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

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

SAINT REGIS MOHAWK TRIBE and ALLERGAN, INC.,
Appellants,

v.

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

Appeals from the United States Patent and Trademark Office
Case IPR2016-01127 (US 8,685,930 B2)
Case IPR2016-01128 (US 8,629,111 B2)
Case IPR2016-01129 (US 8,642,556 B2)
Case IPR2016-01130 (US 8,633,162 B2)
Case IPR2016-01131 (US 8,648,048 B2)
Case IPR2016-01132 (US 9,248,191 B2)

BRIEF FOR HIGH TECH INVENTORS ALLIANCE AND COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION AS *AMICI CURIAE* IN SUPPORT OF APPELLEES

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May 11, 2018

CERTIFICATE OF INTEREST

Counsel for *amici curiae* High Tech Inventors Alliance and Computer & Communications Industry Association certifies the following:

1. The full names of the parties represented by me are:

   High Tech Inventors Alliance

   Computer & Communications Industry Association

2. The name of the real party in interest represented by me is:

   Not applicable

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

   The High Tech Inventors Alliance ("HTIA") is a non-stock, nonprofit corporation organized and operated exclusively as a business league within the meaning of Section 501(c)(6) of the United States Internal Revenue Code. Because it is a non-stock, nonprofit corporation, no parent corporations or publicly held companies own 10% or more of its stock.

   HTIA's members are as follows: Adobe Systems, Inc.; Amazon.com, Inc.; Cisco Systems, Inc.; Dell Inc.; Google Inc.; Intel Corporation; Oracle Corporation; and Salesforce.com, Inc.

   The Computer & Communications Industry Association ("CCIA") is a not-for-profit membership organization and has no parent corporation. No publicly held company owns 10% or more of its stock.

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 lower tribunal or are expected to appear in this Court and who are not already listed on the docket for the current case:

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

   Appellants' opening brief identifies the following two cases:

   Federal Circuit: *Allergan, Inc. v. Teva Pharmaceuticals USA, Inc.*, No. 2018-1130

   Eastern District of Texas: *Allergan, Inc. v. Deva Holding A.S.*, No. 2:16-cv-1447

   Counsel for *amici curiae* are aware of no other such cases.

Dated: May 11, 2018

/s/ *John Thorne*
John Thorne
Counsel for Amici

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INTEREST OF *AMICI CURIAE*

The High Tech Inventors Alliance ("HTIA") is dedicated to advancing a patent system that promotes and protects real investments in technologies and American jobs. Collectively, HTIA's members employ nearly 500,000 U.S. employees, spent $63 billion last year alone on research and development, hold more than 115,000 U.S. patents, and have a market capitalization of more than $2 trillion. HTIA members include the world's very largest investors in innovation. *See* PwC, *The 2017 Global Innovation 1000 Study, available at* https://www.strategyand.pwc.com/innovation1000.

The Computer & Communications Industry Association ("CCIA") is dedicated to innovation and enhancing society's access to information and communications. CCIA's more than two dozen members are leaders in research, development, and sale of high-technology products and services. CCIA members hold approximately 5% of all currently active patents and appear as both plaintiffs and defendants in patent litigation and in inter partes reviews.[1]

[1] All parties to this appeal have consented to the filing of this brief. *See* Fed. R. App. P. 29(a)(2). Pursuant to Federal Rule of Appellate Procedure 29(a)(4)(E), *amici* certify that no counsel for a party authored this brief in whole or in part, and no counsel or party made a monetary contribution intended to fund the preparation or submission of this brief. No person or entity, other than *amici* or their counsel, made a monetary contribution to the preparation or submission of this brief.

INTRODUCTION AND SUMMARY

This case involves the issue whether Congress's program for "improv[ing] patent quality and restor[ing] confidence in the presumption of validity that comes with issued patents" (H.R. Rep. No. 112-98, pt. 1, at 48 (2011)) may be avoided by transferring patents to an Indian tribe after an inter partes review has been initiated.

