

Supreme Court Holds that PTAB's Decision about Timeliness of IPR Institution Cannot Be Appealed

APRIL 30, 2020

On April 20, 2020, the Supreme Court issued a 7–2 decision holding that 35 U.S.C. §314(d) of the Patent Act bars courts from reviewing the Patent Office's decision to institute *inter partes* review under 35 U.S.C. §315(b). *Thryv, Inc., fka Dex Media, Inc. v. Click-to-Call Techs. LP*, No. 18-916.

The dispute began in 2001, when Click-to-Call filed a patent infringement lawsuit against Thryv's predecessor-in-interest, based on a patent related to technology for anonymous telephone calls. The 2001 lawsuit was dismissed without prejudice. In 2013, Thryv filed a petition for *inter partes* review of the patent, and Click-to-Call argued that the 2001 lawsuit triggered the one-year clock under §315(b), making the petition untimely. The Patent Trial and Appeal Board rejected this argument, holding that a complaint dismissed without prejudice does not trigger §315(b)'s one-year limit, and ultimately canceled a number of the patent claims in its final written decision. Click-to-Call appealed only the Board's decision that the petition was not time barred under §315(b). The Federal Circuit dismissed the appeal twice on jurisdictional grounds, because §314(d) precludes judicial review of the Board's application of §315(b).

Later, the Federal Circuit decided *Wi-Fi One v. Broadcom*, which holds that §314(d) does not preclude review of time-bar determinations under §315(b). In the wake of that decision, the Federal Circuit granted rehearing in this case. On rehearing, the Federal Circuit determined the 2001 lawsuit *did* trigger the one-year clock under §315(b), making Thryv's petition untimely. The Federal Circuit accordingly vacated the Board's decision invalidating the patent claims and remanded the case for dismissal.

The Supreme Court disagreed and vacated the Federal Circuit's judgment. Writing for the majority, Justice Ginsburg concluded that "[t]he agency's application of §315(b)'s time limit . . . is closely related to its decision whether to institute *inter partes* review and is therefore rendered nonappealable by §314(d)." According to the majority, the Court's 2016 *Cuozzo* decision already established that §314(d) "precludes review of the Patent Office's institution decisions with sufficient clarity to overcome the strong presumption in favor of judicial review." Applying *Cuozzo*, the majority concluded that because §315(b) expressly governs institutions and nothing more, a challenge to timeliness under that section is "an ordinary dispute about the application of an institution-related statute," and thus it is not appealable.

The majority further explained that allowing §315(b) appeals “would operate to save bad patent claims,” undermining the purpose and design of the America Invents Act (AIA). According to the majority, “[i]t is unsurprising that a statutory scheme so consistently elevating resolution of patentability above a petitioner’s compliance with §315(b) would exclude §315(b) appeals, thereby preserving the Board’s adjudication on the merits.” (Justices Thomas and Alito did not join this portion of the decision.)

In a pointed dissent nearly 10 pages longer than the majority’s opinion, Justice Gorsuch (joined in part by Justice Sotomayor) criticized the majority as carrying “us another step down the road of ceding core judicial powers to agency officials and leaving the disposition of private rights and liberties to bureaucratic mercy.” In contrast to the majority, Justice Gorsuch concluded that the plain language of §314(d) renders only the institution decision under §314, and nothing more, final and nonappealable. Justice Gorsuch further disagreed with the majority because its opinion goes against the presumption of judicial review, expressing surprise that the majority would accept *Thryv*’s invitation to overread dicta and overlook unfavorable precedent in *Cuozzo* and other prior cases. Justice Gorsuch also pointed out that in the AIA, “Congress also included provisions to preserve the value of patents and protect the rights of patent owners.”

In the final part of his dissent, which Justice Sotomayor does not join, Justice Gorsuch took aim at what he called “property-taking-by-bureaucracy.” He lamented the Court’s original “wrong turn” in its 2018 *Oil States* decision, where the majority there “acquiesced to the AIA’s provisions allowing agency officials to withdraw already-issued patents subject to very little review.” He also described the consequences of *Oil States* as minimizing an issued patent to “nothing more than a transfer slip from one agency window to another.” He found it cold comfort that the AIA empowers the same bureaucracy that created the patents in the first place, because the director of the Patent Office is a political appointee with nothing to prevent him from “insulating his favorite firms and industries for this process entirely.”

The immediate result of the *Thryv* decision is to clarify the inconsistency in the underlying Federal Circuit decisions. But this may not be the last time the Court will consider the constitutionality of the AIA in the near term. A pending petition for certiorari in another case raises the question whether the retroactive application of *inter partes* review to patents that were applied for before the AIA violates the Fifth Amendment, and whether a court of appeals can invoke forfeiture principles to refuse to address a constitutional claim in a pending appeal despite an intervening change in law. The *Thryv* decision may also require members of the patent bar to reconcile the Supreme Court’s abdication of judicial review with the Federal Circuit’s holding that PTAB judges are unconstitutionally appointed.

4 Min Read

Related Locations

[Charlotte](#)[Chicago](#)[Dallas](#)[Houston](#)[Los Angeles](#)[New York](#)[San Francisco](#)[Silicon Valley](#)[Washington, DC](#)

Related Topics

[Appellate & Critical Motions](#)[Supreme Court](#)[Patent Litigation](#)[Federal Circuit](#)

Related Capabilities

[Appellate & Critical Motions](#)[Patent Litigation](#)

Related Regions

[North America](#)

Related Professionals



Danielle Williams



Linda Coberly



Matthew Carter



Kathi Vidal



Mike Rueckheim