

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

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**APPLE INC., CISCO SYSTEMS, INC., GOOGLE LLC,  
INTEL CORPORATION, EDWARDS  
LIFESCIENCES CORPORATION, EDWARDS  
LIFESCIENCES LLC,  
*Plaintiffs-Appellants***

**v.**

**KATHERINE K. VIDAL, UNDER SECRETARY OF  
COMMERCE FOR INTELLECTUAL PROPERTY  
AND DIRECTOR OF THE UNITED STATES  
PATENT AND TRADEMARK OFFICE,  
*Defendant-Appellee***

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2022-1249

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Appeal from the United States District Court for the  
Northern District of California in No. 5:20-cv-06128-EJD,  
Judge Edward J. Davila.

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Decided: March 13, 2023

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CATHERINE CARROLL, Wilmer Cutler Pickering Hale and  
Dorr LLP, Washington, DC, argued for all plaintiffs-appel-  
lants. Plaintiffs-appellants Apple Inc., Cisco Systems, Inc.,  
Intel Corporation also represented by DAVID LEHN;  
REBECCA M. LEE, San Francisco, CA; MARK D. SELWYN,  
Palo Alto, CA; ALYSON ZUREICK, New York, NY.

NATHAN K. KELLEY, Perkins Coie LLP, Washington, DC, for plaintiff-appellant Google LLC. Also represented by ANDREW DUFRESNE, Madison, WI.

CHRISTY G. LEA, Knobbe, Martens, Olson & Bear, LLP, Irvine, CA, for plaintiffs-appellants Edwards Lifesciences Corporation, Edwards Lifesciences LLC. Also represented by JOHN B. SGANGA, JR.

WEILI J. SHAW, Appellate Staff, Civil Division, United States Department of Justice, Washington, DC, argued for defendant-appellee. Also represented by MICHAEL GRANSTON, DANIEL TENNY; MICHAEL S. FORMAN, THOMAS W. KRAUSE, AMY J. NELSON, FARHEENA YASMEEN RASHEED, Office of the Solicitor, United States Patent and Trademark Office, Alexandria, VA.

MARK S. DAVIES, Orrick, Herrington & Sutcliffe LLP, Washington, DC, for amici curiae Acushnet Company, Alliance for Automotive Innovation, Comcast Cable Communications, LLC, Computer and Communication Industry Association, Dell, Inc., Garmin International, Inc., Juniper Networks, Inc., Micron Technology Inc., SAS Institute, Inc., Symmetry, LLC, Taiwan Semiconductor Manufacturing Company, Ltd., Verizon Services Corp., VIZIO, Inc., VMware, Inc. Also represented by ALEXANDRA BURSAK, New York, NY.

JAMES OLIVA, American Honda Motor Co., Inc., Torrance, CA, for amicus curiae American Honda Motor Co., Inc.

ROBERT THOMAS SMITH, Katten Muchin Rosenman LLP, Washington, DC, for amicus curiae Mylan Pharmaceuticals Inc. Also represented by ERIC THOMAS WERLINGER; DEEPRO MUKERJEE, LANCE SODERSTROM, New York, NY.

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MICHAEL BERTA, Arnold & Porter Kaye Scholer LLP, San Francisco, CA, for amicus curiae Tesla, Inc. Also represented by JAMES SHERWOOD, Tesla, Inc., Washington, DC.

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Before LOURIE, TARANTO, and STOLL, *Circuit Judges*.

TARANTO, *Circuit Judge*.

Plaintiffs are Apple Inc. and four other companies that have repeatedly been sued for patent infringement and thereafter petitioned the Director of the Patent and Trademark Office (PTO) to institute inter partes reviews (IPRs), under 35 U.S.C. §§ 311–319, so that the PTO’s Patent Trial and Appeal Board could adjudicate the petitions’ unpatentability challenges to patent claims that had been asserted against them in court. In the present action, brought against the Director in district court under the Administrative Procedure Act (APA), 5 U.S.C. §§ 701–706, plaintiffs challenge instructions the Director issued to the Board to inform it how to exercise, under delegation by the Director, the Director’s discretion whether to institute a requested IPR. Plaintiffs assert that the instructions are likely to produce too many denials of institution requests. The district court dismissed the APA action on the ground that the Director’s instructions were made unreviewable by the IPR provisions of the patent statute.

We affirm in part and reverse in part. We affirm the unreviewability dismissal of plaintiffs’ challenges to the instructions as being contrary to statute and arbitrary and capricious. No constitutional challenges are presented. But we reverse the unreviewability dismissal of plaintiffs’ challenge to the instructions as having been improperly issued because they had to be, but were not, promulgated through notice-and-comment rulemaking under 5 U.S.C. § 553. That challenge, we also hold, at least Apple had standing to present. We remand for further proceedings on

the lone surviving challenge. Like the district court, we do not reach the merits of that challenge.

## I

## A

In the America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011), Congress authorized the filing of a petition asking the PTO to conduct an IPR of whether identified claims in an issued patent comply with certain patentability requirements of novelty or obviousness over prior art. 35 U.S.C. § 311(a)–(b). The Board is the PTO component assigned to perform the IPR adjudication if a review is instituted, *id.* §§ 6(b)(4), 316–318, with the Board’s “final written decision” in the IPR subject to appeal to this court, *id.* § 319; *see id.* § 141. But it is the PTO’s Director to whom Congress assigned the task of determining whether to institute a review in the first place. *Id.* § 314(b); *see Thryv, Inc. v. Click-To-Call Technologies, LP*, 140 S. Ct. 1367, 1370–71 (2020).

For the Director to institute, certain preconditions must be met. One prerequisite, for all petitions, is the crossing of a merits “threshold”: “The Director may not authorize an [IPR] to be instituted unless the Director determines that the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Another prerequisite, applicable in the predictably common situation where the patent owner has already sued the petitioner (or a real party in interest or privy) for infringement of the patent, is compliance with a timing limit: The petition must be filed within one year after service of the infringement complaint. *Id.* § 315(b).

Even when such requirements are met, however, the statute uses no language commanding institution. “The Director is permitted, but never compelled, to institute an IPR[, a]nd no petitioner has a right to such institution.”

*Mylan Laboratories Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021). The Supreme Court explained in *SAS Institute, Inc. v. Iancu*: “§ 314(a) invests the Director with discretion on the question *whether* to institute review.” 138 S. Ct. 1348, 1356 (2018); *see also* *Cuozzo Speed Technologies, LLC v. Lee*, 579 U.S. 261, 273 (2016) (citing § 314(a) and stating: “no mandate to institute review”).

Congress not only left the discretion to the Director but also protected its exercise from judicial review, even regarding the mandatory threshold conditions for institution, at least where, as here, the court challenge is not on a constitutional ground. *See Cuozzo*, 579 U.S. at 275 (noting that it was not addressing challenges that implicate constitutional questions, which present distinct issues regarding congressional preclusion of judicial review).<sup>1</sup> Thus, Congress declared: “The determination by the Director whether to institute an inter partes review under [§ 314] shall be final and nonappealable.” 35 U.S.C. § 314(d). Based on that provision, whose terms apply whether the determination is negative or positive, the Supreme Court has held that the institution decision is unreviewable, even in a proper appeal of a final written decision reached by the Board after a positive institution determination: “Congress has committed the decision to institute inter partes review to the Director’s unreviewable discretion.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1977 (2021); *see Thryv*, 140

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<sup>1</sup> Because the present case does not involve a constitutional challenge, we hereafter generally refrain from noting that the unreviewability principle at issue has not been extended to constitutional challenges.

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