Tribes are domestic dependent nations whose sovereignty gives them immunity from lawsuits by states or third parties, but not from the United States when it is enforcing federal statutes of general applicability such as the patent laws. Tribal immunity therefore does not bar inter partes review – a discretionary procedure through which the Patent Office enforces the generally applicable statutory requirements for any patent to be valid. Although private petitioners participate in inter partes review and help the Patent Office make decisions, they cannot compel the Patent Office to conduct a review and their ongoing participation is unnecessary to complete one. An agency's review of its own actions (here, issuing patents) is fundamentally unlike a judicial case where private parties assert rights and seek remedies. And the Patent Office's review is lawful as a congressionally imposed condition on the grant of a patent. Everyone who applies for a patent knows that the Patent Office may (and sometimes does) later reconsider its decision to grant that privilege. In this case, the St. Regis tribe

acquired its rights in Allergan's Restasis patent after the Patent Office had already instituted an inter partes review.

Inter partes review is also fully compatible with tribal immunity because – to the limited extent that review resembles any judicial proceeding – it is similar to a proceeding *in rem*, such as bankruptcy proceedings or certain maritime cases. Sovereign immunity does not bar *in rem* proceedings because they concern not the competing rights and obligations of particular adverse parties, but the status of an item or estate (here, a patent) whose owner can assert claims against the entire world. Accordingly, this Panel's statutory authority to review whether the Restasis patents were properly granted as a matter of federal law does not and should not depend on the identity of the patent's owner.

ARGUMENT

I. As Discretionary Enforcement of a Generally Applicable Federal Statute, Inter Partes Review Does Not Implicate Tribal Sovereign Immunity

A. Tribes Are Not Immune from Federal Enforcement Proceedings or Exempt from Generally Applicable Federal Laws

Indian tribes have been recognized for nearly two centuries as "domestic dependent nations" that are "under the sovereignty and dominion of the United States." *Cherokee Nation v. Georgia*, 30 U.S. (5 Pet.) 1, 17 (1831) (Marshall, C.J.). They retain "many of the attributes of sovereignty," primarily "the rights which belong to self government." *Worcester v. Georgia*, 31 U.S. (6 Pet.) 515, 580 (1832) (Marshall, C.J.). Their powers include "'regulating their internal and social relations'" and making and enforcing "their own substantive law in internal matters." *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 55 (1978) (quoting *United States v. Kagama*, 118 U.S. 375, 381-82 (1886)). Tribes do not, however, retain aspects of sovereignty "inconsistent with the overriding interests of the National Government." *Washington v. Confederated Tribes*, 447 U.S. 134, 153 (1980).

These principles define the contours of tribal immunity and a tribe's duty to follow federal law. Indian tribes are immune from many suits brought by states and by private parties. *See Michigan v. Bay Mills Indian Cmty.*, 134 S. Ct. 2024 (2014) (immunity barred state's suit to enjoin casino operation outside reservation); *Kiowa Tribe of Okla. v. Manufacturing Techs., Inc.*, 523 U.S. 751

(1998) (immunity barred private suit on promissory note). A tribe may not, however, "interpose its sovereign immunity against the United States." *United States v. Red Lake Band of Chippewa Indians*, 827 F.2d 380, 382 (8th Cir. 1987); *see also Reich v. Mashantucket Sand & Gravel*, 95 F.3d 174, 182 (2d Cir. 1996) ("Tribal sovereign immunity does not bar suits by the United States.").

Further, tribes and their members must comply with federal statutes of general applicability. *See Federal Power Comm'n v. Tuscarora Indian Nation*, 362 U.S. 99, 116 (1960) (declaring it "well settled" that "a general statute in terms applying to all persons includes Indians and their property interests"). There are narrow exceptions to this general rule, such as when a statute would encroach on a tribe's internal affairs or implicate matters of traditional sovereign concern (for example, treaty rights). *See*, *e.g.*, *Donovan v. Coeur d'Alene Tribal Farm*, 751 F.2d 1113, 1116 (9th Cir. 1985) (federal statutes of general applicability apply to tribes unless they touch on "exclusive rights of self-governance in purely intramural matters," abrogate treaty rights, or evince proof that Congress intended the law not to apply on reservations). Where, however, tribes engage in commercial activity unrelated to internal tribal governance, the federal government may enforce generally applicable federal statutes and reject tribal immunity defenses. *See, e.g.*, *NLRB v. Little River Band of Ottawa Indians Tribal Gov't*, 788 F.3d 537, 555 (6th Cir. 2015) (holding tribe subject to National Labor

Relations Board enforcement of federal labor statute), *cert. denied*, 136 S. Ct. 2508 (2016).[2]

B. Tribes Are Not Immune from the Federal Government's Discretionary Review of Patent Validity

An inter partes review proceeding is not barred by tribal immunity or sovereignty for two reasons. *First*, inter partes review is a discretionary administrative procedure in which the federal government (through the Patent Office) is enforcing the requirements of federal law, rather than adjudicating grievances of private parties. *Second*, the laws enforced through inter partes review apply generally to all patent owners (including tribes) as conditions of the statutory grant of a patent.

