

ALERT

Federal Circuit Patent Bulletin: *Achates Reference Publ'g, Inc. v. Apple Inc.*

September 30, 2015

"35 U.S.C. § 314(d) prohibits [appellate review of] the Board's determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b), even if such assessment is reconsidered during the merits phase of proceedings and restated as part of the Board's final written decision."

On September 30, 2015, in *Achates Reference Publ'g, Inc. v. Apple Inc.*, the U.S. Court of Appeals for the Federal Circuit (Prost, Lourie, Linn*) dismissed for lack of jurisdiction over Achates' appeals from the U.S. Patent & Trademark Office Patent Trial and Appeal Board *inter partes* review (IPR) decisions that U.S. Patents No. 5,982,889 and No. 6,173,403, which related to method and devices for distributing and installing computer programs and data, were invalid. The Federal Circuit stated:

A party to an *inter partes* review or a post-grant review who is dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit. . . . In this case, the Patent and Trademark Office and Apple argue that the Board's determination that an IPR petition is timely is part of the determination whether to institute and is therefore nonappealable, even after the final written decision. . . . Achates responds that the question of whether Apple's petition was time-barred goes to the Board's ultimate authority to invalidate the patents, and therefore . . . is reviewable under § 319. We agree with Apple and the Patent and Trademark Office that . . . the Board's determination to initiate the IPRs in this case is not subject to review by this court under 35 U.S.C. § 314(d).

First, the § 315(b) time bar does not impact the Board's authority to invalidate a patent claim—it only bars particular petitioners from challenging the claim. The Board may still invalidate a claim challenged in a time-barred petition via a properly-filed petition from another petitioner. Further, § 315(b) provides that "[t]he time limitation . . . shall not apply to a request for joinder under subsection (c)." This means that an otherwise time-barred party may nonetheless participate in an *inter partes* review proceeding if another party files a proper petition. [T]he timeliness issue here could have been avoided if Apple's petition had been filed a year earlier or if a petition identical to Apple's were filed by another party. . . .

Whether an IPR petition is filed one year after the petitioner is served with an infringement complaint or one year and a day is not such a characteristic because compliance with the time-bar does not itself give the Board the power to invalidate a patent. Instead, the time-bar sets out the procedure for seeking IPR. Indeed, like other “[f]iling deadlines,” the IPR time bar here is merely a “rule[] that seek[s] to promote the orderly progress of litigation by requiring that the parties take certain procedural steps at certain specified times.”

Achates argues two additional theories for pulling this issue into this court’s jurisdiction to review the Board’s “final written decision.” First, Achates notes that the Board reaffirmed its time-bar determination in its final written decision and argues that this indicates that the time-bar determination is, in fact, part of the final written decision. . . . That the Board considered the time-bar in its final determination does not mean the issue suddenly becomes available for review or that the issue goes to the Board’s ultimate authority to invalidate—the Board is always entitled to reconsider its own decisions. The Board’s reconsideration of the time-bar is still “fair[ly] characteriz[ed]” as part of the decision to institute.

Finally, Achates also contends that § 314(d) does not limit this court’s review of the timeliness of Apple’s petition under § 315, because § 314(d) says “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable”. Achates’ reading is too crabbed and is contradicted by this court’s precedent. The words “under this section” in § 314 modify the word “institute” and proscribe review of the institution determination for whatever reason. . . .

We thus hold that 35 U.S.C. § 314(d) prohibits this court from reviewing the Board’s determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b), even if such assessment is reconsidered during the merits phase of proceedings and restated as part of the Board’s final written decision.