No. 15-838

IN THE

Supreme Court of the United States

STATE OF VERMONT,

Petitioner,

v.

MPHJ TECHNOLOGY INVESTMENTS, LLC,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

BRIEF OF PUBLIC KNOWLEDGE AND THE ELECTRONIC FRONTIER FOUNDATION AS *AMICI CURIAE* IN SUPPORT OF PETITIONER

CHARLES DUAN
Counsel of Record
PUBLIC KNOWLEDGE
1818 N Street NW, Suite 410
Washington, DC 20036
(202) 861-0020
cduan@publicknowledge.org

Counsel for amici curiae

TABLE OF CONTENTS

TABLE OF AUTHORITIES ii
INTEREST OF *AMICI CURIAE* 1
SUMMARY OF ARGUMENT 2
ARGUMENT 4

I. The Federal Circuit Lacked Subject Matter Jurisdiction Because the Relevant Claim Does Not Arise Under Patent Law 4

II. The Federal Circuit Is Not Institutionally Designed to Adjudicate State Consumer Protection Law, Making Jurisdictional Limitations Even More Important 8

III. The Jurisdictional Error Demands Correction Even Though the Merits Ruling Favored the Petitioner 11

A. It Is Fundamentally Improper for a Court Without Subject Matter Jurisdiction to Address a Merits Issue at All 12

B. The Merits Ruling Without Jurisdiction Is Thus an Ultra Vires and Unconstitutional Advisory Opinion 13

CONCLUSION 15

TABLE OF AUTHORITIES

Cases

Alice Corp. Pty. Ltd. v. CLS Bank International,
134 S. Ct. 2347 (2014) 1

Arizonans for Official English v. Arizona,
520 U.S. 43 (1997) 13

Bender v. Williamsport Area School District,
475 U.S. 534 (1986) 12–13

Bonito Boats, Inc. v. Thunder Craft Boats, Inc.,
489 U.S. 141 (1989) 10

Christianson v. Colt Industries Operating Corp.,
486 U.S. 800 (1988) 7, 10, 14

Dow Chemical Co. v. Exxon Corp.,
139 F.3d 1470 (Fed. Cir. 1998) 6

Eastern Railroad Presidents Conference v. Noerr Motor Freight, Inc.,
365 U.S. 127 (1961) 6

eBay Inc. v. MercExchange, LLC,
547 U.S. 388 (2006) 10

Ex parte McCardle,
74 U.S. 506 (1868) 14

Globetrotter Software, Inc. v. Elan Computer Group, Inc.,
362 F.3d 1367 (Fed. Cir. 2004) 2–7