[2] *See also Menominee Tribal Enters. v. Solis*, 601 F.3d 669, 670-71 (7th Cir. 2010) (holding that "[s]tatutes of general applicability that do not mention Indians are nevertheless usually held to apply to them" if they do not "interfere with tribal governance" or infringe treaty rights, and applying Occupational Safety and Health Act of 1970 ("OSHA") to tribally owned sawmill); *San Manuel Indian Bingo & Casino v. NLRB*, 475 F.3d 1306, 1315 (D.C. Cir. 2007) (upholding application of the National Labor Relations Act to tribally owned casino because it "does not impinge on the Tribe's sovereignty" with respect to "a traditional attribute of self-government"); *Reich*, 95 F.3d at 180 (upholding application of OSHA to tribally owned construction business whose "activities are of a commercial and service character").

1. Inter Partes Review Is a Proceeding in the Sole Discretion of the Patent Office To Enforce the Novelty and Nonobviousness Requirements of the Patent Act

As the Supreme Court has recently made clear, "[i]nter partes review involves . . . reconsideration of the Government's decision to grant a public franchise." *Oil States Energy Servs., LLC v. Greene's Energy Grp., LLC*, 138 S. Ct. 1365, 1373 (2018). Specifically, it

> is a second look at an earlier administrative grant of a patent. The Board considers the same statutory requirements that the PTO considered when granting the patent. Those statutory requirements prevent the issuance of patents whose effects are to remove existent knowledge from the public domain. So, like the PTO's initial review, the Board's inter partes review protects the public's paramount interest in seeing that patent monopolies are kept within their legitimate scope. Thus, inter partes review involves the same interests as the determination to grant a patent in the first instance.

Id. at 1374 (citations omitted). Appellants argue that the Patent Office must be divested of power to conduct such a "second look" if the patent is transferred to a tribe. They argue that inter partes review "'walks, talks, and squawks very much like a lawsuit,'" and therefore it offends the dignity of the tribal sovereign in the same way as a private lawsuit filed against a tribe in court. Br. 21 (quoting *Federal Mar. Comm'n v. South Carolina State Ports Auth.*, 535 U.S. 743, 751 (2002) ("*FMC*")). Appellants' argument is contrary to the decisions of the Supreme Court.

The Supreme Court held in both *Oil States* and *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), that the characteristics of inter partes review make it fundamentally unlike a judicial proceeding (such as a patent infringement action) in which a state or a private party might sue a tribe without its consent. "[I]nter partes review is not initiated by private parties in the way that a common-law cause of action is. To be sure, a private party files the petition for review. 35 U.S.C. § 311(a). But the decision to institute review is made by the Director and committed to his unreviewable discretion." *Oil States*, 138 S. Ct. at 1378 n.5 (citing *Cuozzo*, 136 S. Ct. at 2140). Inter partes review is "less like a judicial proceeding and more like a specialized agency proceeding" in which third parties that petition for review "need not have a concrete stake in the outcome; indeed, they may lack constitutional standing." *Cuozzo*, 136 S. Ct. at 2143-44.

If the Patent Office exercises its discretion to initiate review, it has full authority to go forward with or without the ongoing participation of third parties. *See* 35 U.S.C. § 317(a); *Cuozzo*, 136 S. Ct. at 2140 (government retains "the ability to continue proceedings even after the original petitioner settles and drops out"). As the government explained in its brief to the Supreme Court in *Oil States*, the participation of third parties in inter partes review amounts to a "mechanism by which the [Patent Office] can leverage knowledge possessed by persons outside the government to assist it in making a decision within its bailiwick." Br. for Federal

