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Federal Circuit Holds En Banc That The PTAB's Determination on Whether The One Year Time-Bar is Triggered in Inter Partes Review Is Reviewable on Appeal

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On January 8, 2018, the Federal Circuit issued its long-awaited *en banc* decision in *Wi-Fi One, LLC v. Broadcom Corporation*, No. 2015-1944, 2018 WL 313065 (Fed. Cir. Jan. 8, 2018). The issue before the *en banc* Court was the reviewability on appeal of the one year time-bar for *inter partes* review set forth in 35 U.S.C. § 315(b). The § 315(b) time-bar prohibits petitioners—as well as their privies and any real parties in interest—from filing an IPR petition more than one year after being served with a complaint alleging infringement of the challenged patent.

An earlier panel of the Federal Circuit had determined that the Patent Trial and Appeal Board's determinations with respect to § 315(b) were unreviewable in view of the § 314(d) bar against appealing institution decisions. *See Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652, 658 (Fed. Cir. 2015). The *en banc* Court overruled *Achates* and held that the PTAB's decision not to apply the § 315(b) time-bar is reviewable on appeal from a final decision. Judges Hughes, Lourie, Bryson, and Dyk dissented on grounds that the appeal bar of § 314(d) should be regarded as "absolute" and that § 315(b) should be subject to it and thus not appealable.

The *en banc* majority first considered the Supreme Court's decision in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016) and evaluated how application of the § 315(b) time-bar differs from the PTAB's discretion to institute trial on the merits. The majority held that the PTAB's assessment of the § 315(b) time-bar does not go to the *merits* of the petition and is therefore "not akin to either the non-initiation or preliminary-only merits determinations for which unreviewability is common in the law, in the latter case because the closely related final merits determination is reviewable." The majority reasoned: "The time bar is not merely about preliminary procedural requirements that may be corrected if they fail to reflect real-world facts, but about real-world facts that limit the agency's authority to act under the IPR scheme."

The majority also focused on the Supreme Court's reasoning in *Cuozzo* that there is a strong presumption favoring judicial review of agency determinations. In light of this heavy presumption,

the majority held: "We find no clear and convincing indication in the specific statutory language in the AIA, the specific legislative history of the AIA, or the statutory scheme as a whole that demonstrates Congress's intent to bar judicial review of § 315(b) time-bar determinations . . . ." Having concluded that § 315(b) is not "closely related" to the provisions considered by the Supreme Court in *Cuozzo*—but rather to a statutory "condition precedent to the Director's authority to act"—the majority concluded that "[e]nforcing statutory limits on an agency's authority to act is precisely the type of issue that courts have historically reviewed," and thus, "[w]e hold that time-bar determinations under § 315(b) are reviewable by this court."

Viewed narrowly, the holding in *Wi-Fi One* means that patent owners who challenge petitions as being time-barred under § 315(b) can now appeal an adverse determination on that issue to the Federal Circuit. Common examples include cases where the patent owner has alleged that the petitioner is in privity with a time-barred party, or that the real party in interest is time-barred. Challenges based on privity or real party in interest can involve related discovery disputes and administrative rulings. Other examples include the PTAB's statutory interpretation of § 315(b), including administratively created exceptions and whether it may be triggered by arbitration complaints or complaints in International Trade Commission investigations.

Viewed more broadly, the holding in *Wi-Fi One* indicates that a majority of the *en banc* Court views limits on the PTAB's authority to be categorically different from the PTAB's initial assessment of the "merits." Judge O'Malley's concurring opinion in *Wi-Fi One* provides helpful guidance on the contours of this critical distinction. Further, this development in the law opens the door to a greater variety of challenges than were previously thought viable under *Cuozzo*.

While the holding in *Wi-Fi One* does not mean that all time-bar challenges under § 315(b) will prove successful—or even that the PTAB got it wrong in *Wi-Fi One*—it does mean that patent owners who have raised a challenge under § 315(b) that was unavailing before the PTAB will have their day in court if they properly raise, preserve, and appeal that issue. We expect informative developments regarding the merits of the § 315(b) challenge following remand of *Wi-Fi One* to the merits panel of the Federal Circuit. We will keep you apprised.

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