

TYPES NOT MAPPED YET April 22, 2020 | TTR not mapped yet | Alan H. Norman, Anthony F. Blum

## Supreme Court holds that with respect to institution decisions, no review means no review

In a 7-2 decision, the Supreme Court held in *Thryv, Inc. v. Click-To-Call Technologies, LP*, that under 35 U.S.C. § 314(d), a party generally may not seek an appeal based on a panel of the Patent Trial and Appeal Board's decision to institute (or not institute) an inter partes review (IPR) decision. This bar extends beyond review of the institution decision on substantive issues (such as the likelihood of success requirement stated in Section 314(a)) and includes assertions of error based on the one-year time bar on filing in Section 315(b), as well as other matters "closely tied to the application and interpretation of statutes related" to the institution decision. This decision reverses a line of contrary Federal Circuit cases (among them *Wi-Fi One, LLC v. Broadcom Corp.*). The decision also amplifies the Supreme Court's earlier decision in *Cuozzo Speed Technologies, LLC v. Lee*, which found that a party could not challenge a panel's institution decision based on a requirement that the grounds for the challenge be stated with particularity.

IPRs have become an extensively used tool in the arsenal of a skilled patent practitioner, but the first step to obtaining substantive review of a patent by the Patent Trial and Appeal Board (PTAB) is for the IPR to be instituted by a panel. If the panel does not institute the IPR, the challenge dies there. Congress sought to insulate these institution decisions in Section 314(d) from judicial review in the name of efficiency. Similarly, Congress limited the time to bring an IPR to one year after service of a complaint asserting the challenged patent to prevent the PTAB from becoming an abusive tool for defendants seeking delay. But what if the panel truly does get the institution analysis wrong? This was the question confronted by the Supreme Court here, where the party seeking the IPR "or its predecessors had previously licensed the patent, been sued for infringing it, and asked the Patent Office to reexamine it." Indeed, "nearly 12 years had passed since Thryv's predecessor and privy first found itself on the business end of a lawsuit alleging that it had infringed" the patent. Yet the PTAB found the prior litigation did not count because of the nature of the dismissal, a dismissal without prejudice. The Federal Circuit reversed, holding the manner of dismissal did not matter. The patent owner sought Supreme Court review on the grounds that the entire appeal was barred under Section 314(d).

The decision turns on the meaning of the phrase "under this section," *i.e.*, Section 314. The majority found the reference to "under this section" is a reference to the role of that section, titled "Institution of inter partes review" in the overall IPR process. An institution decision by the panel is "under" that section when addressing the necessary requirements under Sections 312, 314 and 315, and therefore such an institution decision is shielded from review by subsection (d). This, the majority contends, is the true holding in *Cuozzo*, which mandates the result here. For this reason, Section 314(d) overcomes the Court's general presumption favoring judicial review. The Court here and in *Cuozzo*, however, did reserve for another day whether the result could differ if the institution decision "implicate[s] constitutional questions" or reaches well beyond the statutory requirements for institution of an IPR (e.g., perhaps dealing with non-patent issues).

A spirited dissent from Justice Gorsuch argues the opposite, identifying purported flaws in the statutory construction and the holding of *Cuozzo* that lead him to conclude that the presumption in favor of judicial review should hold here. Ultimately, the dissent concluded the majority's interpretation is overbroad and that the only thing shielded from a review are appeals based on the provisions of Section 314 itself - namely the likelihood of success requirement. The Supreme Court's decision vacates the appeal and leaves in place the panel's original decision, namely that the patent claims originally challenged were invalid.

Interestingly, if the PTAB were to decide this same case today, it would likely reach the opposite conclusion and deny institution of IPR - and that decision would also be insulated from appeal under the Supreme Court's decision. In its now-vacated decision, the Federal Circuit reversed the PTAB and held that dismissals without prejudice do not reset the one-year time bar period of Section 315(b). In its briefs before the Supreme Court, the government took that position that the Federal Circuit had no jurisdiction to issue its decision (with which the Supreme Court



has now agreed). At the same time, however, the government also explained “the USPTO Director has concluded the court’s resolution of the underlying merits issue—[i.e., regarding dismissals without prejudice]—is correct.”

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