Reading Law* at 132 (contrasting the term “includes,” which sets off a non-exclusive list, with the term “consists of,” which introduces an exhaustive listing); Black’s Law Dictionary 308 (6th ed. 1990) (explaining that “consisting” is “not synonymous with ‘including,’ for the latter, when used in connection with a number of specified objects, always implies that there may others which are not mentioned”); Webster’s Dictionary at 266 (11th ed. 2006) (defining “consist” as “to be composed or made up,” such as breakfast consisted of

“cereal, milk, and fruit”); Cambridge Dictionary at 177 (2d ed. 2008) (defining “consisting of” as “to be something that is made or formed of various specific things”); Oxford Dictionary (same); *see also* *Momenta Pharm., Inc. v. Teva Pharm. USA Inc.*, 809 F.3d 610, 615 (Fed. Cir. 2015) (consulting dictionaries such as Black’s Law Dictionary, American Heritage Dictionary, and Webster’s International Dictionary when construing term “made” in 35 U.S.C. § 271(g)). In Section 311(b), grounds of unpatentability can be asserted based on “prior art consisting of patents or printed publications”—*i.e.*, prior-art patents and prior-art printed publications exhaust the types of prior art that can be asserted.

Indeed, Section 311(b) is emphatic about its limited scope. It twice emphasizes that IPRs are limited to “only” the grounds specified: “*only*” anticipation and obviousness, “and *only* on the basis of” two particular categories—prior-art patents and prior-art publications. 35 U.S.C. § 311(b). Meanwhile, Section 311(b) nowhere suggests, let alone recites, purportedly admitted prior art described in the challenged patent, or any type of disclosure in the challenged patent, as a “basis” for unpatentability. The Supreme Court and this Court have made clear that in using the term “only” in Section 311(b), Congress restricted the unpatentability grounds available in IPR proceedings. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141-42 (2016) (noting that PTAB would “act outside its statutory limits by, for example, canceling a patent claim for

indefiniteness under § 112 in inter partes review”); *Samsung Elecs. Am.*, 948 F.3d at 1351-53 (concluding that the Board cannot hold claims indefinite under 35 U.S.C. § 112 during IPR proceedings); *Neptune Generics, LLC v. Eli Lilly & Co.*, 921 F.3d 1372, 1378 (Fed Cir. 2019) (concluding that the Board cannot hold claims patent ineligible under 35 U.S.C. § 101 during IPR proceedings).

The Court has consistently acknowledged the restrictive scope of Section 311(b), explaining that, by using the phrase “*only on a ground that* could be raised under section 102 or 103,” “Congress expressly limited the scope of inter parties review to a subset of grounds that can be raised under 35 U.S.C. §§ 102 & 103.” *Neptune*, 921 F.3d at 1378; *see also Samsung Elecs. Am.*, 948 F.3d at 1346, 1351-53 (rejecting the argument “that there is no limit to the Board’s authority to make unpatentability determinations” because it is “at odds with both the statutory language and the case law” under which “a petition for inter partes review is limited to a *narrow* set of grounds”); *Yeda Research v. Mylan Pharm. Inc.*, 906 F.3d 1031, 1041 (Fed. Cir. 2018) (“[N]on-prior art evidence of what was known ‘cannot be applied, independently, as teachings separately combinable’ with other prior art.”) (citation omitted).

Tellingly, Section 311(b)’s emphatic limitation of grounds available in an IPR stands in sharp contrast to the scope of other AIA proceedings, such as post-grant review. Section 321(b) permits post-grant review based “on any ground that

could be raised under paragraph (2) or (3) of section 282(b),” *i.e.*, “any ground specified in part II [of the Patent Act] as a condition for patentability” and “for failure to comply with” Sections 112 or 251 other than the best mode requirement. 35 U.S.C. §§ 321(b), 282(b)(2)-(3).

In short, a plain reading of the statute precludes the Board from using statements in the challenged patent as a reference in an unpatentability ground in an IPR.