Gunn v. Minton,
133 S. Ct. 1059 (2013) 10, 14

Hunter Douglas, Inc. v. Harmonic Design, Inc.,
153 F.3d 1318 (Fed. Cir. 1998) 6

Kewanee Oil Co. v. Bicron Corp.,
416 U.S. 470 (1974) 10

Marbury v. Madison,
5 U.S. (1 Cranch) 137 (1803) 12

Medtronic, Inc.
v. Mirowski Family Ventures, LLC,
134 S. Ct. 843 (2014) 10

Mitchell v. Maurer,
293 U.S. 237 (1944) 13

Nautilus, Inc. v. Biosig Instruments, Inc.,
134 S. Ct. 2120 (2014) 1

Octane Fitness, LLC
v. Icon Health & Fitness, Inc.,
134 S. Ct. 1749 (2014) 1

Ruhrgas AG v. Marathon Oil Co.,
526 U.S. 574 (1999) 12, 14

Schlesinger
v. Reservists Committee to Stop the War,
418 U.S. 208 (1974) 12

Steel Co. v. Citizens for a Better Environment,
523 U.S. 83 (1998) 12–14

United States v. Corrick,
298 U.S. 435 (1936) 14

United States v. Richardson,
418 U.S. 166 (1974) 12

Vermont v. MPHJ Technology Investments, LLC,
803 F.3d 635 (Fed. Cir. 2015) 5

Zenith Electronics Corp. v. Exzec, Inc.,
182 F.3d 1340 (Fed. Cir. 1999) 6

Constitutional Provisions

U.S. Const. amend. 1 6–7

U.S. Const. art. VI, cl. 2 7

Statutes

28 U.S.C. § 1295(a)(1) 7, 14

——— § 1331 7

——— § 1338(a) 7

Other Sources

Defendant-Appellant's Appeal Brief, *Vermont v. MPHJ Tech. Invs., LLC*, 803 F.3d 635 (Fed. Cir. Apr. 6, 2015) (No. 15-1310) 5

Shubha Ghosh, *Short-Circuiting Contract Law: The Federal Circuit's Contract Law Jurisprudence and IP Federalism*, 96 J. Pat. & Trademark Off. Soc'y 536 (2014) 9–10

Paul R. Gugliuzza, *Patent Trolls and Preemption*, 101 Va. L. Rev. 1579 (2015) 6, 11

Paul R. Gugliuzza, *Rethinking Federal Circuit Jurisdiction*, 100 Geo. L.J. 1437 (2012) 9–10

H.R. Rep. No. 97-312 (1981) 9

Richard A. Posner, *The Federal Courts: Challenge and Reform* (1999) 8

The Impact of Patent Assertion Entities on Innovation and the Economy: Hearing Before the Subcomm. on Oversight and Investigations of the H. Comm. on Energy and Commerce, 113th Cong. (2013) 11

John R. Thomas, *Formalism at the Federal Circuit*, 52 Am. U. L. Rev. 771 (2003) 9

INTEREST OF *AMICI CURIAE*

Public Knowledge[1] is a non-profit organization that is dedicated to preserving the openness of the Internet and the public's access to knowledge, promoting creativity through balanced intellectual property rights, and upholding and protecting the rights of consumers to use innovative technology lawfully. Public Knowledge advocates on behalf of the public interest for a balanced patent system, particularly with respect to new and emerging technologies.

The Electronic Frontier Foundation is a non-profit civil liberties organization that has worked for over 20 years to protect consumer interests, innovation, and free expression in the digital world. Founded in 1990, EFF represents over 26,000 contributing members. EFF and its members have a strong interest in promoting balanced intellectual property policy that serves both public and private interests.

Public Knowledge and the Electronic Frontier Foundation have previously served as *amici* in patent cases. *E.g., Alice Corp. Pty. Ltd. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014); *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 2120 (2014); *Octane Fitness, LLC v. Icon Health & Fitness, Inc.*, 134 S. Ct. 1749 (2014).

[1] Pursuant to Supreme Court Rule 37.2(a), all parties recieved appropriate notice of the filing of this brief. Petitioner consented to the filing; Respondent indicated that it would not oppose. Pursuant to Rule 37.6, 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 the brief. No person or entity, other than *amici*, their members, or their counsel, made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF ARGUMENT

Of the questions that appear before this Court, those of subject matter jurisdiction have taken on a particular importance. Touching on the very questions of what courts may or may not say, this Court has repeatedly held that subject matter jurisdiction is an essential prerequisite to any adjudication, and jurisdictional matters must take primacy regardless of when the parties raise the question or whether it will make a substantive difference to the outcome.

Yet here, the Court of Appeals considered a state consumer protection statute and a counterclaim that the statute was preempted by the patent laws from regulating the sending of demand letters indicating patent infringement. By this bare showing, the court found the counterclaim to arise under the patent laws, thus falling within the court's subject matter jurisdiction.

That decision was incorrect. The Court of Appeals lacked jurisdiction, and its rendering of an opinion despite that lack of power constituted an ultra vires act of the court. Certiorari is required to correct this fundamental error.

