UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

MYLAN PHARMACEUTICALS INC., TEVA PHARMACEUTICALS USA, INC., and AKORN INC.,
Petitioners,
v.
ALLERGAN, INC.,
Patent Owner.

Case IPR2016-01127 (8,685,930 B2)
Case IPR2016-01128 (8,629,111 B2)
Case IPR2016-01129 (8,642,556 B2)
Case IPR2016-01130 (8,633,162 B2)
Case IPR2016-01131 (8,648,048 B2)
Case IPR2016-01132 (9,248,191 B2) [1]

BRIEF OF AMICI SCHOLARS IN SUPPORT OF PATENT OWNER THE ST. REGIS MOHAWK TRIBE

[1] Cases IPR2017-00576 and IPR2017-00594, IPR2017-00578 and IPR2017-00596, IPR2017-00579 and IPR2017-00598, IPR2017-00583 and IPR2017-00599, IPR2017-00585 and IPR2017-00600, and IPR2017-00586 and IPR2017-00601 have respectively been joined with the captioned proceedings.

INTRODUCTION AND INTEREST OF AMICI

Pursuant to the Board's Order of November 3, 2017, the undersigned scholars submit this brief amici curiae in support of the St. Regis Mohawk Tribe, the Patent Owner in this proceeding. Amici are legal scholars with expertise in the U.S. Constitution, the separation of powers, and the proper role of governmental agencies such as the Patent Trial and Appeal Board ("PTAB").

Amici submit that, where a patent owner establishes a prima facie showing of tribal sovereign immunity, the Board should accept that showing at face value and decline to entertain the kind of arguments against tribal sovereign immunity that Petitioners seek to raise here. Congress, not the Board (nor Article III courts), is the arbiter of tribal immunity and the proper forum for considering the policy arguments and objections raised by Petitioners.

ARGUMENT

Petitioners Mylan Pharmaceuticals, Inc. *et al*. contend that "[c]ourts and agencies have the power and duty" to deny assertions of tribal sovereign immunity to prevent what they call "abuses." Petrs. Opp. to Motion to Dismiss, Paper 87, IPR2016-01127 (Oct. 13, 2017), at 10. Petitioners maintain that "[s]overeign immunity does not require respect for an agreement designed to protect patents from review." *Id*. at 13. They describe the Tribe's assertion of immunity as being part of a "sham" (*id.* at 2, 10, 11, 12, 13), a "contrivance" (*id.* at 3), a "manipulation" (*id.* at

15), and a "rent-a-tribe" scheme. *Id.* at 10 (internal quotation marks and citation omitted). They urge the Board to withhold tribal immunity to protect "the integrity of the patent system" (*id*. at 13) and to prevent patent owners from "reap[ing] a windfall at the public's expense." *Id*. at 11 (citation and internal quotation marks omitted); *id*. at 12 ("private gain at public expense . . . is no justification for extending tribal immunity").

Petitioners' contentions miss the mark. Tribal sovereignty is not a "sham" or a "contrivance," even when it produces results Petitioners do not like. There is no dispute that the St. Regis Mohawk Tribe is what the Supreme Court has termed a "domestic dependent nation[]" (*Cherokee Nation v. Georgia*, 30 U.S. 1, 17 (1831) (Marshall, C.J.)) entitled to tribal sovereign immunity and that its agreement with Allergan is a legitimate contract. Further, the Tribe has explained that the contract serves its sovereign interests and 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 Michigan v. Bay Mills Indian Community*, 134 S. Ct. 2024, 2043-45 (2014) (Sotomayor, J., concurring).

Moreover, Petitioners' objections are being raised in the wrong forum. Congress – rather than the Board, the Article II executive, or even the Article III courts – controls the availability of tribal sovereign immunity. As the Supreme Court has explained, "it is fundamentally Congress's job, not ours, to determine

whether or how to limit tribal immunity. The special brand of sovereignty the tribes retain—both its nature and its extent—rests in the hands of Congress." *Bay Mills Indian Community*, 134 S. Ct. at 2037. Congress has not withdrawn tribal immunity in patent cases. Where a patent owner makes a prima facie showing of tribal sovereign immunity, the Board should recognize that showing and decline to consider the kind of challenges to immunity that Petitioners seek to raise. There is no warrant for the Board to entertain Petitioners' policy objections to the Tribe's assertion of sovereign immunity, and doing so would interfere with Congress's plenary and exclusive responsibility for setting the boundaries of tribal immunity.

The Board has already adopted a similar approach in recognizing the sovereign immunity of three state universities. *See Covidien LP v. Univ. of Fla. Research Found. Inc*., IPR2016-01274, Paper 21 at 39 (Jan. 25, 2017); *Neochord, Inc. v. Univ. of Md., et al.*, IPR2016- 00208, Paper 28 at 20 (May 23, 2017); *Reactive Surface Ltd., LLP v. Toyota Motor Corp*., IPR2016-01914, Paper 36 at 17 (July 13, 2017). The Board should follow the same approach with respect to tribal sovereign immunity.

