



ALERTS

U.S. Supreme Court Rules Decision To Institute Inter Partes Review Cannot Be Appealed

April 22, 2020

Patent challenges by inter partes review (IPR) at the U.S. Patent and Trademark Office (USPTO) must meet procedural and substantive requirements for a trial to be instituted by the Patent Trial and Appeal Board (PTAB). One of the procedural limitations to instituting a trial is the statutory time bar of [35 U.S.C. Section 315\(b\)](#) that provides one year to file a petition for IPR following a patent infringement lawsuit over the patent at issue.

In 2018, the Federal Circuit held that appeals of time-bar determinations under Section 315 were allowable in [Wi-Fi One, LLC v. Broadcom Corp.](#) However, the U.S. Supreme Court on April 20 held in [Thryv, Inc. v. Click-To-Call Technologies, LP](#) that a decision to institute an IPR proceeding by the PTAB, as well as procedural determinations “closely tied” to the decision to institute, cannot be appealed.

The Supreme Court focused on the language of 35 U.S.C. Section 314(d), which in relevant part states that “determination by the Director whether to institute an inter partes review under this section” will be “final and nonappealable.” Prior precedent set in [Cuozzo Speed Technologies, LLC v. Lee](#), which the Supreme Court affirmed in [Click-to-Call](#), also guided the analysis. In [Cuozzo](#), the court held that the PTAB’s determinations regarding whether a petition for IPR met the requirements of 35 U.S.C. Section 312(a)(3) regarding the identification of the grounds for challenging patent claims “with particularity” was unappealable as being “closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” In [Click-To-Call](#), Justice Ruth Bader Ginsburg wrote that “every decision to institute is made ‘under’ §314 but must take account of specifications in

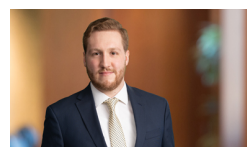
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other provisions – such as the §312(a)(3) particularity requirement . . . and the §315(b) timeliness requirement at issue here.”

When the American Invents Act came into effect in 2013, it ushered in the use of the IPR process that was hailed as an inexpensive alternative to litigation in the federal courts. The conclusion of an IPR proceeding comes with the final written decision on the merits by the PTAB; like final rulings in federal court, the final written decision in an IPR proceeding can be appealed to the Federal Circuit. However, in *Click-To-Call*, the court determined that appeals should be limited to the merits, because overturning a decision by the PTAB on procedural grounds would frustrate the purpose of the IPR process and further run afoul of the prohibition of such appeals contained in Section 314(d). According to the court, Section 315(b) appeals are not “necessary to protect patent claims from wrongful invalidation, for patent owners remain free to appeal final decisions on the merits.”

The recent opinion in *Click-To-Call* does leave some questions unanswered. For example, part of the decision on appeal was that a complaint for patent infringement filed more than one year before the petition for IPR, even if voluntarily dismissed without prejudice, can trigger the time bar under Section 315. *Click-to-Call* had previously filed a patent infringement lawsuit against a predecessor of Thryv in 2001 over the patent at issue that was later voluntarily dismissed without prejudice, and *Click-to-Call* argued that Thryv’s IPR was therefore untimely under Section 315. The PTAB sided with Thryv, finding that the previously dismissed complaint did not trigger the one-year clock, and thus Thryv could proceed with its IPR. The court in *Click-To-Call* specifically declined to address the voluntary dismissal issue.

The Supreme Court in *Click-to-Call* also left open the full extent of the prohibition on appeals of institution decisions by the PTAB. For example, the earlier *Cuozzo* opinion dealt specifically with Section 312(a)(3), but there are a number of other procedural requirements in Section 312, such as the requirement to identify all real parties in interest in the petition for IPR. The court’s guiding language regarding PTAB determinations that may not be appealable include those “closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review,” and limitations “integral to, indeed a condition on, institution.”

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