

No. 18-1638

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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: Patent and Trademark Office - Patent Trial and Appeal Board  
in *Inter Partes* Review No. 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, IPR2017-00601.

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**APPELLANTS' MOTION FOR STAY PENDING REVIEW;  
IMMEDIATE ACTION REQUESTED**

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## I. INTRODUCTION

Pursuant to FED. R. APP. PROC. 18 and FED. CIR. R. 18, Appellants, Saint Regis Mohawk Tribe (the “Tribe”) and the Tribe’s licensee, Allergan, Inc. (“Allergan”) move to stay all proceedings in the *inter partes* review (“IPR”) proceedings before the Patent Trial and Appeal Board (“PTAB” or “Board”), pending review in this Court.

The PTAB denied the Tribe’s assertion of sovereign immunity and proposes to proceed with an April 3, 2018 final hearing date, with final written decisions anytime thereafter. But Appellants have filed a Notice of Appeal that divests the PTAB of jurisdiction. This appeal involves an assertion of sovereign immunity that would be lost if proceedings before the PTAB continued. Appellants have requested that the PTAB stay these proceedings, but it has failed to act on that request.

Accordingly, Appellants request immediate action by this Court—prior to April 3, 2018—to stay proceedings in the PTAB while this Court resolves the important issues presented by this appeal.

## II. BACKGROUND

This case involves the question of whether the Tribe is entitled to assert sovereign immunity in six IPR proceedings brought by IPR Appellees. The Tribe is a federally recognized, sovereign American Indian Tribe with reservation lands in northern New York. It is the owner of U.S. Patent Nos. 8,685,930, 8,629,111, 8,642,556, 8,633,162, 8,648,048, and 9,248,191 that are at issue in the IPR proceedings. “As a matter of federal law, an Indian tribe is subject to suit only where Congress has authorized the suit or the tribe has waived its immunity.” *Kiowa Tribe of Oklahoma v. Manufacturing Technologies, Inc.*, 523 U.S. 751, 754 (1998).

The Tribe made a special appearance before the Board to contest its jurisdiction, on the grounds that the Tribe is a sovereign government that cannot be sued unless Congress unequivocally abrogates its immunity or the Tribe expressly waives it.

On February 23, 2018, the Board entered its Decision Denying Tribe’s Motion to Terminate (the “Decision”) concluding that the Tribe was not entitled to assert sovereign immunity in the IPR proceedings, that Allergan was the “effective patent owner” of the patents subject to the IPRs, and that the IPRs could go forward with

only Allergan participating as the “effective patent owner.” Appx10-18, Appx34-35, Appx40. At the same time, the Board issued an Order on the Conduct of Proceedings. Appx43.

The Board set April 3, 2018 as the date for the final hearing and denied Allergan’s Motion to Withdraw. Appx46. It further ordered that “[i]n this regard, we recognize that the Tribe may still claim an ownership interest in the challenged patents in a subsequent appeal to the Federal Circuit. In order to allow the Tribe to represent its interests in these proceedings before the Board and in any appeals, we will allow the Tribe to continue participating as a patent owner along with Allergan.” Appx45.

On February 28, 2018, Appellants filed a Combined Notice of Appeal (“Combined Notice”). Appx49.

### **III. STATEMENT PURSUANT TO FED. CIR. R. 18(d)**

Pursuant to FED. CIR. R. 18(d), Appellants made an initial request for a stay pending review before the Board, which remains pending. Appx100. However, immediate action by this Court is warranted because the Board proposes to proceed with an April 3, 2018 final hearing date, with final decisions anytime thereafter, which exceeds the Board’s jurisdiction and will cause irreparable

harm to Appellants.

When Appellants filed their Combined Notice with the PTAB, they stated in both the Combined Notice and an accompanying email that, because the appeal involved the jurisdictional question of whether the Tribe was immune from the IPR process, the PTAB was divested of jurisdiction over the IPRs until the issue of the Tribe's immunity was resolved by this Court. Appx119. The Board held a teleconference on March 5, 2018 involving all IPR Petitioners, the Tribe as patent owner, and Allergan. Appx60.