The Supreme Court's decision in *Republic of Philippines v. Pimentel*, 553 U.S. 851 (2008), provides instruction for the proper resolution of this proceeding. In *Pimental*, the Supreme Court held that an interpleader action could not proceed in the absence of the Republic of the Philippines and a government-created

commission, which were protected by sovereign immunity. The Court explained that, once a tribunal recognizes that an assertion of sovereign immunity is "not frivolous," it is "error" for the tribunal to proceed further to address the merits. *Id.* at 864. "[W]here sovereign immunity is asserted, and the claims of the sovereign are not frivolous," the tribunal should accept those claims. *Id.* at 867. The Board should follow that approach here and decline to consider Petitioners' policy objections to tribal sovereign immunity.

I. Congress, Not The Board, is the Arbiter of Tribal Sovereign Immunity.

"Indian tribes are 'domestic dependent nations' that exercise 'inherent sovereign authority.'" *Michigan v. Bay Mills Indian Community*, 134 S. Ct. 2024, 2030 (2014) (citations omitted). "As dependents, the tribes are subject to plenary control by Congress," although "they remain 'separate sovereigns pre-existing the Constitution.'" *Id.* (citation omitted). "Thus, unless and 'until Congress acts, the tribes retain' their historic sovereign authority." *Id.* (citation omitted). The Supreme Court has "time and again treated the 'doctrine of tribal immunity [as] settled law' and dismissed any suit against a tribe absent congressional authorization (or a waiver)." *Id.* at 2030-31 (quoting and following *Kiowa Tribe of Okla. v. Manufacturing Technologies, Inc.*, 523 U.S. 751, 756 (1998)).

"Among the core aspects of sovereignty that tribes possess— subject, again, to congressional action—is the 'common-law immunity from suit traditionally enjoyed by sovereign powers.'" *Bay Mills Indian Community*, 134 S. Ct. at 2030 (quoting *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 58 (1978)). That immunity, the Supreme Court has explained, is "a necessary corollary to Indian sovereignty and self-governance." *Three Affiliated Tribes of Fort Berthold Reservation v. Wold Engineering, P.C.*, 476 U.S. 877, 890 (1986). Immunity from suit reflects a logical corollary of sovereignty (protection from suit in court absent consent), the governance needs of the sovereign in protecting the public fisc and allocating resources according to the political needs of its population, and a dignitary interest in the form of respect from other governments as a matter of comity. [2]

The Supreme Court has repeatedly stressed that ***Congress*** plays the exclusive role in setting the bounds of tribal sovereign immunity. Neither Article III courts nor administrative agencies (nor even the Article II Executive) may disregard an

[2] *See Washington v. Confederated Tribes of Colville Reservation*, 447 U.S. 134, 154 (1980); *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 56 (1978); *Puyallup Tribe, Inc. v. Department of Game of Wash.*, 433 U.S. 165, 167-68, 172-73 (1977); *United States v. United States Fidelity & Guaranty Co.*, 309 U.S. 506, 512 (1940); *Turner v. United States*, 248 U.S. 354, 358 (1919); *Parks v. Ross*, 52 U.S. (11 How.) 362, 374 (1850); David H. Getches, Charles F. Wilkinson, Robert A. Williams Jr., Matthew L.M. Fletcher, and Kristen A. Carpenter, Cases and Materials on Federal Indian Law 415-65 (7th ed. 2017); Catherine T. Struve, Tribal Immunity and Tribal Courts, 36 Ariz. St. L.J. 137, 139-45 (2004) (providing a deep account of tribal sovereign immunity in Supreme Court precedents).

assertion of tribal immunity that Congress has seen fit to retain. As the Supreme Court has explained, "it is fundamentally Congress's job, not ours, to determine whether or how to limit tribal immunity. The special brand of sovereignty the tribes retain—both its nature and its extent—rests in the hands of Congress." *Bay Mills Indian Community*, 134 S. Ct. at 2037. "[A] fundamental commitment of Indian law is judicial respect for Congress's primary role in defining the contours of tribal sovereignty." *Id.* at 2039. Congress "has the greater capacity 'to weigh and accommodate the competing policy concerns and reliance interests' involved in the issue." *Id.* at 2037-38 (citation omitted).[3]

The baseline condition is one of tribal immunity. As long ago as *Talton v. Mayes*, 163 U.S. 376, 425 (1896), the Supreme Court recognized the "powers of self-government enjoyed by the Cherokee nation existed prior to the Constitution." Thus, the Court's decisions establish that any congressional abrogation of tribal sovereign immunity "must be clear. The baseline position, we have often held, is

