

No. _____

In The
Supreme Court of the United States

—◆—
JUMP ROPE SYSTEMS, LLC,

Petitioner,

v.

COULTER VENTURES, LLC, dba Rogue Fitness,

Respondent.

—◆—
**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

—◆—
PETITION FOR WRIT OF CERTIORARI
—◆—

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QUESTION PRESENTED

This Court repeatedly has held that, absent a directive to the contrary in a federal statute or rule of procedure, federal courts should not (1) create issue- or claim-preclusion rules that are inconsistent with the *Restatement (Second) of Judgments*; or (2) create common-law procedural rules applicable in patent law cases that differ in application from federal cases generally. Nonetheless, the Federal Circuit did both in *XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282 (Fed. Cir. 2018), by creating a widely applicable collateral estoppel rule in patent infringement cases flatly inconsistent with section 28(4) of the *Restatement* and in direct conflict with this Court's decisions in *Grogan v. Garner*, 498 U.S. 279 (1991); *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 571 U.S. 191 (2014); and *B&B Hardware, Inc. v. Hargis Indus.*, 575 U.S. 138 (2015). The Federal Circuit applied *XY, LLC* in Petitioner's patent infringement case as dispositive in denying Petitioner relief.

The question presented is:

Whether, as a matter of federal patent law, a determination of unpatentability by the Patent Trial and Appeal Board in an inter partes review proceeding, affirmed by the Federal Circuit, has a collateral estoppel effect on patent validity in a patent infringement lawsuit in federal district court.

**PARTIES TO THE PROCEEDING
AND RULE 29.6 STATEMENT**

The parties to the proceeding below were Petitioner Jump Rope Systems, LLC, as plaintiff-appellant, and Respondent Coulter Ventures, LLC, as defendant-appellee.

Under Supreme Court Rule 29.6, Petitioner Jump Rope Systems, LLC discloses the following: There is no parent or publicly held company owning 10% or more of Petitioner's stock.

RELATED PROCEEDINGS

Jump Rope Systems, LLC v. Coulter Ventures, LLC, Nos. 2020-2284 & 2020-2285, 2021 WL 4592276 (Fed. Cir. Oct. 6, 2021) (unpublished).

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OPINIONS BELOW

The decision of the Federal Circuit affirming the judgment of the United States District Court for the Southern District of Ohio (App. 5-6) is unpublished and available at 2022 WL 327014. App. 1-2.



JURISDICTION

The Federal Circuit issued its opinion and entered judgment on June 28, 2022. This Court has jurisdiction under 28 U.S.C. § 1254(1).



**CONSTITUTIONAL AND
STATUTORY PROVISIONS INVOLVED**

N/A.



STATEMENT OF THE CASE

I.

Molly Metz, principal of Petitioner Jump Rope Systems, has trod a discouraging path that many inventors do nowadays, since the 2012 creation of the Patent Trial and Appeal Board as a branch within the United States Patent and Trademark Office. Ms. Metz is an inventor and a competitive jump-roper based in Colorado. Her precision speed handles changed the

world of jump roping and the fitness industry. Guinness records have been broken using her handle technology, which improves speed and accuracy using a particular swivel arrangement. Ms. Metz protected that technology (or so she thought) with patents granted in 2010 and 2012, spending over \$25,000 of her own money to seek and obtain them.

In 2011 and 2012, Ms. Metz discovered the beginning of widespread infringement. When contacting smaller companies who may not have been aware of her rights, she was pleased at the general respect she received. Most stopped infringing, and several began sourcing supply from her – the true innovator.

At that time, Ms. Metz also made contact with Respondent Rogue Fitness, who had an interest in her handle. (ECF#1 ¶ 18; ECF#14 ¶ 18). Respondent is a large company, with an excellent business plan and supply chain focusing on the emerging CrossFit market. This interest was exciting. Ms. Metz contacted the owner to let him know she was the inventor and patent owner. Through email, he explained he was eager to work with Ms. Metz and did indeed want to license and manufacture her technology. Slightly dismaying (but not fatal to a deal), Rogue's owner also explained that he already had containers of jump ropes heading over from China with the desired technology.