On the call, the Appellants argued that the Combined Notice of Appeal divested the Board of jurisdiction. Appx70-78. The IPR Petitioners echoed the Board's Order, arguing that the IPRs could go forward with Allergan alone if the Tribe chooses not to participate pending the Tribe's appeal of the sovereignty issue. Appx79-80. After hearing arguments from both sides, the Board stated it was "inclined to resist further delay" but asked for briefing on the matter. Appx95-96. Over Appellants' objection, the Board refused to postpone the April 3, 2018 final hearing date or to set a date for a decision that would allow Appellants time, prior to the April 3, 2018 final hearing date, to seek a stay with this Court if the

Board did not stay the IPR proceedings itself. Appx96-98.

The Board directed the Tribe to file a brief on March 8 and the IPR Petitioners to file their response on March 14. No reply brief was authorized. Appx95-96.

On March 8, 2018, Appellants filed a Joint Motion Concerning Board's Divested Jurisdiction Or, In The Alternative, For A Stay Pending The Appeal. That motion remains pending before the Board. Appx100. The motion advised the Board that "[i]f necessary, the Tribe and Allergan intend to seek emergency relief from the Federal Circuit no later than March 16, 2018." Appx114.

By failing to act on Appellants' request for stay, and by declining to delay the April 3, 2018 final hearing date and final decisions, the Board has denied the Tribe the relief it seeks—a stay preventing the Board from compelling the Tribe to participate in the IPR proceedings while the appeal on tribal immunity remains pending. *See* FED. R. APP. P. 18(a)(2). The Board has left the Tribe with a Hobson's choice: (i) to assert its sovereign immunity and refrain from participating in the IPR proceedings, or (ii) to waive its immunity and participate in a proceeding to which the Tribe objects. The Board's inaction amounts to a constructive denial of

the Tribe's stay request, and the timing of it leaves Appellants with no choice but to seek relief from this Court.

Appellants request that this Court find and enter an Order that the Combined Notice divested the Board of jurisdiction over the IPR proceedings and that all IPR proceedings regarding the patents are stayed pending resolution of this appeal in this Court, including disposition of any rehearing petitions.

#### **IV. LEGAL STANDARD GOVERNING THE STAY IN THIS CASE**

Ordinarily, a stay pending appeal is governed by irreparable harm, likelihood of success, the risk of injury to other parties, and the public interest. *Hilton v. Braunskill*, 481 U.S. 770, 776 (1987).

However, when a sovereign appeals the denial of its sovereign immunity, the usual factors of FED. R. APP. P. 18 are inapplicable. *See Apostol v. Gallion*, 870 F.2d 1335, 1338 (7th Cir. 1989) (refusing to assess a stay using “the traditional criteria for obtaining a stay – including demonstrating a probability of success on the merits” – where the “question on appeal . . . is whether the defendant may be subject to trial”); *see also Goshtasby v. Board of Trs. of Univ. of Ill.*, 123 F.3d 427, 428-29 (7th Cir. 1997) (applying *Apostol* in the context of sovereign immunity).

## V. ARGUMENT

### A. An Appeal Based Upon Sovereign Immunity Divests the Board of Jurisdiction and This Court May Order that the Underlying Action Be Stayed.

The collateral order doctrine established by the Supreme Court in *Cohen v. Beneficial Industrial Loan Corp.*, 337 U.S. 541 (1949) permits interlocutory review of an order that “conclusively determine[s] the disputed question, resolve[s] an important issue completely separate from the merits of the action, and [is] effectively unreviewable on appeal from a final judgment.” *Mitchell v. Forsyth*, 472 U.S. 511, 543 (1985) (Brennan, J., concurring in part). A major characteristic of the collateral order doctrine is that unless the claim “can be reviewed before [the proceedings terminate], it can never be reviewed at all.” *Id.* at 525. Accordingly, the Supreme Court held that in a case of immunity “the denial of a substantial claim of absolute immunity is an order appealable before final judgment, for the essence of absolute immunity is its possessor's entitlement not to have to answer for his conduct in a civil damages action.” *Id.* This case falls under the “effectively unreviewable on appeal” prong of the test.