[3] *See also United States v. Lara*, 541 U.S. 193, 200 (2004) (Congress's power is "plenary and exclusive") (citations omitted); *Kiowa*, 523 U.S. at 758 ("we defer to the role Congress may wish to exercise in this important judgment"); *Oklahoma Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Oklahoma*, 498 U.S. 505, 510 (1991) (because "Congress has always been at liberty to dispense with" or limit tribal immunity, "we are not disposed to modify" its scope); *Santa Clara Pueblo*, 436 U.S. at 60 ("[A] proper respect ... for the plenary authority of Congress in this area cautions that [the courts] tread lightly"); Felix Cohen, Handbook of Federal Indian Law § 2.01[1], at 110 (1982 ed.), ("Judicial deference to the paramount authority of Congress in matters concerning Indian policy remains a central and indispensable principle of the field of Indian law").

tribal immunity; and '[t]o abrogate [such] immunity, Congress must 'unequivocally' express that purpose.'" *Bay Mills Indian Community*, 134 S. Ct. at 2031 (quoting *C&L Enterprises, Inc. v. Citizen Band Potawatomi Tribe of Okla.*, 532 U.S. 411, 418 (2001)). "That rule of construction reflects an enduring principle of Indian law: Although Congress has plenary authority over tribes, courts will not lightly assume that Congress in fact intends to undermine Indian self-government." *Id*. at 2031-32.

Congress has exercised its power by choosing to adjust tribal immunity in some contexts but not others. In *Kiowa*, for example, the Court noted that Congress had restricted tribal immunity "in limited circumstances" (including in 25 U.S.C. § 450f(c)(3) (mandatory liability insurance); § 2710(d)(7)(A)(ii) (gaming activities)), while "in other statutes" declaring an "intention not to alter" the doctrine. 523 U.S. at 758; *see also Oklahoma Tax Comm'n v. Citizen Band Potawatomi Indian Tribe of Oklahoma*, 498 U.S. 505, 510 (1991) (discussing Indian Financing Act of 1974, 88 Stat. 77, 25 U.S.C. § 1451 *et seq.*). "Congress should make the call whether to curtail a tribe's immunity," and "the Court should accept Congress's judgment." *Bay Mills Indian Community*, 134 S. Ct. at 2038 (enforcing tribal sovereign immunity even though Congress, in the Indian Gaming Regulatory Act, had abrogated tribal immunity in certain circumstances)

Here, the critical fact is that Congress did not expressly abrogate tribal sovereign immunity in the America Invents Act, or any other statute, for purposes

of *inter partes* review. In fact, tribes are not mentioned in any statute governing patents. *See Home Bingo Network v. Multimedia Games, Inc.*, No. 1:05-CV-0608, 2005 WL 2098056, at *1 (N.D.N.Y. Aug. 30, 2005) ("Plaintiff points to no authority that Congress has expressly waived tribal immunity with respect to the enforcement of patents."); *Specialty House of Creation, Inc. v. Quapaw Tribe*, No. 10-CV-371-GKF-TLW, 2011 WL 308903, at *1 (N.D. Okla. Jan. 27, 2011) (noting lack of "authority that Congress has expressly abrogated tribal sovereign immunity with respect to the enforcement of patents").

Indeed, legislation has been introduced in Congress to address the very issue of tribal sovereign immunity in *inter partes* review. *See, e.g.*, S. 1948, 115th Cong., 1st Sess. (2017). The pendency of that proposal reinforces our point: that the decision is Congress's (and not the Board's) to make. As the Supreme Court has observed, Congress's consideration of legislative proposals restricting tribal sovereign immunity is a powerful reason for other branches not to interfere. *See Bay Mills Indian Community*, 134 S. Ct. at 2038-39 ("Following *Kiowa*, Congress considered several bills to substantially modify tribal immunity in the commercial context . . . But instead of adopting those reversals of *Kiowa*, Congress chose to enact a far more modest alternative . . . [W]e act today against the backdrop of a congressional choice: to retain tribal immunity (at least for now) in a case like this one."). In fact, the Court noted that failing to recognize tribal immunity where

Congress has not actually enacted legislation abrogating it "would scale the heights of presumption: Beyond upending 'long-established principle[s] of tribal sovereign immunity,' that action would replace Congress's considered judgment with our contrary opinion." *Id.* at 2039 (citation omitted). The Court's commitment to the primacy of Congress "gains only added force when Congress has already reflected on an issue of tribal sovereignty, including immunity from suit, and declined to change settled law." *Id.* That principle is squarely applicable here.