But something changed. Rogue's owner stopped communicating. Months passed and Ms. Metz saw a social media alert – the new Rogue SR-1 Jump Rope release announcement. (ECF#1 ¶¶ 19, 21). She tried

making contact again. (ECF#1 ¶¶ 19, 21; ECF#14 ¶¶ 19, 21). Rogue's owner would not discuss the matter but directed her to talk to Rogue's attorney. (ECF#1 ¶ 22; ECF#14 ¶ 21).

With licensing now out of the question, for years Ms. Metz worked to secure the financing needed to take on such a larger motivated opponent. In this frustrating time period, Rogue added the world's fittest male and female CrossFit athletes' names to Rogues' jump ropes, promoting what Ms. Metz believed was her technology. (ECF#1 ¶¶ 28, 34, 35, 39; ECF#14 ¶¶ 28, 34, 35, 39). Ms. Metz closed her gym to focus on the upcoming legal fight.

But as discussed in the next section, Ms. Metz and her company were never allowed to have their patent infringement claims heard by an Article III court or federal jury. Exclusion from the justice system occurred solely because of the Federal Circuit's entrenched and oft-repeated misapplication of the collateral estoppel doctrine beginning in *XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282 (Fed. Cir. 2018).

II.

On July 18, 2018, Petitioner filed a patent infringement lawsuit in the United States District Court in the Southern District of Ohio, alleging that Respondent had infringed Petitioner's two patents.¹ On

¹ U.S. Patent Nos. 7,789,809 and 8,136,208.

January 17, 2019, fully aware of the Federal Circuit's recent decision in *XY, LLC v. Trans Ova Genetics, L.C.*, 890 F.3d 1282 (Fed. Cir. 2018), Respondent filed petitions for inter partes review with the Patent Trial and Appeal Board (PTAB), against Petitioner's two jump rope patents at issue in the pending patent infringement lawsuit.

After Respondent instituted the inter partes proceedings, the federal district court, mindful of the potential collateral estoppel effect of a decision of the PTAB under *XY, LLC*, stayed the patent infringement litigation pending the resolution of the inter partes review proceedings. On August 1, 2019, the PTAB then commenced a "trial" – involving limited discovery, no live cross-examination, and a scant one-hour attorney-argument hearing – on the challenged claims and challenged grounds.

The PTAB issued its final written decisions on July 17, 2020, in which all challenged claims of the two patents were found to be unpatentable. *Coulter Ventures, LLC v. Jump Rope Systems, LLC*, IPR2019-00586, Paper 22, 2020 Pat. App. LEXIS 12578 (P.T.A.B. July 17, 2020); *Coulter Ventures, LLC v. Jump Rope Systems, LLC*, IPR2019-00587, Paper 25, 2020 Pat. App. LEXIS 12899 (P.T.A.B. July 17, 2020). Petitioner appealed to the Federal Circuit, which summarily affirmed the PTAB's decisions on October 6, 2021. *Jump Rope Systems, LLC v. Coulter Ventures, LLC*, Nos. 2020-2284 & 2020-2285, 2021 WL 4592276 (Fed. Cir. Oct. 6, 2021) (unpublished). App. 1-2.

Thereafter, in the district court where the stay had remained in effect, the parties filed a final joint status report, explaining what had occurred in the related PTAB and Federal Circuit proceedings and agreeing that the federal district court was bound to apply the collateral estoppel doctrine – categorically and without consideration of potential exceptions to that doctrine – by the Federal Circuit’s binding precedent, *XY, LLC*, *supra*. In that report, Petitioner explicitly objected to entry of judgment on the ground that the collateral estoppel doctrine should not apply but noted that, in respect for the rule of law, Petitioner would stipulate to a judgment against it because of binding panel precedent of the Federal Circuit in *XY, LLC*, specifically stating its intent to seek *en banc* review in the Federal Circuit to request that the panel decision in *XY, LLC* be overruled. App. 8-11.