Hence, this Court has jurisdiction over this appeal because a



decision denying a dismissal based on sovereign immunity is immediately appealable under the collateral order doctrine. *Osage Tribal Council ex rel. Osage Tribe of Indians v. U.S. Dep't of Labor*, 187 F.3d 1174, 1179 (10th Cir. 1999) (holding that the denial of tribal immunity in an agency proceeding is an immediately appealable collateral order); *Wisconsin v. Ho-Chunk Nation*, 512 F.3d 921, 928 (7th Cir. 2008) (same); *Will v. Hallock*, 546 U.S. 345, 350 (2006); *Puerto Rico Aqueduct & Sewer Auth. v. Metcalfe & Eddy, Inc.*, 506 U.S. 139, 145 (1993); *In re Board of Regents of The University of Texas System*, 435 F. App'x 945, 947-48 (Fed. Cir. 2011) (“the Board can of course immediately appeal and seek review.”); *Intel Corp. v. Commonwealth Scientific and Indus. Research Organisation*, 455 F.3d 1364, 1368 (Fed. Cir. 2006) (“Under the ‘collateral order’ doctrine, the denial of a claim of immunity is typically appealable immediately.”).

Because immunity to the process once lost cannot be recovered, when a collateral order on immunity is appealed, the lower court is divested of jurisdiction until the appeal is resolved. *See Forsyth*, 472 U.S. at 524-25. As stated in *Apostol*, a *Forsyth* appeal of “whether the case should be tried” divests the lower court of jurisdiction to conduct the trial pending appeal because “[i]t makes no sense for

trial to go forward while the court of appeals cogitates over whether there should be one.” 870 F.2d at 1338.<sup>1</sup>

This principle applies with equal force to tribal immunity: “As with absolute, qualified, and Eleventh Amendment immunity, tribal sovereign immunity ‘is an *immunity from suit* rather than a mere defense to liability; and ... it is effectively lost if a case is erroneously permitted to go to trial.’” *Burlington Northern and Santa Fe Railway Co. v. Vaughn*, 509 F.3d 1085, 1090 (9th Cir. 2007); *see also Tamiami Partners By & Through Tamiami Dev. Corp. v. Miccosukee Tribe of Indians of Fla.*, 63 F.3d 1030, 1050 (11th Cir. 1995) (“Tribal sovereign immunity would be rendered meaningless if a suit against a tribe asserting its immunity were allowed to proceed to trial.”).

Accordingly, the IPR proceedings must be stayed to preserve the Tribe’s meaningful right to appeal the Board’s denial of its sovereignty. As confirmed in *Apostol*, an appeal divests the lower court of jurisdiction to conduct the trial pending appeal because

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<sup>1</sup> The collateral order doctrine applies to appeals from agency decisions. *See, e.g., Chehazeh v. Att’y Gen. of U.S.*, 666 F.3d 118, 136 (3d Cir. 2012) (noting that all nine courts of appeals confronting the issue had concluded that the collateral order doctrine applies to judicial review of agency decisions).

“[t]he justification for the interlocutory appeal is that the trial destroys rights created by the immunity.” *See Apostol v.* 870 F.2d at 1338.

Even in non-immunity cases, “[o]rdinarily, the act of filing a notice of appeal confers jurisdiction on an appellate court and divests the trial court of jurisdiction over matters related to the appeal.” *Griggs v. Provident Consumer Disc. Co.*, 459 U.S. 56, 58 (1982) (holding that a notice of appeal “confers jurisdiction on the court of appeals and divests the district court of its control over those aspects involved in the appeal” because “a federal district court and a federal court of appeals should not attempt to assert jurisdiction over a case simultaneously.”); *Gilda Industries, Inc. v. U.S.*, 511 F.3d 1348, 1350 (Fed. Cir. 2008) (same); *Graves v. Principi*, 294 F.3d 1350, 1352 (Fed. Cir. 2002) (same).

The *Griggs* principle is particularly salient in appeals involving sovereign immunity. As the D.C. Circuit opined in *Princz v. Fed. Republic of Germany*, “[a] district court’s denial of a foreign state’s motion to dismiss on grounds of sovereign immunity is immediately appealable,” and a “motion for stay” is “unnecessary” under *Griggs*. 998 F.2d 1, 1 (D.C. Cir. 1993) (per curiam). “Because an appeal

properly pursued from the district court's order divests the district court of control over those aspects of the case on appeal, exclusive jurisdiction to resolve the threshold issue this case presents vests in this court, and the district court may not proceed to trial until the appeal is resolved." *Id.*

Thus, the Combined Notice of Appeal automatically divested the PTAB of jurisdiction over all matters related to the appeal and requires a stay of the IPR proceedings.