II. The Issues Raised By Petitioners Are Beyond The Board's Statutory Purview and Institutional Expertise.

The Board should reject Petitioners' policy arguments against tribal sovereign immunity for a further reason: The Supreme Court has established that administrative agencies should not decide questions — especially complex and sensitive questions, such as those arising from Petitioners' arguments against tribal sovereign immunity — beyond their statutory purview and institutional competence. In such situations, agencies lack the expertise to resolve broader policy issues and risk interference with Congress's legislative prerogatives. Further, an agency acting beyond its purview lacks legitimacy and accountability. Controversial measures such as Petitioners' proposed restrictions on tribal sovereign immunity require a broader national democratic debate than an agency like the Board can provide.

In *Hampton v. Mow Sun Wong*, 426 U.S. 88, 116 (1976), for example, the Supreme Court invalidated a Civil Service Commission regulation denying federal employment to non-citizens — even though the agency was ***not*** found to have acted beyond its statutory mandate — simply because the decision to bar aliens from federal employment was not one with which Civil Service Commission officials were specifically charged, nor one they were competent to make. The Court noted that the Civil Service Commission "performs a limited and specific function" and that its "only concern" was "the promotion of an efficient federal service." *Id.* at 114. The Court held that the Commission could not justify its rule because it "has no responsibility for foreign affairs, for treaty negotiations, for establishing immigration quotas or conditions of entry, or for naturalization policies. Indeed, it is not even within the responsibility of the Commission to be concerned with the economic consequences of permitting or prohibiting the participation by aliens in employment opportunities in different parts of the national market." *Id.*

Similarly, in *Greene v. McElroy*, 360 U.S. 474 (1959), the Supreme Court refused to find an implicit congressional delegation of authority to the Department of Defense to administer a security clearance program that had far-reaching legal implications: "Without explicit action by lawmakers, decisions of great constitutional import and effect would be relegated by default to administrators who, under our system of government, are not endowed with authority to decide them."

Id. at 507*; see also King v. Burwell*, 135 S. Ct. 2480, 2489 (2015) (Internal Revenue Service not equipped to resolve questions of "deep 'economic and political significance" arising under Affordable Care Act).

This principle applies squarely here. The Board has no expertise or experience that would enable it to second-guess prima facie assertions of tribal sovereign immunity. Its statutory jurisdiction over IPRs is limited to challenges based on prior art and obviousness. 35 U.S.C. § 311(b). The problematic objections to tribal sovereign immunity that Petitioners seek to raise involve sensitive legal questions that are far different from the patent issues that Congress has charged the Board with resolving. As Petitioners concede, an "agency can only do what Congress permits." Petrs. Opp. to Motion to Dismiss, Paper 87, IPR2016-01127 (Oct. 13, 2017), at 24.

The Board is not competent to evaluate or balance the legitimacy of the Allergan-Mohawk contract from Congress's policy perspective. Far from being a scheme to shield patents from review, the agreement from the Tribe's perspective is part of its economic development plan. The Tribe, as sovereign, adopted a Tribal Resolution endorsing the creation of a technology and innovation center for the commercialization of existing and emerging technologies. The enterprise is known as the Office of Technology, Research and Patents and is part of the Tribe's Economic Development Department. Hence, the Allergan-Mohawk contract

reflects exactly the sort of economic entrepreneurship that Congress has been urging upon Tribes — to pursue economic development based on new businesses (such as gaming and energy ventures), contracts with off-reservation partners, and other market-based solutions, rather than federal handouts. *See Bay Mills Indian Community*, 134 S. Ct. at 2043-45 (Sotomayor, J., concurring).[4]

Petitioners' objections boil down to the claim that the Allergan/Mohawk contract is a "sham agreement" (Petrs. Opp. to Motion to Dismiss, Paper 87, IPR2016-01127 (Oct. 13, 2017), at 2, 10), a "sham assignment" (*id.* at 11, 12, 13), a "scheme[] to buy tribal immunity for dubious activities" (*id.* at 10), and even an example of "rent-a-tribe" schemes (*id.* at 10 (internal quotation marks and citation omitted). Not only are these arguments highly disrespectful to the sovereign Tribe, but adjudicating them will embroil the Board in an intrusive and politically charged inquiry into tribal motivations and the policy wisdom of tribal economic freedom. These are issues for Congress, not the courts, and not an agency.

Accordingly, the Board should decline to entertain Petitioners' arguments against tribal sovereign immunity.

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[4] *See also* Stephen Cornell & Joseph Kalt, "American Indian Self-Determination: The Political Economy of a Successful Policy" (Working Paper, Harvard Project on Native American Indian Economic Development 2010), excerpted in David H. Getches, Charles F. Wilkinson, Robert A. Williams Jr., Matthew L.M. Fletcher, and Kristen A. Carpenter, Cases and Materials on Federal Indian Law 721-27 (7th ed. 2017).

CONCLUSION

The Patent Owner's Motion to Dismiss should be granted.

Respectfully submitted.

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