On March 9, 2022, the district court entered that consent judgment based on *XY, LLC*. App. 5-6.

On appeal to the Federal Circuit, Petitioner filed a petition for initial *en banc* hearing, asking the full Federal Circuit to overrule the panel decision in *XY, LLC*, based on this Court’s conflicting precedent, including *Grogan v. Garner*, 498 U.S. 279 (1991), and *B&B Hardware, Inc. v. Hargis Indus.*, 575 U.S. 138 (2015). The Federal Circuit denied *en banc* review without offering any reasons and with no dissent. App. 3-4. Thereafter, to expedite this Court’s review, Petitioner filed an unopposed motion for summary affirmance of the district court’s judgment in recognition that *XY, LLC* foreclosed Petitioner’s appeal. On June 28, 2022, a

three-judge panel of the Federal Circuit granted that motion and affirmed the district court's judgment, necessarily concluding that the Federal Circuit's prior decision in *Jump Rope Systems, LLC v. Coulter Ventures, LLC*, Nos. 2020-2284 & 2020-2285, 2021 WL 4592276 (Fed. Cir. Oct. 6, 2021) (unpublished), foreclosed Petitioner's patent infringement claims filed in the federal district court as a matter of collateral estoppel. App. 1-2.



REASONS FOR GRANTING THE PETITION

- I. **The Federal Circuit's Application of the Collateral Estoppel Doctrine to Bar a Patent Infringement Lawsuit Based on the PTAB's Prior Determination of Patent Invalidity Affirmed by the Federal Circuit Conflicts with this Court's Decisions in *B&B Hardware, Inc. v. Hargis Indus.*, 575 U.S. 138 (2015); *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 571 U.S. 191 (2014); and *Grogan v. Garner*, 498 U.S. 279 (1991).**

In a 2-1 decision, a panel of the Federal Circuit in *XY, LLC v. Trans Ova Genetics*, 890 F.3d 1282 (Fed. Cir. 2018), concluded, *sua sponte*, that the collateral estoppel (or issue-preclusion) doctrine categorically forecloses a patent infringement lawsuit in federal district court when the plaintiff in that case previously lost on appeal before the Federal Circuit on review of the PTAB's determination that the plaintiff's claims were unpatentable. *Id.* at 1294-95. Judge Newman strongly

dissented, reasoning, among other things, that the majority had erred in view of the “different standards of validity in the PTAB and the district court, the different burdens of proof, and the different standards of appellate review in this court. . . .” *Id.* at 1300; *see also id.* at 1300 n.1 (“My colleagues rely on this panel’s concurrent affirmance of the PTAB’s invalidation of the Freezing Patent in a non-mutual proceeding, *XY, LLC v. ABS Global, Inc.*, Appeal No. 16-2228. On the standard of ‘substantial evidence,’ the PTAB decision is supportable. However, on the district court’s standard of ‘clear and convincing evidence,’ or even applying the standard of ‘preponderant evidence,’ the Freezing Patent retains validity.”).

Judge Newman further noted that this Court’s seminal collateral estoppel decision itself concerning patent invalidity collateral estoppel noted exceptions that may prevent the doctrine’s application. 890 F.3d at 299-300 (Newman, J., dissenting). In *Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation*, 402 U.S. 313 (1971), this Court rejected the position “that a plea of estoppel by an infringement or royalty suit defendant must automatically be accepted once the defendant in support of his plea identified the issue in suit as the identical question finally decided against the patentee or one of his privies in previous litigation.” *Id.* at 332-33.

In further support of her dissent, Judge Newman cited §§ 28 and 29 of the *Restatement (Second) of Judgments*, 890 F.3d at 1300 (Newman, J., dissenting), and explained that applying the collateral estoppel

doctrine under the circumstances “raises critical issues of constitutional balance” between an administrative agency and Article III federal courts. *Id.* at 1301.

