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Intellectual Property Alert: Supreme Court Decision Will Have Significant Impact on Inter Partes Review Appeals

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As Vorys previewed in [January](#), the United States Supreme Court was set to issue a ruling in the case *Thryv, Inc. v. Click-to-Call Technologies, LP*. The Supreme Court recently announced their decision and held that a decision by the Patent Trial and Appeal Board (the Board) to institute an *inter partes* review (IPR) of a patent cannot be reviewed on appeal, even if the institution of the IPR was in violation of the one-year time bar in the America Invents Act. This result overrules an earlier holding from the United States Court of Appeals for the Federal Circuit, *Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (2018), which had held to the contrary.

An IPR is an administrative proceeding, established by the America Invents Act, whereby third parties may challenge an issued United States patent on certain grounds of invalidity set forth in the statute. There are also limitations on when such challenges may be filed. At issue in *Thryv* was 35 U.S.C. § 315(b), which provides that “an inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” Meanwhile, Section 314(d) states that “the determination . . . whether to institute an inter partes review under this section shall be final and nonappealable.”

In cases where the Board declines to institute an IPR, the operation of Section 314(d) is relatively uncontroversial. In fact, Section 314(a) provides that the Board “may not” institute an IPR unless certain conditions are met, and this subsection has been consistently interpreted as giving the Board the discretion to deny institution, even where the conditions for institution have been clearly met.

Where an IPR is instituted, however, the effect of Section 314(d) was murkier. While it was generally agreed that Section 314(d) would prevent an immediate appeal of a decision to institute, several cases have held that the issue of whether the IPR had been properly instituted could be raised in an appeal of the Board’s final written decision in the IPR, pursuant to Section 319. This was the situation in

Wifi One, in which the Federal Circuit held, in an appeal of a final written decision, that the time bar of Section 315(b) was not closely related to the institution decision of Section 314(a) and therefore a decision to institute an IPR could be reviewed on appeal, as the time-bar decision did not arise “under this section” within the meaning of Section 314(d).

The Supreme Court, however, relying in part on its earlier decision in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), held that the time bar of Section 315(b) is related to the institution decision and thus a determination that an IPR is not time barred cannot be reviewed on appeal. Writing for the 7-2 majority, Justice Ginsburg found that the time bar is “integral to” the Board’s decision to institute. Moreover, the Court held that to allow appeals relating to the time bar of Section 315(b) would frustrate the purpose of IPRs, as it would result in situations, such as the one in *Thryv* itself, where the Board will have gone through an IPR process and invalidated patent claims, only to have that work potentially undone due to the application of a statute that does not directly bear on the validity of the claims. This would result in invalid patent claims effectively being restored, thus negatively impacting the public’s interest.

This decision will have significant impacts on both petitioners and patent owners in IPR proceedings. For petitioners, in cases where there may be some question as to the propriety of the Board’s decision to institute an IPR, whether due to the time bar or another reason, once an IPR is instituted, the petitioner can be confident that its efforts to invalidate the claims in question will not be undone on appeal for a reason other than the merits of the invalidity case. For patent owners, it will be imperative to make the strongest case possible during the pre-institution phase that the IPR should not be instituted, for there will be no opportunity to revisit the institution decision on appeal.

Please consult your Vorys patent attorney to determine how this decision may impact your IPR or litigation strategies.