Resp. at 11, *Oil States*, No. 16-712 (U.S. filed Oct. 23, 2017), 2017 WL 4805230 ("*Oil States* Br."). That is crucially different from a case in which a private party can force a state or tribal sovereign to appear in federal court to answer a complaint that no federal decisionmaker has vetted, approved, or endorsed.[3]

FMC, on which appellants rely (at 21-22), confirms that the Patent Office's discretionary review of a patent held by a tribe does not "walk[ ], talk[ ], and squawk[ ]" like a private lawsuit. *FMC* held that an adversarial administrative adjudication of a private party's complaint against a state's ports authority for violation of the federal Shipping Act of 1984, 46 U.S.C. app. § 1701 *et seq.* (2000), was barred by state sovereign immunity. But *FMC* made clear that federal enforcement of the Shipping Act against the state would not have been barred. The key to *FMC*'s holding was that the federal agency had no "discretion to refuse to adjudicate complaints brought by private parties." 535 U.S. at 764. As a result,

[3] The Patent Office's discretion to conduct inter partes review is limited in several ways. The Patent Office may consider as grounds of unpatentability only Section 102 or 103, and only based on prior art consisting of patents or printed publications. *See* 35 U.S.C. § 311(b). It is required to finish its review within 12 months of institution (with potentially additional time for good cause). And, if it institutes review, it must issue a final decision as to all the claims challenged in a petition; it may not "partial[ly]" institute and decide patentability as to only a portion of the claims. *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1357-58 (2018). But none of these limits on the Patent Office's discretion changes the fact that it is determining the scope of public rights (*Oil States*, 138 S. Ct. at 1373 ("reconsider[ing] . . . the Government's decision to grant a public franchise")), not adjudicating a private party's complaint against a tribe.

it was not the United States that controlled prosecution of a complaint before the Commission but rather the private party. *See id.*

FMC expressly recognized that sovereign immunity did *not* preclude the government from prosecuting "alleged violations of the Shipping Act, either upon its own initiative *or upon information supplied by a private party*, and . . . institut[ing] its own administrative proceeding against a state-run port." *Id.* at 768 (emphasis added; citation omitted). The key distinction was whether a private party can file a complaint that "affront[s] . . . a State's dignity" by "requir[ing] [it] to answer" before a tribunal, *id.* at 760, or whether the decision to require the state to answer is instead made by the federal government. Based on that analysis, inter partes review is precisely the type of proceeding that does not trigger sovereign immunity. *See id.* at 768 n.19 (so long as "the Federal Government [remains] free to take subsequent legal action," private parties are "perfectly free to complain to the Federal Government about unlawful state activity") (alteration in original).[4]

[4] Several non-precedential PTAB panels have determined that *state* sovereign immunity may bar inter partes review. *See Covidien LP v. University of Fla. Research Found. Inc.*, Case IPR2016-01274, Paper 21 (Jan. 25, 2017); *Neochord, Inc. v. University of Md., et al.*, Case IPR2016-00208, Paper 28 (May 23, 2017); *see also Reactive Surfaces Ltd. v. Toyota Motor Corp.*, Case IPR2016-01914, Paper 36 (July 13, 2017) (finding state owner immune but permitting case to continue). Those decisions did not involve common-law tribal immunity or attempts to manipulate PTAB jurisdiction through post-institution assignment. Unlike the constitutionally grounded sovereign immunity of the states, *see Bay Mills Indian Cmty.*, 134 S. Ct. at 2047 n.1 (Thomas, J., dissenting), tribal immunity has been developed by the courts as a matter of common law. In any event, the

Thus, the authorities cited by appellants (at 22-23, 25-26) supporting tribal immunity from lawsuits by states and private parties are inapposite. Indeed, those authorities confirm that tribes lack immunity against the United States and that no "abrogation" of immunity is required for the federal government to enforce statutory requirements. *See, e.g.*, *Florida Paraplegic Ass'n, Inc. v. Miccosukee Tribe of Indians of Fla.*, 166 F.3d 1126 (11th Cir. 1999) (cited by Tribe at 25-26) (holding that Title III of the Americans with Disabilities Act of 1990 ("ADA") applies to tribes and that the U.S. Attorney General may sue to enforce compliance, but tribes' immunity bars *private parties* from bringing ADA actions).