Judge Newman was clearly correct, and her dissenting opinion is fully supported by this Court’s decision in *Grogan v. Garner*, 498 U.S. 279, 284-85 (1991). In *Grogan*, the Court addressed the same collateral estoppel issue raised in the Federal Circuit’s decision in *XY, LLC*: whether a prior adjudication of a claim against a party requires application of the collateral estoppel bar when a subsequent litigation involving the same party is governed by a different standard of proof than applied in the prior adjudication. Citing § 28(4) of the *Restatement (Second) of Judgments*,² this Court held that collateral estoppel does not apply in those circumstances. *Grogan*, 498 U.S. at 284-85.

This Court in *Grogan* addressed the issue in the context of a bankruptcy proceeding in which a debtor sought to be discharged from a debt that, the creditor argued, had been obtained by fraud. The creditor

² Section 28(4) provides:

Although an issue is actually litigated and determined by a valid and final judgment, and the determination is essential to the judgment, relitigation of the issue in a subsequent action between the parties is not precluded in the following circumstances: . . . (4) The party against whom preclusion is sought had a significantly heavier burden of persuasion with respect to the issue in the initial action than in the subsequent action; the burden has shifted to his adversary; or the adversary has a significantly heavier burden than he had in the first action. . . .

previously had sued the debtor in a state court fraud action based on a preponderance standard of proof. The creditor obtained a final judgment that the debtor had obtained money from the creditor by fraud. The issue in a subsequent bankruptcy proceeding was whether the prior judgment against the debtor collaterally estopped him from discharging that debt in the bankruptcy proceeding, under a clear and convincing standard. *See Grogan*, 498 U.S. at 281. This Court explained that:

At the outset, we distinguish between the standard of proof that a creditor must satisfy in order to establish a valid claim against a bankrupt estate and the standard that a creditor who has established a valid claim must still satisfy in order to avoid dischargeability. The validity of a creditor's claim is determined by rules of state law. . . . Since 1970, however, the issue of nondischargeability has been a matter of federal law governed by the terms of the Bankruptcy Code. . . .

Id. at 283-84. This Court then concluded:

This distinction is the wellspring from which cases of this kind flow. In this case, a creditor who reduced his fraud claim to a valid and final judgment in a jurisdiction that requires proof of fraud by a preponderance of the evidence seeks to minimize additional litigation by invoking collateral estoppel. If the preponderance standard also governs the question of nondischargeability, a bankruptcy court could properly give collateral estoppel effect to

those elements of the claim that are identical to the elements required for discharge and which were actually litigated and determined in the prior action. *See Restatement (Second) of Judgments* § 27 (1982). If, however, the clear-and-convincing standard applies to nondischargeability, the prior judgment could not be given collateral estoppel effect. [*Id.*] § 28(4). . . .

Id. at 284; *see also In re Yanks*, 931 F.2d 42, 43, n.1 (11th Cir. 1992) (citing *Grogan*); 18 Charles Alan Wright & Arthur R. Miller, FEDERAL PRACTICE AND PROCEDURE § 4422 (3d ed. 1998; 2022 update) (“Preclusion also has been denied when a party who has proved an issue by a preponderance of the evidence later must prove the same issue by a higher standard.”). The collateral estoppel issue addressed in *Grogan* is the same one raised in *XY, LLC*, although in the context of a patent infringement lawsuit rather than in a bankruptcy proceeding – a distinction without a difference, as discussed below.

Significantly, a presumption of patent validity does not apply in a proceeding before the PTAB in the manner it does in a patent infringement lawsuit in federal court. Furthermore, in a PTAB administrative proceeding, a petitioner’s burden is to demonstrate the factual elements of obviousness by a preponderance of the evidence. 35 U.S.C. § 316(e). Conversely, in a patent infringement lawsuit in federal district court, the alleged infringer (as the defendant) must prove patent invalidity by clear and convincing evidence. *See*

Microsoft Corp. v. i4i Ltd. P'ship, 564 U.S. 91, 97 (2011); see also *Sanofi-Aventis U.S. LLC v. Mylan GmbH*, Civil Action No. 17-9105 (SRC), 2019 WL 4861428, at *1 (D. N.J. Oct. 2, 2019) (holding that PTAB's determination of unpatentability had no preclusive effect in subsequent patent infringement lawsuit because the "issues are not identical [under the collateral estoppel doctrine] if the second action involves application of a different legal standard") (quoting *B&B Hardware, Inc. v. Hargis Indus.*, 575 U.S. 138, 154 (2015)), *dismissed as moot*, 2021 WL 6138216 (Fed. Cir. Dec. 29, 2021).