B. Statutory Context Confirms That Patents Used With Respect To Patentability Must be Prior-Art Patents

“It is a fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme.” *Davis v. Mich. Dep’t of Treasury*, 489 U.S. 803, 809 (1989); *see also Yates*, 574 U.S. at 537 (instructing courts to interpret statutory text by reference to “the specific context in which that language is used, and the broader context of the statute as a whole”). Here, the broader context of the Patent Act confirms that Section 311(b) limits the bases for unpatentability to prior-art patents and prior-art publications.

In particular, decades before enactment of the AIA, Congress granted authority to the Board’s predecessor to conduct *ex parte* and *inter partes* reexaminations. *See Cuozzo*, 136 S. Ct. at 2137. For both of those proceedings, Congress used the same phrase at issue here: “Any person at any time may cite to

the Office in writing *prior art consisting of patents or printed publications* which that person believes to have a bearing on the patentability of any claim of a particular patent.” 35 U.S.C. § 301(a)(1) (*ex parte* reexamination provision); accord 35 U.S.C. § 311(a) (pre-AIA) (*inter partes* reexamination provision). Accordingly, as here, the reexamination schemes limited the prior art that could be used to “*certain prior art* ‘bearing on the patentability’ of an already-issued patent.” *Cuozzo*, 136 S. Ct. at 2137.

Just like the plain meaning of that phrase in Section 311(b), this limited category in Section 301 includes only patents that are “prior-art patents.” This Court has already recognized this common-sense and textually-anchored reading in *In re Lonardo*. There, addressing the reexamination statute, this Court compared Section 301, which uses the same language as Section 311(b) in setting forth the basis for a third party’s reexamination request, to Section 303, which governs the Commissioner’s own authority. As the Court observed, Section 301 provides that “[a]ny person ... may cite to the Office ... *prior art consisting of patents or printed publications*.” 119 F.3d at 966 (quoting 35 U.S.C. § 301). Section 303, by contrast, permits the Commissioner to “consider[] ... other patents or printed publications.” *Id.* (quoting 35 U.S.C. § 303). As the Court put it, “[t]hat provision of the statute”—*i.e.*, “other patents or printed publications”—“is not specifically limited to prior art patents or printed publications” the way Section 301 is. *Id.* The

Court’s reasoning is clear: Section 301 *is* specifically limited to prior-art patents or prior-art printed publications. *Id.*

Lonardo’s plain reading of “prior art consisting of patents or printed publications” applies with equal force to Section 311(b). Indeed, “where, as here, Congress adopts a new law incorporating sections of a prior law, Congress normally can be presumed to have had knowledge of the interpretation given to the incorporated law, at least insofar as it affects the new statute.” *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 382 n.66 (1982) (quoting *Lorillard v. Pons*, 434 U.S. 575, 580-81 n.66 (1978)); *see also Morgan v. Principi*, 327 F.3d 1357, 1361 (Fed. Cir. 2003) (“Congress is presumed to legislate against the backdrop of existing law.”). Having used the same language in 2011 for purposes of drafting Section 311(b) that was previously interpreted to mean “prior-art patents” in Section 301, there is no reason to believe that Congress intended anything different.

C. The Board’s Own Regulations Interpret Section 311(b) As Limiting Patents Used As Prior Art To “Prior Art Patents”

The Board’s regulations further confirm the proper meaning of Section 311(b). Regulation 42.104 specifies the contents for an IPR petition. *See* 42 C.F.R. § 42.104. Generally tracking the statutory language of Section 311(b), the Board’s regulations instruct that the petition “must identify ... [t]he specific statutory grounds under 35 U.S.C. 102 or 103 on which the challenge to the claim

is based and the patents or printed publications relied upon for each ground.” 42

C.F.R. § 42.104(b)(2). The regulations continue:

The petition must specify where each element of the claim *is found in the prior art patents* or printed publications relied upon.

37 C.F.R. § 42.104(b)(4).

Accordingly, the Board’s own regulations explicitly recognize that the Section 311(b)’s phrase “prior art consisting of patents” means “prior art patents.” To that end, the Board does not have authority to use disclosures in the *challenged* patent as references that form the basis for an unpatentability ground.