1. The decision on petition makes no citation to authority for why patent law preempts a state law regulating demand letters, but it is almost certain that the preemption theory stemmed from the Federal Circuit's decision in *Globetrotter Software, Inc. v. Elan Computer Group, Inc.* But the logic of that case is that the First Amendment, not the preemptive effect of patent law, is what controls the ability of states to regulate demand letters. *Globetrotter* thus does not support the proposition that questions about patent demand letters arise under the patent laws, and consequently the Federal Circuit has

no leg to stand on in asserting that the preemption counterclaim can support subject matter jurisdiction.

The error propagated by *Globetrotter* is not a technical or merits issue, but rather goes to the heart of the jurisdictional matter at hand. For by conflating a First Amendment cause of action with a preemption one, the Federal Circuit improperly expanded its subject matter jurisdiction to include First Amendment matters. This is an ongoing error resting on the Federal Circuit's precedent, but it is one which requires immediate attention.

2. Furthermore, the institutional design of the Federal Circuit shows that it would be highly improper to have that specialized appellate court deciding matters of state consumer protection law as it did in the decision on petition. The Federal Circuit was designed to prevent forum shopping and to increase uniformity in patent law. Thus, by design, the court focuses on its specific domain of patent law, making it questionable for that court to wade into the totally unrelated field of consumer protection statutes.

And given the tenuous connection between the legal issues of patent demand letters and actual doctrines of patent law (highlighted by *Globetrotter*'s failure to refer to any such patent doctrine), it is difficult to see why the interest in uniformity of patent law would be better served by having the Federal Circuit divide off a fraction of consumer protection cases from state and regional circuit courts. Instead, the likely result of the case will be to create *disuniformity* in the laws of the states, a result that ought to be avoided.

3. While it is recognized that the Petitioner was successful on the merits before the Federal Circuit, that has no bearing on whether this Court should grant certiorari.

This Court has held numerous times that jurisdictional issues must come first; that even if the merits decision would result in the same outcome as the jurisdictional decision, jurisdiction must be addressed initially. This rule ensures that courts do not pronounce statements of the law beyond their constitutional authority, as opinions without jurisdiction are advisory opinions.

The Federal Circuit, by reviewing this case without proper subject matter jurisdiction, did exactly what this Court has strenuously sought to avoid: the appellate court rendered an advisory opinion without power to do so. Even if the Petitioner is unaffected by the result, the law as a general matter is affected. This Court is no stranger to using certiorari to correct jurisdictional matters, and it should again do so here.

ARGUMENT

I. THE FEDERAL CIRCUIT LACKED SUBJECT MATTER JURISDICTION BECAUSE THE RELEVANT CLAIM DOES NOT ARISE UNDER PATENT LAW

In finding subject matter jurisdiction in this case, the Federal Circuit availed itself of a serious error in its prior decision *Globetrotter Software, Inc. v. Elan Computer Group, Inc.*, 362 F.3d 1367 (Fed. Cir. 2004), an error that unilaterally expanded the Federal Circuit's jurisdiction to include matters only tenuously related to patent law. Certiorari should be granted to correct this error.

The present case presented a counterclaim alleging that federal patent law preempted a Vermont consumer protection statute, on the grounds that the statute would increase the difficulty of sending demand letters alleging

patent infringement.[2] Without citation, the Federal Circuit held that proof of the counterclaim "would necessarily require proving that the patent law preclude enforcement" of the consumer protection statute, and therefore the counterclaim arose under patent law, giving the Federal Circuit subject matter jurisdiction.

Even absent cited authority, though, there is little doubt that the Federal Circuit's jurisdictional conclusion arose from its holding in *Globetrotter*. That decision was the sole authority of relevance cited in MPHJ's brief to the Federal Circuit, and it is the case most directly on point for the proposition that patent law preempts state laws restricting the sending of patent demand letters. *See* Defendant-Appellant's Appeal Brief at 37–39, *Vermont v. MPHJ Tech. Invs., LLC*, 803 F.3d 635 (Fed. Cir. Apr. 6, 2015) (No. 15-1310).