Notably, the Federal Circuit in *XY, LLC* did not cite *Grogan*. The parties' briefs in that case also did not cite it, which is understandable, considering that the panel raised the collateral estoppel issue *sua sponte*. See *XY, LLC*, 890 F.3d at 1294.

This Court's adoption of the approach of the *Restatement (Second) of Judgments* concerning collateral estoppel issues is not limited to bankruptcy cases. The Court has expressly cited the *Restatement* with approval in other types of cases, including intellectual property litigation – and patent-law cases in particular. See *B&B Hardware, Inc.*, 575 U.S. at 148 ("The Court . . . regularly turns to the Restatement (Second) of Judgments for a statement of the ordinary elements of issue preclusion.") (addressing the effect of the collateral estoppel doctrine in a federal district court case regarding a prior ruling of the Trademark Trial and Appeal Board); *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 571 U.S. 191 (2014) (applying a different

prong of § 28(4) in a patent infringement lawsuit and concluding that the collateral estoppel doctrine did not apply in view of the legal principles set forth in § 28(4)).

In *B&B Hardware, Inc.*, this Court specifically stated that “issues are not identical if the second action involves application of a different legal standard, even though the factual setting of both suits may be the same.” 575 U.S. at 154. And in *Medtronic, Inc.*, a patent-law case, this Court stated that, the “*Restatement (Second) of Judgments* [§ 28(4)] says that relitigation of an issue (say, infringement) decided in one suit ‘is not precluded’ in a subsequent suit where the burden of persuasion ‘has shifted’ from the ‘party against whom preclusion is sought . . . to his adversary.’ *Restatement (Second) of Judgments* § 28(4) (1980).” 571 U.S. at 200.³

As this Court’s precedent clearly establishes, there is no reason to treat patent infringement lawsuits differently from any other litigation concerning the application of the collateral estoppel doctrine. *See, e.g., eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006) (“According to well-established principles of equity, a plaintiff seeking a permanent injunction must satisfy a four-factor test before a court may grant such relief. . . . These familiar principles apply with equal

³ This Court regularly has cited section 28 of the Restatement with approval concerning other collateral estoppel issues. *See, e.g., Bravo-Fernandez v. United States*, 580 U.S. 5, 137 S. Ct. 352, 358 (2016); *Kircher v. Putnam Funds Trust*, 547 U.S. 633, 647 (2006); *United States v. Stauffer Chemical Co.*, 464 U.S. 165, 171 (1984).

force to disputes arising under the Patent Act.”); *see also* Paul R. Gugliuzza, *The Supreme Court Bar at the Bar of Patents*, 95 NOTRE DAME L. REV. 1233, 1234-35 (2020) (“[T]he Supreme Court’s recent patent decisions read like a campaign to eliminate what is often referred to as ‘patent exceptionalism’ – rulings (usually by the Federal Circuit) that exempt patent law from transsubstantive principles of jurisdiction, procedure, and remedies that govern in other areas of federal litigation.”).

Therefore, in view of *Grogan*, *Medtronic, Inc.*, *B&B Hardware* and *Blonder-Tongue*, collateral estoppel issues in patent-law cases are clearly governed by the well-established principles set forth in *Restatement (Second) of Judgments* § 28(4). As Judge Newman’s dissent in *XY, LLC* pointed out, there are significant differences in PTAB administrative proceedings and patent infringement lawsuits concerning (1) the standards of validity, (2) the applicable burdens of proof, and (3) the standards of appellate review. *XY, LLC*, 890 F.3d at 1300 (Newman, J., dissenting).

