

## En Banc Fed. Circ. Time-Bar Case May Increase AIA Appeals

By Ryan Davis

*Law360, New York (January 5, 2017, 5:17 PM EST)* -- By agreeing Wednesday to consider whether Patent Trial and Appeal Board decisions that an America Invents Act petition is timely can be appealed, the full Federal Circuit could give patent owners new ways to challenge adverse decisions and increase appellate oversight of the board.

The appeals court has previously said a PTAB ruling that an inter partes review petition is not time-barred can't be appealed because it is part of the board's decision to institute review of a patent, which the AIA states is not appealable. But a recent U.S. Supreme Court decision prompted the court to reconsider that position en banc.

The high court's *Cuozzo* ruling from June suggested that some aspects of institution decisions by the board, part of the U.S. Patent and Trademark Office, can be appealed. By granting patent owner Wi-Fi One LLC's petition for en banc review in a dispute with Broadcom Corp., the full Federal Circuit will now decide if the time-bar issue falls into that category.

If the court rules that it does, patent owners will have an additional opportunity to take aim at rulings invalidating their patents, and it could also open the door for the Federal Circuit to review other issues, attorneys say.

"The grant of en banc review hopefully will bring about a change and allow patent owners to challenge institution decisions on appeal of a final decision where the PTO exceeds its authority in instituting inter partes review," said Irena Royzman of Patterson Belknap Webb & Tyler LLP. "Judicial review is sorely needed in such cases to ensure that statutory limits are not toothless."

If the court allows appeals on the time-bar issue, it is likely to also review other alleged statutory violations by the board, even if they are not specially addressed in the opinion, she said, noting that "there has been discontent with the lack of judicial review, and today's grant of en banc review is a move in the right direction."

If the court sides with Wi-Fi One, "it would give an advantage to patent owners by giving them a second bite at the apple to argue that the petition was time-barred," said Ryan Phelan of Marshall Gerstein & Borun LLP.

The court asked the parties only to brief the question of whether patent owners can appeal a decision

that an inter partes review petition was timely, so attorneys say the ruling is likely to be limited to that issue. Nevertheless, the opinion could give hints about other parts of institution decisions the court might find appealable in future rulings.

"The whole reason to go en banc is not to deal with this narrow statutory issue, but to provide guidance to the patent bar about what other areas will be reviewable," said Jon Wright of Sterne Kessler Goldstein & Fox PLLC. "Hopefully, any en banc decision will provide clarity not just on [the time bar] but will establish some principles that can be applied down the road."

Under current precedent, many of the PTAB's rulings when deciding to institute review of a patent are insulated from appellate review, including whether a petitioner has standing, has named all of the interested parties in the petition as required by the AIA, or is estopped from filing a petition.

The AIA states that decisions to institute an inter partes review "shall be final and nonappealable," and in a 2015 decision known as *Achates*, the Federal Circuit said that means the board's decisions on the time bar can't be appealed because they are part of the institution decision. Later rulings relied on that finding to prohibit appeals on other issues.

The full court will now decide if that precedent should be overruled in light of *Cuozzo*, in which the Supreme Court said most parts of institution decisions can't be appealed, but if the PTAB exceeds its statutory authority or violates due process, "such 'shenanigans' may be properly reviewable."

The en banc case will focus on whether a decision by the board instituting an inter partes review that may be time-barred is the kind of situation the justices had in mind.

Under the AIA, the board may not institute inter partes review if the petition requesting review is filed more than one year after the date on which the petitioner, or a company it has a legal relationship with, is served with a complaint alleging infringement.

Broadcom challenged Wi-Fi One's online messaging patent at the PTAB, and Wi-Fi One argued that the petition was time-barred because although Broadcom was not sued itself, it worked with other companies that were sued over the patent over a year before the petition was filed. The PTAB rejected that argument and ultimately found the patent invalid, and a Federal Circuit panel affirmed in September, citing *Achates*.

The full court's decision to consider whether *Achates* should be overruled followed opinions by Federal Circuit judges in recent cases urging en banc review of the issue. Wednesday's order was welcomed by attorneys who believe the Federal Circuit should have more oversight of the PTAB to ensure it is not exceeding its authority.

"Right now, we have a scheme where most of the decisions the PTAB makes other than the final validity decision are not reviewable," said Charlene Morrow of Fenwick & West LLP. "I'm personally delighted that the Federal Circuit is going to take this up en banc and determine whether that is in fact the right result."

While the full court agreed to hear the case, a decision allowing appeals of time-bar rulings is far from inevitable, said Eliot Williams of Baker Botts LLP.

In *Cuozzo*, the Supreme Court "put its thumb pretty heavily on the scale of prohibiting appellate review

of PTAB institution decisions," he said, noting that the justices said that Congress likely did not want the board's decisions to be "unwound under some minor statutory technicality."

"It's not clear that the Supreme Court would have thought that this was the type of 'shenanigan' that would be so far outside congressional dictates that it would be reviewable," Williams said.

If the Federal Circuit does rule that the time bar, and possibly other issues, are subject to appeal, the court will be able to provide the patent bar with useful insight into how the AIA review system should work, Morrow said.

"For everyone, the AIA is a significant new statutory scheme, and we've had less guidance from the Federal Circuit on how the PTAB should be applying it than we would have had if Achates had not been issued," she said.

The patent-in-suit is U.S. Patent Number 6,772,215.

Wi-Fi One is represented by Douglas Cawley of McKool Smith PC, Donald Puckett of Nelson Bumgardner PC and Peter Ayers of Lee & Hayes PLLC.

Broadcom is represented by Dominic Massa, Kevin Goldman, Zachary Piccolomini and Katie Saxton of WilmerHale.

The case is Wi-Fi One LLC v. Broadcom Corp., case number 15-1944, in the U.S. Court of Appeals for the Federal Circuit.

--Editing by Christine Chun and Mark Lebetkin.