

Supreme Court Forecloses Judicial Review Of PTAB's Timeliness Determinations

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Key Points:

- The Supreme Court ruled 7-2 in *Thryv, Inc. v. Click-to-Call Technologies, LP*, that the PTAB's application of the one-year time limit for petitions for inter partes review, set out in 35 U.S.C. § 315(b), is not subject to judicial review.
- The Court's decision emphasizes the broad discretion the PTO now has in determining whether to institute *inter partes* review.
- The Court's decision underscores the importance of asserting comprehensive procedural defenses to patent challenges at the beginning of the PTAB process.

Overview

In a decision that expands the U.S. Patent and Trademark Office's (PTO) powers, the U.S. Supreme Court ruled Monday in *Thryv, Inc. v. Click-to-Call Technologies, LP*, that the America Invents Act forecloses judicial review of determinations by the Patent Trial and Appeal Board (PTAB) that an *inter partes* review (IPR) petition was timely filed. *Click-to-Call* unequivocally gives the PTAB the final word on institution decisions, meaning patent holders' initial opposition to an IPR petition represents a critical opportunity to mount their procedural defenses to the patent challenges.

Click-to-Call: Statutory Text and Court Precedent Require That PTAB, Not Courts, Determine Whether Petitions For Inter Partes Review Are Timely

This case arose after Thryv's predecessors sought *inter partes* review to challenge the validity of several of Click-to-Call's patent claims relating to technology for anonymous telephone calls. In opposition, Click-to-Call urged that the IPR petition violated 35 U.S.C. § 315(b), which provides that "[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent." Click-to-Call argued that an infringement suit filed in 2001 against one of Thryv's predecessors, which ended in a voluntary dismissal without prejudice, triggered § 315(b)'s one-year limit, such that the 2013 IPR petition was untimely. The PTAB disagreed and found 13 of the challenged patent claims

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unpatentable in a final written decision. Click-to-Call appealed that decision based solely on the timeliness issue. Following an *en banc* decision in another case concerning the same issue, the Federal Circuit treated the Board's application of § 315(b) as judicially reviewable, held that Click-to-Call's 2001 infringement complaint had started the one-year clock, and vacated the PTAB's decision.

In Monday's 7-2 opinion by Justice Ginsburg, the Supreme Court overturned the Federal Circuit's decision and held that § 315(b) time-bar determinations are not judicially reviewable. According to the majority, that rule necessarily flows from the reasoning of *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131 (2016), and from the plain language of a closely related provision of the America Invents Act, 35 U.S.C. § 314(d), which provides that "[t]he determination by the [PTO] Director whether to institute an inter partes review under this section shall be final and nonappealable."

In *Cuozzo*, the Supreme Court held that § 314(d) precludes—"with sufficient clarity to overcome the 'strong presumption in favor of judicial review'"—any appeal "consist[ing] of questions that are closely tied to the application and interpretation of statutes related to the Patent Office's decision to initiate inter partes review." In that case, the Court applied § 314(d)'s judicial-review bar to § 312(a)(3), rejecting a challenge that the agency should have refused to institute *inter partes* review because the petition at issue had failed to identify "with particularity" the grounds for invalidating the patent.

In light of *Cuozzo*, the Court framed the question in *Click-to-Call* as whether a challenge based on § 315(b)'s one-year time bar similarly "ranks as an appeal of the agency's decision 'to institute an inter partes review.'" The Court's affirmative answer to that question is unequivocal: "Section 315(b)'s time limitation is integral to, indeed a condition on, institution," and is therefore shielded from judicial review under § 314(d).

In a lengthy dissent, Justice Gorsuch charged that § 314(d) insulates from judicial review only "a determination discussed *within* § 314," and does not reach "provisions *outside* § 314." In response, the majority explained that § 314 "hous[es] the command to the Director to 'determine whether to institute an inter partes review'"—language that encompasses *other* statutory conditions bearing on that determination. In doing so, the Court resolved the lingering post-*Cuozzo* debate over whether "every decision to institute is made 'under' § 314."