Vas-Cath, Inc. v. Curators of University of Missouri, 473 F.3d 1376 (Fed. Cir. 2007), on which appellants rely (at 20, 24), is not to the contrary. That case involved a patent interference proceeding to determine which of two applicants was the prior inventor, *see* 473 F.3d at 1379, not whether the patent rights being sought met the statutory (and constitutional) requirements for patentability. The state university had voluntarily initiated the interference proceeding and had prevailed before the Patent Office, but then sought to assert Eleventh Amendment immunity when the rival applicant took an appeal to federal district court. *See id.*

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cited PTAB decisions were incorrect. They ignored the fact that inter partes review is not concerned with "determining the respective rights of adverse litigants" but with whether the Patent Office correctly granted "a patent monopoly as against the world." *Oil States* Br. 36.

at 1379-80. This Court held that the state university's "voluntary participation in [a] federal administrative forum" waived any claim of Eleventh Amendment immunity from federal judicial review of that action. *Id.* at 1383.

Vas-Cath's holding was limited to the issue of waiver. The Court was not asked to (and did not) decide whether, if the Patent Office had begun an interference proceeding over the university's objection, the university could successfully have asserted immunity. Although the Court stated in passing that "the administrative proceeding can . . . be characterized as a lawsuit," *id.* at 1382, it did so only to support its reasoning that the university had waived immunity by voluntarily invoking such a proceeding. Indeed, the university in *Vas-Cath* assumed that the Patent Office "could have and should have initiated th[e] interference while the applications of both parties were pending." *Id.* at 1384 (summarizing university's argument).

Further, under then-governing regulations, the decision whether to begin an interference proceeding (unlike the decision whether to institute an inter partes review) was not discretionary, making interferences more akin to litigation and therefore more amenable to the application of sovereign immunity. *See* 37 C.F.R. § 1.607(b) (2004) (providing that, when "an applicant seeks an interference with a patent," the patent "examiner *shall* determine whether there is interfering subject matter"; if so, "an interference *will* be declared") (emphases added); *Vas-Cath*,

473 F.3d at 1379 (noting availability of the § 1.607 procedure).[5] In any event, because *Vas-Cath* did not decide whether state sovereign immunity would preclude the Patent Office from declaring an interference proceeding, it did not need to decide whether the regulation's mandatory language would matter under *FMC*.[6]

Vas-Cath is most relevant here for its recognition that the principles of immunity "are not designed for tactical advantage." 473 F.3d at 1383. As Judge Newman explained, it would amount to gamesmanship to allow the state university to initiate a contest over priority, and then when the state won the first round allow the state to invoke sovereign immunity to avoid an appeal by its opponent. *See id.* at 1384 (describing the university's position as "rais[ing] issues not of federalism, but of litigation tactics"). That same gamesmanship is plain in this case, where Allergan sought to evade cancelation of its patent by transferring to the tribe after the Patent Office already had instituted inter partes review.

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[5] The pre-America Invents Act statutory authority for interferences used discretionary language, *see* 35 U.S.C. § 135(a) (2006) ("an interference may be declared" when a patent application, "in the opinion of the Director, would interfere with any pending application, or with any unexpired patent").

[6] *Vas-Cath* noted that an earlier decision of this Court held that litigation against a state university brought by a private party in federal district court to correct patent ownership may be barred under state sovereign immunity, but the Court noted that there still would be a remedy in state court. *See Xechem Int'l, Inc. v. University of Texas M.D. Anderson Cancer Ctr.*, 382 F.3d 1324, 1332 (Fed. Cir. 2004). Unlike patentability, which by statute may be determined only by the Patent Office or a federal court, "ownership issues are generally the province of state courts." *Id.* Although appellants cited *Xechem* below, they have not relied on it in this Court.

2. The Patent Act and the America Invents Act Are Laws of General Applicability That Apply to Tribes

Inter partes review is also consistent with tribal sovereignty because laws governing the granting and revocation of patents, including the America Invents Act, are laws of general applicability. Under *Tuscarora*, those laws presumptively apply to tribes that become patent owners. *See* 362 U.S. at 115-17 ("[A] general statute in terms applying to all persons includes Indians and their property interests."). The patent statutes do not intrude on matters of internal tribal self-governance or on tribal treaty rights. *Cf., e.g.*, *EEOC v. Karuk Tribe Hous. Auth.*, 260 F.3d 1071, 1081-82 (9th Cir. 2001) (although tribe did not enjoy immunity from federal agency inquiry, the Age Discrimination in Employment Act of 1967 did not apply to a tribal authority's "intramural" dispute with a tribe member); *see generally Coeur d'Alene*, 751 F.2d at 1116 (exceptions include statutes that touch on "exclusive rights of self-governance in purely intramural matters," abrogate treaty rights, or evince proof that Congress intended the law not to apply on reservations).