But *Globetrotter* did not properly hold that patent law was the source of preemption—indeed, properly read, the case does not involve preemption at all. To the extent it said otherwise, *Globetrotter* was in error of constitutional dimensions.

1. In *Globetrotter*, an accused patent infringer brought a tortious interference claim against a patent owner, on the grounds that the patent owner sent allegations of patent infringement to the accused infringer's business partner. *See* 362 F.3d at 1374. The Federal Circuit held that "federal patent law preempts state-law tort liability for a patent-holder's good faith conduct in communications asserting infringement of its patent," and thus rejected the tortious interference claim. *Id.*

[2]The letters at issue alleged that the recipient was currently infringing certain patents, and that litigation would ensue if a fee was not promptly paid.

But in explaining why *patent law* supposedly preempted state tort law, the Federal Circuit relied entirely on cases interpreting the *Petition Clause of the First Amendment*, not the patent laws. The court explained that the "jurisprudential background" of its supposed preemption doctrine was the *Noerr-Pennington* doctrine, which addresses the First Amendment's protection of "activities directed toward influencing government action." *Globetrotter*, 362 F.3d at 1375 (citing *E.R.R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 135–36 (1961)).

Thus, by the Federal Circuit's own reasoning, it is the First Amendment and not preemption by the patent laws that controls state law liability for patent demand letters.[3] This error is widely acknowledged. Commentators have referred to the Federal Circuit's "confusion as to the constitutional basis for limiting state authority." Paul R. Gugliuzza, *Patent Trolls and Preemption*, 101 Va. L. Rev. 1579, 1616 (2015) [hereinafter Gugliuzza, *Preemption*]. Indeed, under the *Globetrotter* analysis, a *federal* law that prevented sending of patent demand letters would also be impermissible, a result that makes no sense under a preemption analysis. *See* Gugliuzza, *Preemption*, *supra*, at 1365. The only proper reading of the Federal Circuit's doctrine on state laws relating to patent

[3]*Globetrotter* tries to save itself from this error by asserting that its holding "rest on both federal preemption and the First Amendment." *Id.* at 1377. But the sole citation supporting preemption is to *Zenith Electronics Corp. v. Exzec, Inc.*, a case that asserts that conclusion with no support apart from two cases that did *not* find preemption. *See* 182 F.3d 1340, 1355 (Fed. Cir. 1999) (citing *Dow Chem. Co. v. Exxon Corp.*, 139 F.3d 1470 (Fed. Cir. 1998); *Hunter Douglas, Inc. v. Harmonic Design, Inc.*, 153 F.3d 1318 (Fed. Cir. 1998)).

demand letters is that such laws are controlled by the First Amendment, not the Patent Act.

2. The Federal Circuit's inexplicable and mistaken First-Amendment-as-patent-preemption doctrine is no mere technical error. The misapplication of the Supremacy Clause effectively and impermissibly expands the Federal Circuit's subject matter jurisdiction, as exemplified by this very case.

It is an "age-old rule that a court may not in any case, even in the interest of justice, extend its jurisdiction where none exists." *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800, 818 (1988). The Federal Circuit's relevant subject matter jurisdiction is limited to matters "arising under . . . any Act of Congress relating to patents." 28 U.S.C. § 1295(a)(1); *see also* § 1338(a) (granting district courts original jurisdiction over patent cases). By contrast, an issue involving the First Amendment would fall under general federal question jurisdiction. *See* 28 U.S.C. § 1331.

So if *Globetrotter* had stated correctly that it was the First Amendment that prohibited state tort laws preventing the sending of good faith patent demand letters, then it would be facially apparent that the present case falls outside the Federal Circuit's jurisdiction. The *Noerr-Pennington* doctrine is not specific to patents, so § 1331 would be the sole avenue to jurisdiction.