**B. The Board's Designation of Allergan as an "Effective Patent Owner" Cannot be Sustained Under the Law and Cannot be Used to Avoid the Divestiture of Board Jurisdiction or the Tribe's Immunity.**

The Board opined that, "[e]ven assuming *arguendo* that the Tribe is entitled to assert immunity," the IPR proceedings could continue with Allergan's participation because Allergan is the "effective" patent owner. Appx18, Appx35. This holding has no legal meaning.

There is only one Patent Owner: the Tribe. Because the Tribe owns all the patents, the IPRs cannot proceed without the Tribe, as a matter of due process, because there is no congressional authority that enables an "effective" patent owner to stand in the actual patent owner's stead. There is no unity of interests between the Tribe and Allergan as a licensee. Allergan can practice the inventions in the

patents whether or not they are valid but the Tribe's property rights and right to payments from Allergan would be extinguished if the Appellees prevail in the IPRs.<sup>2</sup>

This Court has held "a patent should not be placed at risk of invalidation by the licensee without the participation of the patentee." *A123 Sys. Inc. v. Hydro-Quebec*, 626 F.3d 1213, 1221 (Fed. Cir. 2010). The IPR process unquestionably puts the patents "at risk of invalidation." The Board's adjudication will determine whether the Tribe's rights in the patents are worth \$120,000,000 or nothing. That is an interest that should not be adjudicated in the Tribe's absence.

Yet the Board intends to rely on a fictional entity to continue its proceedings. No statute or regulation allows PTAB to proceed with an IPR against the "effective" patent owner in the absence of an *actual* patent owner immune from the action. The statute is clear that

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<sup>2</sup> Significantly, the Board did not hold the Tribe and Allergan were "co-owners"; it held Allergan was the "effective patent owner." Compare Appx35; with *Reactive Surfaces Ltd., LLP*, IPR2017-00572, 2017 WL 2992435, at \*6-7 (July 13, 2017) (dismissing Regents of the University of Minnesota on sovereign immunity grounds, but proceeding with IPR against Toyota because Toyota and Minnesota were "co-owners" of the patent) ("*Reactive*").

all rights of notice and participation as a defendant in an IPR are held by the “patent owner” only. 35 U.S.C. §§ 313, 314(c), 315(a)(8)-(9). Only the petitioner and the “patent owner” can seek termination of the IPR pursuant to settlement. 35 U.S.C. § 317(a). There is no entity defined as an “effective” patent owner in the statutes or regulations governing IPR. *See* 35 U.S.C. §§ 311-319; *and* 37 C.F.R. § 42.100-41.123. Only the petitioner and patent owner have administrative standing to participate in IPRs. *See Coach Ritchie v. Simpson*, 170 F.3d 1092, 1095 (Fed. Cir. 1999) (“[T]he starting point for a standing determination for a litigant before an administrative agency is not Article III, but is the statute that confers standing before that agency.”). As such, the Board’s finding that it may proceed with an “effective” patent owner exceeds its statutory authority.

PTAB cannot simply create *ad hoc* rules and new forms of PTAB standing through Board decisions to facilitate what it perceives to be its mission as the gatekeeper of what is patentable (or what patents can be enforced) in the United States. Only the Director has rule-making authority under the AIA. 35 U.S.C. § 316(a); *Am. Library Ass’n v. FCC*, 406 F.3d 689, 698 (D.C. Cir. 2005) (noting

agencies have no constitutional or common law authority, only authority granted by Congress). The Supreme Court has held “[r]egardless of how serious the problem an administrative agency seeks to address, [an agency] may not exercise its authority in a manner that is inconsistent with the administrative structure that Congress enacted into law.” *Food and Drug Admin. v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 125 (2000) (internal quotation omitted).

Thus, no statutory basis exists for the IPRs to proceed with an “effective” owner in the Tribe’s absence.