D. The Board’s Interpretation Is Wrong

The Board’s interpretation of Section 311(b) is indefensible. The Board’s entire analysis of the statute is a single paragraph that merely observes the relevant statutory language—that “the ‘prior art consist[] of patents or printed publications” (Appx18 (bracketing by the Board))—and then illogically mangles that clear language to conclude: “Because AAPA [applicant admitted prior art] is admitted to be prior art and is found in the ’674 patent, it can be used to challenge the claims in an *inter partes* review.” (Appx18-19.) This reasoning cannot be reconciled with the statutory language. Nor could the Board muster even a hint of support in the legislative history for its interpretation.

The Board attempted to rely on its regulations. But regulations cannot depart from a statute. As the Supreme Court instructs, “[w]here a statute’s language carries a plain meaning, the duty of an administrative agency is to follow its commands as written, not to supplant those commands with others it may prefer.” *SAS*, 138 S. Ct. at 1355. In any event, as noted above, the regulation contradicts the Board’s interpretation in this case. *See* 37 C.F.R. § 42.104(b)(4).

The Board’s review of its regulations shows that it took a faulty path to reach an erroneous conclusion. The Board began by acknowledging that its regulation “provide[s] substantially the same limitation” as Section 311(b). (Appx18.) But in its attempt to get around the clear limitation in the statute, and the regulation’s consistent approach requiring that “each element of the claim” must be “*found in the prior art patents*,” 37 C.F.R. § 42.104(b)(4), the Board engaged in circular reasoning that brought itself back to its incorrect interpretation. The Board stated that the language in § 42.104(b)(4) “refers back to [paragraph (b)(2)].” (Appx20.) So far, so good. Paragraph (b)(4) plainly relates to paragraph (b)(2), which requires identification of the “statutory grounds under 35 U.S.C. 102 or 103 ... and *the patents or printed publications* relied upon for each ground.” 37 C.F.R. §42.104(b)(2).) The Board then stated that paragraph (b)(2) “refers back to the statutory language” in Section 311(b). (Appx20.) Again, an unobjectionable point. But that statutory language is the opposite of what the Board asserted.

Having quoted the regulations and traced them to Section 311(b), the Board summarily concluded that, “considered as a whole, our rules simply reflect the limitations of the governing statute and do not impose any additional limitations that would exclude applicant admitted prior art.” (Appx20-21.)

This circular reasoning missed the point entirely. Through using phrases such as “considered as a whole” and “in context,” the Board’s analysis drains all meaning from the statutory language and the regulations that follow it. While it was fair to conclude that these regulations “do not impose any additional limitations,” the regulations plainly and properly adhere to Section 311(b) in limiting asserted prior art to prior-art patents and prior-art printed publications. *A fortiori*, the statute, and the regulations in accord, exclude “applicant admitted prior art” disclosed in the challenged patent from serving as a reference in a ground for unpatentability. Simply put, such disclosure in the challenged patent itself is not a “prior art patent.”

The Board turned to two decisions—*In re NTP, Inc.* and *In re Nomiya*—for the proposition that this Court “has found ... that ‘prior art consisting of patents or publications’ includes applicant admitted prior art.” (Appx19; *accord* Appx19 (repeating the assertion that this Court made such a “finding” and so “found”).) These decisions, however, do no such thing.

In *NTP*, the issue of whether “applicant admitted prior art” could serve as a basis for unpatentability in reexamination proceedings was never raised on appeal. 654 F.3d at 1297. Notwithstanding its repeated references to a “finding” on this issue by the Court, the Board acknowledged, albeit only by footnote, that “the patent owner in *NTP* did not appeal the Board’s decision to rely on the applicant admitted prior art.” (Appx19 n.13.) Indeed, this Court’s decision in *NTP* makes clear that the issue was not presented on appeal. The “issues on appeal” included only the following:

First, [NTP] argues that the Board’s claim constructions of “electronic mail message” and “electronic mail system” are incorrect. Second, it claims that the Board erred when it found that NTP could not antedate several references under 37 C.F.R. § 1.131. Third, it asserts that Telenor, eight volumes of a printed publication titled “Mobile Data Networks Description,” is not a prior art reference because it is not a printed publication under 35 U.S.C. § 102(b). Finally, it appeals several rejections unrelated to the construction of “electronic mail message” based on various prior art references.