But by mischaracterizing a Petition Clause issue as a preemption matter, the Federal Circuit effectively handed itself a swath of cases that do not belong within the court's statutory jurisdiction. In the wake of the decision on petition here, the Federal Circuit could potentially find itself deciding matters of constitutional and state consumer protection law, matters having absolutely nothing

to do with patent law. This is an untenable result that violates the most fundamental principles of subject matter jurisdiction and separation of powers.

Accordingly, this Court should grant certiorari and eliminate this improper expansion of the Federal Circuit's subject matter jurisdiction.

II. The Federal Circuit Is Not Institutionally Designed to Adjudicate State Consumer Protection Law, Making Jurisdictional Limitations Even More Important

The Federal Circuit's specialized nature makes it ill suited to weighing on the validity of state consumer protection laws. As a specialized court, the Federal Circuit has developed a highly formalistic and specific jurisprudence in its areas of jurisdiction, a development that this Court has often criticized. Specialization arguably interferes with the court's institutional capacity to evaluate general concerns of state law and federal constitutional law, which could lead to undesirable disuniformities with the law of the states. Lastly, expanding the Federal Circuit's jurisdiction to cover state law consumer protection matters would have severely deleterious consequences on states' ability to regulate abusive and deceptive practices within their borders. Accordingly, this Court should grant certiorari to correct the Federal Circuit's error in finding subject matter jurisdiction.

1. While the Federal Circuit's caseload is not solely limited to patents, the court "is more specialized than any of the regional courts of appeals." Richard A. Posner, *The Federal Courts: Challenge and Reform* 245 (1999). This specialization was intended both to remove "unusually complex, technically difficult, and time-consuming cases

from the dockets of the regional courts of appeals," and "to reduce the widespread lack of uniformity and uncertainty of legal doctrine that exist in the administration of patent law." H.R. Rep. No. 97-312, at 22–23 (1981).

But the Federal Circuit's patent law specialization has led to criticism of its decisions. Critics have asserted that the Federal Circuit's patent law jurisprudence "is not sufficiently responsive to the philosophy of the Patent Act, to national competition policy, and to the needs of researchers and technology users[.]" Paul R. Gugliuzza, *Rethinking Federal Circuit Jurisdiction*, 100 Geo. L.J. 1437, 1439 (2012) [hereinafter Gugliuzza, *Rethinking*]. The court's decisions have been called excessively formalist, *see* John R. Thomas, *Formalism at the Federal Circuit*, 52 Am. U. L. Rev. 771, 794 (2003), and "divorced from state law or broader . . . policy," Shubha Ghosh, *Short-Circuiting Contract Law: The Federal Circuit's Contract Law Jurisprudence and IP Federalism*, 96 J. Pat. & Trademark Off. Soc'y 536, 551 (2014). This Court's numerous reversals of bright-line rules of that appellate court suggest the merit of these critiques.

Insofar as the Federal Circuit's decisions about its field of expertise have raised concerns with this Court, its decisions outside that field should potentially raise greater concerns. The Federal Circuit also has jurisdiction over certain veterans' appeals cases, and at least one commentator has noted that the court's tendency toward formalism in patent law has spilled over into veterans' cases, which "suggests that veterans law might benefit from a more generalized perspective at the appellate level and that formalism in the Federal Circuit might not be a problem in patent law only—it could be an institutional or structural problem with the Federal

Circuit." Gugliuzza, *Rethinking*, *supra*, at 1481–82. Indeed, in other cases where significant legal issues apart from patent law are asserted, the Federal Circuit has often proven ill-equipped to consider fully the policies and implications of those issues.[4]

It thus seems questionable to place state consumer protection statutes, matters that have just about nothing to do with patent law, within the subject matter jurisdiction of the Federal Circuit. The likely result is that the holdings reached by the Federal Circuit will diverge from the law developed by state and regional circuit courts, opening the door to forum shopping and legal disuniformity—an ironic result for an appellate court whose purpose *ab initio* was to reduce forum shopping and disuniformity. *Cf.* Ghosh, *supra*, at 551 ("[T]he Federal Circuit has used its jurisdiction over patent claims to create a body of contract doctrine that is divorced from state law or broader contract policy.").