**C. As Part of this Appeal, This Court Has Pendent Jurisdiction Over Allergan’s Appeal.**

The Board intends to use its holding that Allergan is the “effective” patent owner as an end-run around the Tribe’s immunity to the proceedings. But the question of whether Allergan is the “effective” owner of the patents and can “represent” the Tribe’s interests in the IPRs has been appealed and falls within this Court’s pendent appellate jurisdiction because the question is “inextricably intertwined” with the sovereign immunity issues. *See Swint v. Chambers Cnty. Comm’n*, 514 U.S. 35, 51 (1995) (pendent appellate jurisdiction can be exercised where an issue is “inextricably

intertwined with [a] court’s decision to deny” immunity or where review of the issue is “necessary to ensure meaningful review” of the denial of immunity); *see also Intel Corp.*, 455 F.3d at 1369 (noting this Court’s “power to exercise pendent appellate jurisdiction over other issues, particularly where they are ‘inextricably intertwined with’ or ‘necessary to ensure meaningful review of’ a properly appealed collateral order”) (citation omitted).<sup>3</sup>

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<sup>3</sup> To be clear, the question decided by the Board – that Allergan is the “effective owner of the patents” – is separate from the question of whether the Tribe would qualify as an “indispensable” party under FED. R. CIV. P. 19. This Court needs not reach the Rule 19 issue in order to conclude that the question of Allergan’s role as “effective patent owner” is inextricably intertwined with the Tribe’s assertion of sovereign immunity. But, should the Court consider the Rule 19 issue -- there would be pendent appellate jurisdiction over the Board’s indispensable party determination. And this Court has already held, in a sovereign immunity appeal, that it may exercise pendent jurisdiction over the question whether the sovereign is an indispensable party. *Univ. of Utah v. Max-Planck-Gesellschaft Zur Forderung Der Wissenschaften E. V.*, 734 F.3d 1315, 1325-26 (Fed. Cir. 2013) (holding that this Court had jurisdiction to consider whether state entity was indispensable party as part of appeal, even where issue was not raised below, although finding on the facts that entity was not indispensable). Other courts have found Rule 19 indispensable party issues sufficiently “intertwined” with appealable collateral orders where the Rule 19 decision directly implicated the tribunal’s authority to act. *See, e.g., MasterCard Int’l Inc. v. Visa Int’l Serv. Ass’n, Inc.*, 471 F.3d 377, 384 (2d Cir. 2006) (exercising pendent jurisdiction over Rule 19 order where diversity jurisdiction would be destroyed if the district court’s ruling was



Pendent appellate jurisdiction is particularly appropriate in this case because courts “generally afford sovereigns ‘heightened protection’ if a lawsuit poses ‘a potential of injury to the sovereign’s interest.’” *Klamath Tribe Claims Comm. v. United States*, 106 Fed. Cl. 87, 95 (2012), *aff’d* 541 F. App’x 974 (Fed. Cir. 2013). That interest “in its sovereign right not to have its legal duties judicially determined without consent” is an interest that Allergan cannot protect. *Enter. Mgmt. Consultants Inc. v. United States*, 883 F.2d 890, 894 (10th Cir. 1989) (the U.S. could not sufficiently protect a tribe’s interest in its immunity).

Most importantly, in this appeal the Court must first determine whether the Tribe as “patent owner” may assert sovereign immunity in the IPRs. Then it must decide whether an IPR can proceed with a Board-created fictional entity called “effective” patent owner instead of the immune sovereign. This is a threshold issue, not a frivolous one, that cannot be separated from the merits

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erroneous); *Hendricks v. Bank of Am., N.A.*, 408 F.3d 1127, 1134 (9th Cir. 2005) (exercising pendent jurisdiction over Rule 19 order where “the court would lack authority to grant relief if ... Mutual was a necessary and indispensable party and immune from personal jurisdiction in this forum”).

of the appeal concerning the Tribe's sovereignty. The Board is wholly relying on its identification of Allergan as an "effective patent owner" to move forward.