The Patent Office's ongoing review of patents ensures they meet the statutory, constitutionally informed standards of novelty and utility.[7] "Patents

[7] The statutory limits on patent scope have "constitutional underpinnings," *Oil States* Br. 19, because Congress's Article I power to grant patents is tethered to "promot[ing] the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries," U.S. Const. art. I, § 8, cl. 8.

convey only a specific form of property right – a public franchise. . . . As a public franchise, a patent can confer only the rights that 'the statute prescribes.'" *Oil States*, 138 S. Ct. at 1375 (quoting *Gayler v. Wilder*, 51 U.S. (10 How.) 477, 494 (1851), and citing *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 663-64 (1834) (noting that Congress has "the power to prescribe the conditions on which such right shall be enjoyed")).

Because patent law is governed by statutes of general applicability and because inter partes review – like its predecessors, ex parte and inter partes reexamination – does not intrude on matters traditionally entrusted to tribal sovereignty, the default rule for general statutes applies: tribes must comply with the statutes governing ownership of patents. Those statutes give the Patent Office the prerogative to reexamine a patent on its own initiative or to initiate inter partes review in response to information it receives. When it does so, the Patent Office is a government body enforcing a federal statute of general applicability. Tribal immunity is no defense.

The Tribe cannot reasonably complain that this situation offends its dignity. By stepping into Allergan's shoes and taking rights in the patent, the Tribe accepted a federal monopoly allowing it to abridge the economic liberty of the general public. *See generally* Richard A. Epstein, *No New Property*, 56 Brook. L. Rev. 747, 754 (1990) (recognizing that the "creation of . . . patents is in derogation

of common law rights of property and labor"). In doing so, the Tribe knew that the patent grant was subject to Congress's "authority . . . [to] impose conditions." *Magoun v. Illinois Trust & Sav. Bank*, 170 U.S. 283, 288 (1898). For example, tribes that own patents must, like all other patentees, pay the fees to maintain the patent, or else the patent will expire. *See* 35 U.S.C. § 41(b). The condition that the Patent Office may reexamine or review the patent is no different. *See Oil States*, 138 S. Ct. at 1373, 1375.

II. Inter Partes Review Is Akin to an *In Rem* Proceeding in Which Sovereign Immunity Does Not Apply

For the reasons given in Part I, inter partes review is best understood as a discretionary enforcement proceeding that does not implicate tribal immunity because it is unlike any judicial proceeding. That is enough to reject the Tribe's assertion of immunity. But there is another reason as well: if inter partes review is compared to a lawsuit, it is still unlike an *in personam* proceeding, where one person seeks relief against another. Instead, inter parties review is most like an *in rem* proceeding, where a court determines the status of a thing. And *in rem* proceedings are not barred by state or tribal sovereign immunity.

For example, a bankruptcy court's exercise of *in rem* jurisdiction to discharge loans does not abridge state sovereign immunity, because bankruptcy courts "have exclusive jurisdiction over a debtor's property, wherever located, and over the estate." *Tennessee Student Assistance Corp. v. Hood*, 541 U.S. 440,

447 (2004). A bankruptcy court's jurisdiction is not premised on the status or nature of creditors, but rather on the estate itself; the proceeding is not adversarial but "'one against the world.'" *Id.* at 448 (quoting 16 James W. Moore et al., *Moore's Federal Practice* § 108.70[1] (3d ed. 2004)); *accord Central Va. Cmty. Coll. v. Katz*, 546 U.S. 356, 377-79 (2006) (sovereign immunity cannot bar a bankruptcy trustee's proceeding to set aside some preferential transfers).