2. The interest in uniformity of patent law cannot justify the Federal Circuit's wading into these state matters. Not every case in which a patent or patent holder is implicated will invoke concerns of patent uniformity. *See, e.g.*, *Gunn v. Minton*, 133 S. Ct. 1059, 1067 (2013); *Christianson*, 486 U.S. at 820. Further, this Court has recognized significant state interests in regulating unfair and deceptive practices. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 487 (1974); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 155 (1989).

---

[4] *See, e.g.*, *Christianson*, 486 U.S. at 818; *eBay Inc. v. MercExchange, LLC*, 547 U.S. 388, 393–94 (2006) (rejecting the Federal Circuit's interpretation of the four-factor injunction test); *Medtronic, Inc. v. Mirowski Family Ventures, LLC*, 134 S. Ct. 843, 850–51 (2014) (rejecting Federal Circuit's invention of a burden-shifting rule in declaratory judgment actions).

Where a state regulates unfair, deceptive, or abusive demand letter practices, this does not implicate the uniformity of the patent laws. Indeed, "the federal Patent Act simply does not address the issue of *unfair or deceptive* patent enforcement in any way—it neither condemns nor immunizes it." Gugliuzza, *Preemption*, *supra*, at 25. By contrast, the problem of abusive patent demand letters has attracted state regulators and legislative commerce committees. *See id.* at 1582; *The Impact of Patent Assertion Entities on Innovation and the Economy: Hearing Before the Subcomm. on Oversight and Investigations of the H. Comm. on Energy and Commerce*, 113th Cong. (2013). This suggests that the route to addressing demand letters lies not in the development of patent law, but rather in state and constitutional law, matters reserved to state courts and the regional circuits.

There is no doubt that the judges of the Federal Circuit strive to reach correct outcomes, in patent cases and otherwise. But institutionally, it is a court intended to adjudicate specific matters, as designed by Congress and implemented through a limited grant of subject matter jurisdiction. To ensure that the development of the law follows that carefully constructed congressional plan, this Court should grant certiorari and reverse the Federal Circuit's finding of jurisdiction.

III. The Jurisdictional Error Demands Correction Even Though the Merits Ruling Favored the Petitioner

This Court has repeatedly stated that courts must assure themselves both of their jurisdiction, and the jurisdiction of the lower courts, at every level of appeal, even where the parties failed to address the issue or

where the merits ruling would lead to the same outcome. Here, while it is true that the Court of Appeals ultimately ruled on the merits in favor of Petitioner, that ruling is meaningless and requires reversal as the rendering court lacked subject matter jurisdiction to issue the ruling. Certiorari should be granted to correct this grievous error.

A. It Is Fundamentally Improper for a Court Without Subject Matter Jurisdiction to Address a Merits Issue at All

A federal court must ensure that it has subject matter jurisdiction before speaking at all to the merits of a question, because subject matter jurisdiction goes to that court's very power to address any claim before it. "Federal courts are not courts of general jurisdiction; they have only the power that is authorized by article III of the Constitution and the statutes enacted by Congress pursuant thereto." *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986) (citing *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 173–80 (1803)). Thus, jurisdiction is "an essential ingredient of separation and equilibration of powers"; for a court to issue a ruling absent jurisdiction "is, by very definition, for a court to act ultra vires." *Steel Co. v. Citizens for a Better Env't*, 523 U.S. 83, 101–02 (1998) (citing *United States v. Richardson*, 418 U.S. 166, 179 (1974); *Schlesinger v. Reservists Comm. to Stop the War*, 418 U.S. 208, 227 (1974)); *see also Ruhrgas AG v. Marathon Oil Co.*, 526 U.S. 574, 583 (1999).