If the Board does move forward under this guise, the damage to the Tribe and its property cannot be "fixed." "As sovereigns or quasi sovereigns, the Indian Nations enjoyed immunity 'from judicial attack' absent consent to be sued." *Kiowa*, 523 U.S. at 757 (quoting *U.S. v. U.S. Fid. & Guar. Co.*, 309 U.S. 506, 513-514 (1940)). Sovereign immunity is a jurisdictional impediment, not a defense. Sovereign immunity is an "*immunity from suit* rather than a mere defense to liability." *Burlington*, 509 F.3d at 1090.

For that reason, "[t]ribal sovereign immunity would be rendered meaningless if a suit against a tribe asserting its immunity were allowed to proceed to trial." *Tamiami Partners By & Through Tamiami Dev. Corp. v. Miccosukee Tribe of Indians of Fla.*, 63 F.3d 1030, 1050 (11th Cir. 1995); *see also Osage Tribal Council*, 187 F.3d at 1179.

There is every potential that on April 4, or sometime thereafter, the patents could be invalidated. It would be a moot point if this Court later held that it was error to permit the IPRs to go forward with only Allergan participating as the "effective patent owner".

**D. In the Alternative, A Stay Would Also Be Warranted Under Rule 18.**

This Court need not, and should not, apply the stay factors of Rule 18 in this case. Even so, a stay would be warranted under the Rule 18 factors.

**1. The Balance of Harms and Public Interest Warrant a Stay.**

Absent a stay, the Tribe will suffer irreparable harm. Tribal sovereign immunity is not a defense to liability, it is an immunity *from suit*. “[I]mmunity from suit” is a “core aspect[] of sovereignty.” *Michigan v. Bay Mills Indian Community*, 134 S. Ct. 2024, 2030 (2014).

On the other side of the ledger, Mylan and the other IPR petitioners will not suffer harm from a stay. The asserted claims of four of the six the patents at issue here were found to be invalid in the co-pending district court proceeding, which is also before this Court in Case No. 18-1130.<sup>4</sup> Moreover, so far as the Tribe and

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<sup>4</sup> Mylan and the other IPR Petitioners were granted covenants not to sue with respect to the Tribe’s two other Restasis patents (the ’162 and ’556 patents). *Allergan, Inc. v. Teva Pharm. USA, Inc.*, No. 2:15-CV-1455-WCB, 2017 WL 4803941, at \*15 (E.D. Tex. Oct. 16, 2017) (“For purposes of simplifying the issues to be decided at trial, Allergan gave the defendants a covenant not to sue with

Allergan are aware, the FDA has not yet approved any generic equivalent of Restasis for sale. Thus, the patents-at-issue in these proceedings are not currently precluding the Appellees from obtaining final approval from FDA to market and sell any products.

Nor will a stay interfere with the Board's ability to render final written decisions in these proceedings if the Court determines they can move forward. The Appellees may argue that the IPRs should proceed because the Board's one-year deadline under 35 U.S.C. § 316(a)(11) looms, but that argument fails for multiple reasons. First, as the government recently explained, the one-year deadline does not apply to proceedings that are appealed to this Court and then remanded to the Board. PTO Br. 9-12, *D'Agostino v. Mastercard Int'l Inc.*, No. 2018-1000, -1001 (Fed. Cir. Mar. 1, 2018). Thus, if the Court ultimately affirms the Board's decision not to terminate the proceedings, the Board will be able to hold a final hearing and issue final written decisions notwithstanding the statutory timeline.

Furthermore, because 35 U.S.C. § 316(a)(11) does not set forth any consequence if these deadlines are not met, the deadlines are

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respect to the claims in the two patents that are no longer asserted (the '162 patent and the '556 patent”).

not considered jurisdictional or mandatory and failure to meet the statutory deadline would not void subsequent agency action. *Brock v. Pierce County*, 476 U.S. 253, 260 (1986); *see also Barnhart v. Peabody Coal*, 537 U.S. 149, 158 (2003) (“Nor, since *Brock*, have we ever construed a provision that the Government ‘shall’ act within a specified time, without more, as a jurisdictional limit precluding action later.”). Simply put, “[t]he failure of an agency to comply with a statutory time limit does not divest the agency of jurisdiction.” *Saratoga Sav. & Loan Ass’n v. Fed. Home Loan Bank Bd.*, 879 F.2d 689, 694 (9th Cir. 1989). Thus, a stay would not impair the Board’s authority to resume jurisdiction in this case (should this Court ultimately affirm the Board’s instant decision).