The overall statutory scheme confirms Judge Newman’s reasoning. Congress addressed a wide swath of preclusion and estoppel issues for inter partes review in Section 315 of the Patent Act, which is entitled: “Relation to other proceedings or actions.” 35 U.S.C. § 315. This includes stays of civil actions involving the patent under certain circumstances, and a robust estoppel framework operating solely against patent challengers. 35 U.S.C. § 315(a)(2), (e). Nowhere does Section 315 hint at changing the foundational law

of *collateral* estoppel to emburden patent owners dragged into an agency proceeding that happens to assess patentability unfavorably. It is often said that “Congress does not hide elephants in mouse holes.” *Epic Systems Corp. v. Lewis*, 138 S. Ct. 1612, 1627 (2018) (“It’s more than a little doubtful that Congress would have tucked into the mousehole of [a NLRA provision] an elephant that tramples the work done by [several] other laws [and] flattens the parties’ [previously expected] dispute resolution procedures. . . .”). Having legislated thoroughly on estoppel issues where that was intended, Congress did not hide gargantuan yet silent shifts in the federal common law of estoppel under crevices outside of Section 315.

For these reasons, the PTAB’s determinations that Petitioner’s claims are unpatentable were not subject to collateral estoppel effect under § 28(4) in the patent infringement action in the district court. The Federal Circuit erred by concluding the PTAB’s determinations against Petitioner foreclosed Petitioner’s patent infringement lawsuit.

II. This Case Is Worthy of this Court’s Review Because it Concerns a Frequently Recurring Issue of Nationwide Importance in Patent Infringement Litigation and Presents an Excellent Vehicle for this Court’s Review of that Important Issue.

The collateral estoppel issue raised in this case is one of nationwide importance in patent infringement

litigation, as it affects countless patent disputes all over the country. *See, e.g., Cisco Systems, Inc. v. Capella Photonics, Inc.*, Case No. 20-cv-01858-EMC, 2020 WL 7227153, at *3-*4 (N.D. Cal. Dec. 8, 2020) (noting the same collateral estoppel issue arising in patent infringement lawsuits throughout the district courts, all uniformly following *XY, LLC* as binding precedent, and requiring automatic application, without exception, of collateral estoppel doctrine). Indeed, in the Federal Circuit as of the month that this petition is being filed, there are four hundred twenty-seven (427) pending Federal Circuit appeals that involve PTAB's IPR/PGR proceedings. And three hundred fifty-three (353) of these 427 pending appeals (more than 83%) have co-pending district court litigations where the same patents, challenged at PTAB, are being asserted. (Data comes from cross-referencing the nationwide PACER case locator Federal Circuit database with PTAB statistics collected by Unified Patents at portal.unifiedpatents.com).

Because all patent infringement lawsuits filed in federal district courts are appealed to the Federal Circuit, regardless of which federal circuit in which a federal district court sits, 28 U.S.C. § 1295(a)(1), there very likely will never be a circuit split on this issue. The divided court and strong dissent in *XY, LLC*, militate toward resolution of the issue by this Court. For that reason, this Court, as the final arbiter of federal patent law, should act now and review the important, recurring issue.

Petitioner’s case presents this Court with an excellent vehicle for reviewing that issue. Both the district court and Federal Circuit categorically applied the collateral estoppel doctrine, without any exception set forth in § 28(4) of the *Restatement*, based on the Federal Circuit’s decision in *XY, LLC*.⁴ Petitioner afforded the *en banc* Federal Circuit an opportunity to address the issue and overrule *XY, LLC*, and specifically cited this Court’s conflicting collateral estoppel precedent, but the full Federal Circuit summarily denied *en banc* review without any reasons or dissent. In Petitioner’s case and many others, the Federal Circuit has made it clear that *XY, LLC* is established precedent. *See, e.g., Papst Licensing GMBH & Co. KG v. Samsung Electronics America, Inc.*, 924 F.3d 1243, 1251 (Fed. Cir. 2019). No further intra-circuit “percolation” will happen.