Because jurisdiction is fundamental to the power of the courts, this Court has repeatedly held that errors of jurisdiction must be corrected, even where a dismissal for lack of jurisdiction would effect the same result as a dismissal on the merits. In *Steel Co.*, the question pre-

sented on the merits concerned interpretation of a federal statute. *See* 523 U.S. at 86. But this Court refused to consider that statutory interpretation, turning instead to the question of whether the lower courts had subject matter jurisdiction. Finding none, this Court refused to address the merits question. *See id.* at 109–10.

In finding no jurisdiction, this Court firmly rejected a practice in which courts assumed that jurisdiction existed to resolve the merits question where the merits resolution would have the same effect as a denial of jurisdiction. *Id.* at 93–94. Such a practice "carries the courts beyond the bounds of authorized judicial action and thus offends fundamental principles of separation of powers." *Id.* at 94. Indeed, *Steel Co.* observed precedents that had denied jurisdiction even where the parties concede it, even where the parties fail to address it entirely, and *even where lack of jurisdiction is raised by a losing plaintiff*. *Id.* at 95 (citing *Arizonans for Official English v. Arizona*, 520 U.S. 43, 73 (1997); *Mitchell v. Maurer*, 293 U.S. 237, 244 (1944); *Bender*, 475 U.S. at 541).

Accordingly, *Steel Co.* stands for the proposition that subject matter jurisdiction must be correctly assessed before any merits decision may be reached.

B. The Merits Ruling Without Jurisdiction Is Thus an Ultra Vires and Unconstitutional Advisory Opinion

Applying the clear principles of *Steel Co.* and other precedents leads to the inevitable conclusion that the Federal Circuit's decision, having been issued without subject matter jurisdiction, is a harmful violation of constitutional separation of powers.

Even more so than the regional circuits, the United States Court of Appeals for the Federal Circuit is sharply limited in its subject matter jurisdiction, having relevant power solely over claims arising under "any Act of Congress relating to patents." 28 U.S.C. § 1295(a)(1). That is not plenary power to hear any case in which the concept of patents is remotely implicated. *See Gunn*, 133 S. Ct. at 1065; *Christianson*, 486 U.S. at 808–09.

While it is true that the Petitioner here would face no different result in this case if jurisdiction were denied, the harm of the Federal Circuit's erroneous assertion of power here reaches more broadly than just to the case at hand. "Jurisdiction is power to declare the law," that is, to establish binding precedent. *Ex parte McCardle*, 74 U.S. 506, 514 (1868). The Federal Circuit's opinion—published and designated precedential—has that binding effect, but without subject matter jurisdiction the opinion is an unconstitutional "advisory opinion, disapproved by this Court from the beginning." *Steel Co.*, 523 U.S. at 101. Proper accord to separation of powers requires disapproval of that ineffective statement of law.

Subject matter jurisdiction "must be policed by the courts on their own initiative even at the highest level." *Ruhrgas AG*, 526 U.S. at 583. "And if the record discloses that the lower court was without jurisdiction *this court will notice the defect.*" *United States v. Corrick*, 298 U.S. 435, 440 (1936) (emphasis added). In this case, a federal appellate court issued a ruling on a state consumer protection statute, even though that appellate court's subject matter jurisdiction was limited to matters of federal patent law. The ruling was without jurisdiction and thus without power or effect. This Court should notice the defect, and it should grant certiorari to correct it.

CONCLUSION

For the foregoing reasons, the writ of certiorari should be granted.

Respectfully submitted,

CHARLES DUAN
Counsel of Record
PUBLIC KNOWLEDGE
1818 N Street NW, Suite 410
Washington, DC 20036
(202) 861-0020
cduan@publicknowledge.org

Counsel for amici curiae

January 29, 2016

Rev. c74c9ec5