The public interest also favors a stay and immediate appellate review. Well-settled Supreme Court jurisprudence recognizes a strong federal policy in promoting tribal sovereign immunity. *See Bay Mills*, 134 S. Ct. at 2030-37; *Kiowa Tribe*, 523 U.S. at 754. The Tribe’s venture in this case represents an important part of its technology development plan, a project that is saturated with sovereign importance, in part because it complements the Tribe’s modest tax base. *See Bay Mills*, 134 S. Ct. at 2043-45 (Sotomayor, J.,

concurring). Whether the Board’s reasoning is correct is important not only to the Tribe here, but to all tribes in the country, as the numerous amicus briefs filed before the Board attest. Appx3 (“In view of the public interest and the issue of first impression we authorized interested third parties to file briefs as *amicus curiae*.”).

## **2. The Tribe Can Show Probable Success on the Merits.**

Under the “sliding-scale” test of Rule 18, a stay may be granted without a “mathematical probability of success,” so long as “there ‘is substantial equity, and need for judicial protection.’” *Standard Havens Prods., Inc. v. Gencor Indus.*, 897 F.2d 511, 512-13 (Fed. Cir. 1990) (granting stay) (citation omitted and brackets in original). “[I]f the other elements are present (i.e., the balance of hardships tips decidedly toward plaintiff), it will ordinarily be enough that the plaintiff has raised questions going to the merits so serious, substantial, difficult and doubtful, as to make them a fair ground for litigation.” *Id.* at 513 (citation and internal quotation marks omitted). The Tribe easily meets this test.

The Board agreed that tribal immunity is subject to congressional control. Appx11. But the Supreme Court has held that any congressional abrogation of tribal sovereign immunity “must

‘unequivocally’ express that purpose.” *Bay Mills*, 134 S. Ct. at 2031; *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 58 (1978) (congressional abrogation “cannot be implied but must be unequivocally expressed”). Congress has not unequivocally expressly abrogated tribal sovereign immunity to IPRs.<sup>5</sup>

The Board noted that federal agencies may enforce federal statutes against tribes. Appx13-18. But an IPR is not like an agency enforcement action. There is no agency prosecutor suing for a violation of the agency’s rules or governing statute. Even the Board acknowledged that IPR proceedings “do not involve a separate government party that ‘prosecutes’ the case before the Board.” Appx14. (citing 37 C.F.R. § 42.2 as defining “party” to include petitioner and patent owner).

The difference between official agency enforcement actions and proceedings like IPRs that are initiated by private parties is obvious. As the Board itself held in *Covidien LP v. Univ. of Fla. Research Found.*

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<sup>5</sup> Legislation has been introduced in Congress to abrogate tribal immunity to IPRs, showing that Congress believes that the Tribe has immunity to IPRs. *See* S. 1948, 115th Cong., 1st Sess. (2017). That proposal shows that the decision is Congress’s (and not the Board’s) to make.

*Inc.*, IPR2016-01274, 2017 WL 4015009, at \*6 (Jan. 25, 2017) (“*Covidien*”), “we are not persuaded that an *inter partes* review is an action brought by the federal government against a state.” Rather, the Board’s role is to “assess the merits of the arguments presented by the parties in an impartial manner.” *Id.* at \*7.

If an IPR is a private party driven action, and not a federal prosecution, then immunity stands. *See Bassett v. Mashantucket Pequot Tribe*, 204 F.3d 343, 357 (2d Cir. 2000) (holding “the fact that a statute applies to Indian tribes does not mean that Congress abrogated tribal immunity in adopting it”); *Florida Paraplegic Ass’n v. Miccosukee Tribe of Indians*, 166 F.3d 1126, 1129–33 (11th Cir. 1999) (recognizing Americans with Disabilities Act applied to tribes but holding tribal immunity prevented private lawsuits to enforce it); *Specialty House of Creation, Inc. v. Quapaw Tribe*, 2011 WL 308903 \*1-2 (N.D. Okla. Jan. 27, 2011) (“The fact that a general statute applies to tribes, however, does not mean that Congress has waived tribal sovereign immunity from private suits brought thereunder. . . . Therefore, this court concludes that the Quapaw Tribe is immune from private suits under federal patent law.”).