654 F.3d at 1287.

The law is unequivocal that “[w]hen an issue is not argued or is ignored in a decision, such decision is not precedent to be followed in a subsequent case in which the issue arises.” *Nat’l Cable Television Ass’n v. Am. Cinema Editors*, 937 F.2d 1572, 1581 (Fed. Cir. 1991); *see also N. L. R. B. v. Boeing Co.*, 412 U.S. 67, 72 (1973) (explaining that a premise merely assumed in prior cases can be rejected

when “squarely presented with the issue” on appeal); *United States v. Cnty. of Cook, Ill.*, 170 F.3d 1084, 1088 (Fed. Cir. 1999) (declining to give any precedential effect to prior decisions that “did not decide or even discuss the present issue”). Thus, contrary to the Board’s view that *NTP* is “persuasive authority” (Appx19 n.13), “[q]uestions which merely lurk in the record, neither brought to the attention of the court nor ruled upon, are not to be considered as having been so decided as to constitute precedents.” *Cooper Indus., Inc. v. Aviall Servs., Inc.*, 543 U.S. 157, 170 (2004). Moreover, *NTP* was decided *after* this Court’s decision in *Lonardo*, which understood that the phrase “consisting of patents or printed publications” is specifically limited to prior art patents or printed publications. 119 F.3d at 966. A later panel decision could not overturn the interpretation in *Lonardo*. *See Deckers Corp. v. United States*, 752 F.3d 949, 959 (Fed. Cir. 2014) (“[A] later panel is bound by the determinations of a prior panel, unless relieved of that obligation by an en banc order of the court or a decision of the Supreme Court.”).

As for *Nomiya*, nothing in the Board’s undeveloped citation to that decision from the Court of Customs and Patent Appeals supports the Board’s legally erroneous interpretation of Section 311(b). *Nomiya* concerned an appeal from a rejection of a patent application and addressed the full scope of § 103. *See* 509 F.2d at 566 (“This appeal is from the decision of the Patent Office Board of Appeals affirming the rejection under 35 U.S.C. § 103 of claims 1-8 and 33 in [the

pending] application.”). Importantly, *Nomiya* did not concern or address an appeal from a reexamination or an IPR, both of which involve specific statutory prescription on the narrow scope of prior art on which a patentability determination can be rendered.

Finally, the Board found persuasive another Board decision concluding that “applicant admitted prior art can be used to challenge the claims in an *inter partes* reviews.” (Appx20 (citing *One World Techs., Inc. v. Chamberlain Grp., Inc.*, No. IPR2017-00126, 2018 WL 5310166, at *14-*17 (P.T.A.B. Oct. 24, 2018)).) That decision is not precedential and therefore did not govern the Board in this case, and of course it does not govern this Court. Further, for the reasons stated above, the Board’s analysis in *One World* suffers from the same flaws as the Board’s analysis here. (See Appx20-22 (relying on *NTP*).)

II. THIS COURT SHOULD REMAND OR REVERSE THE BOARD’S DECISION DEPENDING ON THE OUTCOME OF *ARTHREX*

In *Arthrex*, this Court determined that “where the final decision was rendered by a panel of APJs who were not constitutionally appointed and where the parties presented an Appointments Clause challenge on appeal,” the case “must be vacated and remanded” to a “new panel of APJs.” *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1340 (Fed. Cir. 2019). This Court further explained “that when a judge has heard the case and issued a decision on the merits, ‘[h]e cannot be expected to consider the matter as though he had not adjudicated it

before. To cure the constitutional error, another ALJ ... must hold the new hearing.’” *Id.* (quoting *Lucia v. S.E.C.*, 138 S. Ct. 2044, 2055 (2018)).

Further, *Arthrex* remains subject to potential Supreme Court review. Out of an abundance of caution, Qualcomm preserves its rights to seek application of any further review by the Supreme Court in *Arthrex* or any other case addressing the constitutionality of the Board under the Appointments Clause, including the lawfulness of any Board decision issued by administrative law judges who were not constitutionally appointed.

CONCLUSION

Because all of the Board’s unpatentability determinations improperly rely on asserted “prior art” outside the scope of IPR proceedings, the Board’s judgments should be reversed or, at minimum, vacated and remanded.

Respectfully submitted,

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