There are no procedural or jurisdictional barriers to this Court’s review of the issue in this case, and

⁴ Petitioner’s consent to an adverse judgment in the district court did not foreclose review of the collateral estoppel issue on appeal because Petitioner explicitly reserved its right to appeal that issue. The Federal Circuit and several other circuits have permitted appeals from a consent judgment when the losing party in the trial court explicitly reserved the right to appeal in consenting to the judgment, as Petitioner did in the district court. *See Taylor Brands, LLC v. GB II Corp.*, 627 F.3d 874, 878 (Fed. Cir. 2010); *see also Downey v. State Farm Fire & Cas. Co.*, 266 F.3d 675, 683 (7th Cir. 2001) (citing cases and noting “almost every circuit” to consider the issue agrees that reservation of the issue in a motion for a consent judgment preserves the appellant’s right to appeal that issue); 20 James W. Moore et al., *MOORE’S FEDERAL PRACTICE* § 303.10[2][d] (3d ed. 2012) (same).

there is no reason to believe that the *en banc* Federal Circuit will change its position on the issue in the future in a different case.

Finally, further proceedings in the district court would not be an academic exercise inevitably leading to the same outcome. Under the preponderance-of-the-evidence standard, respondent convinced the PTAB to combine two pieces of prior art (patents known in the PTAB decision as “Wolf” and “Terper”). The PTAB held that such combination yielded the claimed invention. But such PTAB reasoning occurred without a finding that ordinary artisans would have *perceived* a problem in the Wolf reference requiring a solution. The PTAB instead considered a problem solved by the inventor and held (in hindsight) that the same problem existed in the Wolf prior art. *Jump Rope Systems, LLC*, IPR2019-00586, Paper 22 at 40, 2020 Pat. App. LEXIS 12578, at *34.⁵ *Arctic Cat Inc. v. Bombardier Rec. Prods.*, 876 F.3d 1350, 1359 (Fed. Cir. 2017) (quoting *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 420-21 (2007)) (“motivation to combine” comes from “problem *known* in the field of endeavor at the time of invention,” emphasis added). Standard jury instructions in a trial in district court would warn the jury that hindsight

⁵ The Board held that “winding of the rope on itself is a problem in the configuration of Wolf,” not that it would have been “known” as a problem in Wolf to support its combination with the Terper reference. It does not follow that a problem that *exists* in a reference was *known* to exist in that reference.

cannot be used to combine prior art in this way under the clear and convincing standard.⁶

The teachings of the inventor should not be used against her to invalidate her patent. Every valid patent solves a problem, but every patent would be held unpatentable under the PTAB’s reasoning in this case when problem-existence as such (rather than findings about historical perceptions of problems) led to hypothetical prior art combinations that conveniently include the inventor’s claim once combined. Respondent would at least retain the opportunity to convince the trier of fact of invalidity in an Article III court, under Petitioner’s viewpoint on the law.

◆

CONCLUSION

The Court should grant the petition for a writ of certiorari, reverse the judgment of the Federal Circuit,

⁶ “In considering whether a claimed invention is obvious, you should consider whether, *at the time* of [the claimed invention] [the patent’s filing date], there was a *reason that would have prompted a person having ordinary skill in the field of the invention to combine* the known elements in the prior art in a way the claimed invention does. . . .” Federal Circuit Bar Association Model Patent Jury Instruction 4.3c (Obviousness) (May 2020) (emphasis added) (also stating “Do not use hindsight.”); “Therefore, you should consider *whether a reason existed at the time* of the invention that would have prompted a person of ordinary skill in the art in the relevant field *to combine* the teachings in the way the claimed invention does.” American Intellectual Property Law Association Model Patent Jury Instruction 7.2 (November 13, 2019) (emphasis added); *see id.* at 7.0 (stating “you must avoid using hindsight”).

and remand for further proceedings in federal district court.

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