The Board held that it only “exercises jurisdiction over the



challenged patent” and does not “exercise personal jurisdiction over the patent owner” so IPRs are not the type of proceedings to which sovereign immunity applies. Appx11-18.

But the Board has held exactly the opposite in proceedings involving state entities (such as universities), where the Board has upheld assertions of sovereign immunity. *See Covidien*, 2017 WL 4015009, at \*17 (“[W]e conclude that Eleventh Amendment immunity applies to *inter partes* review proceedings.”); *Reactive*, 2017 WL 2992435, at \*3 (same); *Neochord, Inc. v. Univ. of Md., et al.*, IPR2016- 00208, Paper 28 at 20 (May 23, 2017) (same).

And two recent decision by Chief Administrative Patent Judge Ruschke held that *inter partes* review “is an adjudicatory proceeding of a federal agency from which state entities are immune.” *Ericsson Inc., et al v. Regents of the University of Minnesota*, IPR2017-01186, 2017 WL 6517563, at \*2 (Dec. 19, 2017) (collecting cases); *LSI Corp. v. Regents of the University of Minnesota*, IPR2017-01068, 2017 WL 6517562, at \*2 (Dec. 19, 2017) (same).

The Board’s decision in this case contradicts its previous views in cases involving state entities, and it is also inconsistent with decisions by other federal agencies. *E.g.*, *Stroud v. Mohegan Tribal*

*Gaming Auth.*, ARB Case No. 13-079, 14-013, 2014 WL 6850018 at \*2 (DOL Adm. Rev. Bd. Nov. 26, 2014) (tribal sovereign immunity applies in administrative adjudicatory proceedings).

## **VI. CONCLUSION**

The Board effectively usurped the power of Congress to abrogate tribal immunity, created the fiction of an “effective” patent owner to further its efforts to move the case forward, and misapplied the well-established law of tribal sovereignty. Appellants request that this Court enter an Order that the Combined Notice divested the Board of jurisdiction over the IPR proceedings and that all IPR proceedings regarding the patents are stayed pending resolution of this appeal in this Court, including disposition of any rehearing petitions.

Appellants respectfully request immediate action by the Court. Without a stay, the Board has indicated that it will proceed to a final hearing on April 3, 2018, with final decisions issuing anytime thereafter.

Dated: March 16, 2018

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## VII. STATEMENT OF OPPOSITION

Counsel for Appellants contacted counsel for Appellees to determine whether this motion was opposed but received no response. Appellees opposed Appellants' motion seeking the same relief from PTAB so Appellants assume that Appellees will be filing an opposition to this Motion.

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**CERTIFICATE OF INTEREST**

Counsel for Appellants certify the following:

1. The full name of every party or amicus represented by us are:  
  
Saint Regis Mohawk Tribe and Allergan, Inc.
2. The name of the real party-in-interest represented by us are:  
  
Saint Regis Mohawk Tribe and Allergan, Inc.
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 us are:  
  
Allergan plc is the parent corporation of Allergan, Inc.  
  
Not applicable to the Saint Regis Mohawk Tribe
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:

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**PROOF OF SERVICE**

I hereby certify that on March 16, 2018, I electronically transmitted this **Appellants' Motion for Stay Pending Review; Immediate Action Requested**. I further certify that the following counsel of record for Appellees are being served as follows:

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**CERTIFICATE OF COMPLIANCE WITH RULE 27(d)(2)(A)**

This brief complies with the type-volume limitation of FEDERAL RULE OF APPELLATE PROCEDURE 27(d)(2)(a). The brief contains 5,157 words, excluding the parts of the brief exempted by FEDERAL RULE OF APPELLATE PROCEDURE 32(f) and FEDERAL CIRCUIT RULE 32(b).

This brief complies with requirements of FEDERAL RULES OF APPELLATE PROCEDURE 32(a)(5) and 32(a)(6). This brief has been prepared in proportionally spaced typeface using Microsoft Word Version 2016 in 14-pt Calisto MT.

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