Although the Court's decision is largely cabined to the statutory text and purports not to "venture beyond *Cuozzo*'s holding," the majority (in a section that Justices Thomas and Alito did not join) highlights that "[t]he AIA's purpose and design strongly reinforce" the conclusion that the § 314(d) bars judicial review of the PTAB's timeliness decisions. Recounting that Congress passed the AIA out of concern about "overpatenting and its diminishment of competition," Justice Ginsburg explains that allowing appeals of § 315(b) determinations would "tug against" the objection of "weed[ing] out bad patent claims efficiently," as only patent holders whose claims the PTAB had found unpatentable would seek such an appeal.

Practical Impact of *Click-to-Call*

While *Click-to-Call* professes not to break new ground, the decision yields several significant takeaways for IP practitioners:

1. **PTAB gets the final say on timeliness of IPR petitions.** The most direct result of the decision is that the PTAB now has the final word on what constitutes timely filing of a petition to institute an *inter partes* review. As Justice Gorsuch explains in dissent, § 315(b), “a provision that reads like an affirmative limit on the agency’s authority reduces to a mere suggestion,” and “[n]o matter how wrong or even purposefully evasive, the Director’s assessment of a petition’s timeliness is always immune from review.” Time will tell whether, in making now-unreviewable § 315(b) determinations (or other institution-related decisions), the PTAB’s patent-related expertise positions it well to handle the fact-intensive but legally thorny issues that often arise when calculating § 315(b)’s one-year clock. Although the PTAB already has produced a volume of decisions applying § 315(b), and has the ability to designate its own decisions as precedential, removal of appellate review may result—at least in the short term—in inconsistent § 315(b) determinations across cases, providing little guidance to patent holders and challengers alike.
2. **Patent holders should put their best timeliness foot forward when initially opposing petitions.** Because *Click-to-Call* effectively provides the Director complete discretion in initiating *inter partes* review, patent holders should be prepared to bring a comprehensive set of § 315(b) timeliness arguments when initially opposing the petitions before the Board. To be sure, waiver and exhaustion rules already funneled most time-bar arguments before the PTAB. But Monday’s decision may all but eliminate subsequent opportunities to strengthen or supplement those defenses. Although patent holders may have opportunities to file motions for reconsideration or to terminate the proceedings, the Board is unlikely to revisit its own timeliness rulings now that the risk of being overturned on appeal has been removed. And while *Click-to-Call* expressly stops short of deciding “whether mandamus would be available in an extraordinary case,” leaving open the possibility that the rarely-granted mechanism could provide some check on the agency’s § 315(b) determinations, mandamus challenges face a notoriously high bar.
3. **Director has broad discretion over institution of inter partes review.** In addition to the PTAB’s timeliness determinations, *Click-to-Call* reinforces that all (or at least many) other factors relating to the decision whether to institute *inter partes* review, including factors that are statutorily mandated, fall within the Director’s complete discretion. Accordingly, a given Administration’s policy approaches in this area could have a significant effect on how widely the gates to patent challenges are opened.
4. **Court continues to emphasize PTAB’s central role in patent challenges.** Finally, *Click-to-Call*’s rhetoric provides a window into a majority of the Court’s views on the current state of patent adjudication and the sea change effected by the America Invents Act. Venturing beyond textual arguments, five justices emphasized concerns about “overpatenting,” explaining that the bar to judicial review of timeliness determinations (and other determinations relating to the institution decision) helps to “weed out bad patent claims efficiently.” (Justices Thomas and Alito, who otherwise joined the majority, did not sign on to this part of Justice Ginsburg’s opinion, while Justice Gorsuch, joined by Justice Sotomayor, attacked it in dissent.) On the heels of other recent Supreme Court decisions involving *inter partes* reviews (see *Oil States v. Greene’s Energy and SAS Institute v. Iancu*), the majority’s language highlights the central role the PTAB now holds in most patent

challenges, less than 10 years after Congress established the *inter partes* review procedure.

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