Similarly, sovereign immunity does not bar federal jurisdiction over an *in rem* admiralty action where the sovereign entity does not possess the property. *See California v. Deep Sea Research, Inc.*, 523 U.S. 491, 495 (1998). Although sovereign immunity becomes an issue when a state possesses a ship because of the "special concern in admiralty that maritime property of the sovereign is not to be seized," *Florida Dep't of State v. Treasure Salvors, Inc.*, 458 U.S. 670, 709-10 (1982), no similar concern is present here. A patent is an intangible privilege that cannot be physically seized. *See Ager v. Murray*, 105 U.S. 126, 130 (1882) ("There is nothing in any act of Congress, or in the nature of [patent] rights themselves, to give them locality anywhere, so as to subject them to the process of courts having jurisdiction limited by the lines of States and districts."). Nor does inter partes review resemble a seizure or transfer. The patent owner continues to own the patent and can assert it unless and until a panel determines that it does not meet statutory requirements – at which point the patent is canceled, not transferred.

The principle that sovereign immunity does not defeat *in rem* jurisdiction has been applied to limit the applicability of common-law tribal immunity. Jurisdiction, for tax purposes, over certain fee-patented lands located on a reservation is permissible if it is *in rem*, as opposed to *in personam*. *See County of Yakima v. Confederated Tribes & Bands of Yakima Indian Nation*, 502 U.S. 251, 265 (1992) ("While the *in personam* jurisdiction over reservation Indians . . . would have been significantly disruptive of tribal self-government, the mere power to assess and collect a tax on certain real estate is not.").

Inter partes review is like an *in rem* proceeding because it is an inquiry about the patent – over which the Patent Office unquestionably has authority – rather than about the patentee. *See* 35 U.S.C. § 311(a) ("[A] person who is not the owner of a patent may file with the Office a petition to institute an inter partes review *of the patent*.") (emphasis added). The Patent Office has used the same language to describe patent examination as the Supreme Court used in *Hood* with respect to bankruptcy: "in determining whether a patent should issue, a patent examiner decides whether the applicant will have certain rights *as against the world*." *Compare Oil States* Br. 18 *with Hood*, 541 U.S. at 448. Thus, inter partes review advances the same public purposes as the original patent examination process, *see Oil States* Br. 18; through review, the government fulfills its "'obligation to

protect the public' from improperly issued patents," *id.* at 20 (quoting *United States v. American Bell Tel. Co.*, 128 U.S. 315, 357, 367 (1888)).

The Supreme Court has cautioned that sovereign immunity is not implicated merely because an "adversary proceeding" involving the state "has some similarities to a traditional civil trial." *Hood*, 541 U.S. at 452; *see id.* at 452-53 (distinguishing *FMC*, 535 U.S. at 755: "irrelevant" whether an *in rem* bankruptcy proceeding "is similar to civil litigation"). Even where it is "arguable that the particular procedure . . . could have been characterized as a suit against the State rather than a purely *in rem* proceeding," sovereign immunity is not an obstacle so long as the "proceeding . . . [is] merely ancillary to" *in rem* jurisdiction. *Katz*, 546 U.S. at 371. Here, the Patent Office will decide the validity of the patent itself, regardless of its owner. Any effect on the Tribe's interests arising from its arrangement with Allergan is an ancillary matter that does not implicate tribal immunity.

CONCLUSION

The Court should affirm the decision of the Patent Office.

Respectfully submitted,

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May 11, 2018

CERTIFICATE OF SERVICE

I hereby certify that, on May 11, 2018, I electronically transmitted this **BRIEF FOR HIGH TECH INVENTORS ALLIANCE AND COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION AS *AMICI CURIAE* IN SUPPORT OF APPELLEES** to the Clerk of the Court using the Court's ECF system. I further certify that all counsel of record for Appellants are being served with a copy of this Brief by electronic means via the Court's ECF system.

/s/ *John Thorne*
John Thorne
Counsel for Amici

CERTIFICATION OF COMPLIANCE

1. This brief complies with the type-volume limitation of Federal Rule of Appellate Procedure 29(a)(5). This brief, excluding the parts of the brief exempted by Federal Rule of Appellate Procedure 32(f) and Federal Circuit Rule 32(b), contains 4,702 words.

2. This brief complies with the typeface requirements of Federal Rule of Appellate Procedure 32(a)(5) and the type style requirements of Federal Rule of Appellate Procedure 32(a)(6). This brief has been prepared in a proportionally spaced typeface using Microsoft Word 2013, in 14-point Times New Roman.

Dated: May 11, 2018

/s/ *John Thorne*
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