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Client Alert Commentary

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Federal Circuit to Address *En Banc* Appeals Based on AIA Time-Bar

Federal Circuit to determine whether PTAB decisions concerning the America Invents Act's one year time-bar are appealable

Key Points:

- PTAB determinations regarding the one-year bar are not currently appealable to the Federal Circuit.
- *Wi-Fi One* rehearing will revisit this issue in view of the Supreme Court's decision in *Cuozzo*.
- The Federal Circuit has invited parties to file *amici* briefs.

On January 4, 2016, the Federal Circuit granted rehearing *en banc*[1] of *Wi-Fi One, LLC v. Broadcom Corp.*, 837 F.3d 1329 (Fed. Cir. 2016), which followed *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015). The court, therefore, declined to review the patent owner's challenge of the Patent Trial and Appeal Board's (PTAB) finding regarding the one-year bar set forth in 35 U.S.C. § 315(b). The rehearing will address whether the Federal Circuit should overrule *Achates* and hold that parties may appeal the PTAB's timeliness determinations under § 315(b). The Federal Circuit has given parties permission to file *amici* briefs without first obtaining leave of the court.

Timeliness Determinations under § 315(b) Are Currently Not Appealable

Under 35 U.S.C. § 315(b), the PTAB may not institute *inter partes* review (IPR) if the petition is filed more than one year after the date on which the petitioner, real party-in-interest or privy of the petitioner is served with a patent infringement complaint.

The one year time-bar serves to reduce duplicative proceedings before the PTAB and district court by forcing parties to initiate proceedings before the PTAB soon after they are sued for infringement in district court. This allows the PTAB to resolve invalidity issues early so that the parties and courts may avoid unnecessarily expending time and resources.

In *Achates*, patent owner Achates appealed the PTAB's decision instituting IPR and finding several claims of the challenged patents invalid.[2] Achates argued that the PTAB's decisions were outside its statutory authority because the underlying petitions for IPR were time-barred under § 315(b). The Federal Circuit held that the PTAB's determination that an IPR petition is timely is part of the determination on whether to institute a petition for IPR and, therefore, is "final and nonappealable" under 35 U.S.C. § 314(d).

The Federal Circuit has since relied on *Achates* several times to decline review of the PTAB's time-bar decisions, including *Wi-Fi One*. Some Federal Circuit judges, however, have called into question whether *Achates* was decided correctly, and a few judges have asked outright for the issue to be reconsidered *en banc*.[3] Most recently, Judge Reyna's concurring opinion in *Wi-Fi One* suggested that the issue should be addressed *en banc* and that, in his opinion, the PTAB's time-bar decisions under § 315(b) should be reviewable on appeal.

The Federal Circuit Will Reconsider *En Banc* Whether § 315(b) Timeliness Determinations are Appealable

On January 4, 2016, the Federal Circuit issued an order granting patent owner Wi-Fi One's petition to rehear *en banc* the court's decision in *Wi-Fi One*. In that case, patent owner Wi-Fi One appealed the PTAB's decision instituting IPR and finding several claims of the challenged patent invalid.[4] Wi-Fi One argued that petitioner was barred from seeking review of the challenged patent because it was in privity with certain entities that had been served with complaints , and that because those entities would be time-barred from seeking IPR of the patent, the petitioner is time-barred as well under § 315(b).

Wi-Fi One did not dispute that the PTAB's timeliness ruling is not appealable if *Achates* is still good law. Instead, Wi-Fi One argued that the Supreme Court's recent decision in *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016) implicitly overruled *Achates*.

The Federal Circuit disagreed, stating that the Supreme Court held in *Cuozzo* that the statute's prohibition against reviewing institution decisions extends to "questions that are closely tied" to the decision to institute and that § 315(b) "is just such a statute."[5] Thus, *Achates* is still good law, and the PTAB's time-bar decision was not appealable.

Although the Federal Circuit dismissed Wi-Fi One's appeal based on *Achates*, it identified portions of *Cuozzo* that suggest that some aspects of PTAB institution decisions may be appealed. For example, the Supreme Court stated that its *Cuozzo* decision does not enable the PTAB to act "outside its statutory limits" and that such "shenanigans" are properly reviewable.[6]

The rehearing of *Wi-Fi One en banc* will address whether the Federal Circuit should overrule *Achates* and hold that judicial review is available for a patent owner to challenge the PTAB's determination that the petitioner satisfied the timeliness requirement of § 315(b). The Federal Circuit has invited the views of the U.S. Patent and Trademark Office (USPTO) as *amicus curiae* and granted all others leave to file without further permission from the court.

Conclusion

While a number of Federal Circuit judges have suggested that *Achates* should be overturned, whether enough Judges on the Federal Circuit will agree remains uncertain. Therefore, it remains to be seen whether time-bar rejections under § 315(b) are the type of "shenanigans" the Supreme Court in *Cuozzo* warned might be reviewable.

Should the *en banc* court overturn *Achates* and allow challenges to the PTAB's timeliness determinations under § 315(b), it could significantly impact the way the parties and the PTAB confront the issue of timeliness of IPR petitions because patent owners would have an additional procedure for challenging institution of IPR proceedings. Given the fact-intensive, case-by-case nature of the § 315(b) time-bar, patent owners would likely appeal this issue more often. And because the PTAB's determinations would be subject to Federal Circuit review, the PTAB would likely provide more rigorous analyses in support of its time-bar determinations.

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Endnotes

1 A session in which a case is heard before all the judges of the court rather than by a panel of judges selected from among the judges of the court.

2 *See Apple Inc. v. Achates Reference Publ'g, Inc.*, No. IPR2013-00081 (P.T.A.B. June 2, 2014), Paper 80; *Apple Inc. v. Achates Reference Publ'g, Inc.*, No. IPR2013-00080 (P.T.A.B. June 2, 2014), Paper 90.

[3] *See, e.g., Click-to-Call Techs., LP v. Oracle Corp.*, No. 15-1242, 2016 WL 6803054, at *2 (Fed. Cir. Nov. 17, 2016) (O'Malley, J., concurring) ("Because we are bound by the court's previous decisions in *Achates* and *Wi-Fi One*, I agree with the court's dismissal of [the patent owner's] challenge under § 315(b). I write separately, however, to note that I believe the Supreme Court's language in *Cuozzo* leaves room for us to question our reasoning in *Achates* and to suggest that we do so *en banc*."); *id*. at *9 (Taranto, J., concurring) ("The § 315(b) issue is a recurring one. Moreover, the principle of presumed judicial review for agency action that harms private persons is an important one. At present, it appears to me that *Achates* is incorrect and that *en banc* review is warranted.").

[4] *See Broadcom Corp. v. Wi-Fi One, LLC*, No. IPR2013-00601 (P.T.A.B. Mar. 6, 2015), Paper 66.

[5] *Wi-Fi One*, 837 F.3d at 1334.

[6] *Cuozzo*, 136 S. Ct. at 2141-42.