



# THINK FORWARD

## PTAB's IPR Institution Determination Based on Timeliness of the Petition Is Final

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On April 20, 2020, the United States Supreme Court ruled that the United States Patent Trial and Appeal Board's ("PTAB") decision to institute or not institute an *inter partes* review ("IPR") petition, on grounds the petitioner waited or did not wait too long to file the petition, is final and non-appealable.

In *Thryv, Inc., fka Dex Media Inc., Petitioner v. Click-to-Call Technologies, Lp, et al.*, 590 U.S. \_\_\_\_ (2020), Thryv Inc. ("Thryv") filed an IPR petition against a patent owned by Click-to-Call Technologies, Lp ("Click-to-Call"). The petition was filed more than 10 years after Click-to-Call filed suit against Thryv for patent infringement. Click-to-Call voluntarily dismissed its suit without prejudice. The PTAB instituted the case after reviewing the petition under 35 U.S.C. § 315(b), which bars a party from filing an IPR petition more than one year after being served with a complaint alleging infringement of the challenged patent. The PTAB determined that the voluntarily-dismissed case filed by Click-to-Call did not trigger the time bar against Thryv. The PTAB eventually invalidated the challenged claims.

Click-to-Call appealed to the Federal Circuit and asked for a review of the PTAB's institution decision based on § 315(b). Thryv asserted that the PTAB's decision is final and non-appealable pursuant to 35 U.S.C. § 314(d). The Federal Circuit determined that such a PTAB decision is appealable, and reversed the PTAB's decision, finding that Thryv was time barred from filing the petition under § 315(b) and vacating the PTAB's final written decision. Thryv appealed to the Supreme Court, arguing that the Federal Circuit did not have appellate jurisdiction because the PTAB's institution decision under § 314(d) is final and non-appealable.

The America Invents Act ("AIA") sets forth statutory sections granting discretion to the PTAB to determine whether to institute an IPR petition. In particular, under § 314(a), the PTAB can determine whether to institute a petition based on a "reasonable likelihood that the petitioner would prevail." In the same section, "[t]he determination...whether to *institute an inter partes review under this section* shall be final and nonappealable." (emphasis added). The issue before the Supreme Court was whether the appeal bar of § 314(d) applies to institution decisions made under § 315(b).

In holding that § 314(d) does apply to decisions made under § 315(b), the Supreme Court effectively reversed an earlier decision by the Federal Circuit in *Wi-Fi One, LLC v. Broadcom.*, 878 F. 3d 1364 (2018). In *Wi-Fi One*, the Federal Circuit found that the "under this section" language in § 314(d) means that the "final and nonappealable" provision of § 314(d) only applies to institution decisions made under § 314(a), not § 315(d).

The Supreme Court held that: (1) § 314(d) generally bars appeals of institution decisions made by the PTAB based on statutes relating to institution of IPRs; (2) decisions based on § 315(d) are related to IPR institution and thus fall within the scope of § 314(d); and (3) such statutory interpretation is

supported by congressional intent of “weed[ing] out bad patent claims efficiently.”

As to why the “*under this section*” language of § 314(d) does not restrict the appeal bar to only § 314(a), the Supreme Court explained that section § 314, entitled “Institution for *inter partes* review,” houses “the command to the Director to ‘determine whether to institute an *inter partes* review.’” Thus, every decision to institute is made ‘under’ § 314 but must take account of specifications in other provisions—such as the § 312(a)(3) particularity requirement...and the § 315(b) timeliness requirement.” The Court further reasoned that if Congress had intended to limit the scope of § 314(d) to only institution decisions based on § 314(a), it would have drafted § 314(d) to expressly state so, like other statutory provisions of the AIA.

Not to be lost in the Supreme Court’s decision is the PTAB’s finding that a voluntary dismissal of a patent infringement suit can in some circumstances render ineffective a one-year time period that would otherwise bar an IPR institution, contrary to the holding of the Federal Circuit. Such a finding could incentivize parties to file IPR petitions where they previously thought they were time-barred, and leaves open whether there are other litigation-related situations that could waive the one-year time period. While it was clear Congress wanted determinations of “a reasonable likelihood of prevailing” to be made finally by the PTAB, whether it also wanted the PTAB to be the sole arbiter as to what can and cannot bar an IPR institution is no longer in question. The Supreme Court’s decision makes clear that the PTAB’s institution decision based on timeliness is final. If Congress wants voluntarily-dismissed patent infringement suits to bar IPR institutions, or more generally wants time-bar decisions to be appealable, it will have to amend the IPR institution provisions of the AIA.

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