

CLIENT ALERT

Waiver of § 315(b) Time-Bar Challenge to IPR When First Raised on Appeal

FEBRUARY 13, 2020

The failure to raise § 315(b) time-bar challenges to *inter partes* review (IPRs) before the Patent Trial and Appeal Board (PTAB) can be waived on appeal. The patent owner initially sued a first defendant for infringement of its patents. The parties later agreed to settle the litigation, and the first defendant received a license to the asserted patents and was time-barred from seeking IPR of the asserted patents. Six years later, the patent owner sued the second defendant for infringement of the same previously asserted patents. The second defendant timely filed two IPRs challenging the patent owner's asserted patents.

One week after the second defendant filed the IPRs, the second defendant and the first defendant began discussing a merger, and a merger was agreed to and publicly announced less than two weeks after the IPRs were instituted. The merger was completed about four months later while the IPR proceedings remained underway, but before final written decisions. The patent owner learned of the merger three days after it was completed. Nearly a year after first agreeing to merge and seven months after the completed merger, the PTAB issued final written decisions finding the challenged claims unpatentable.

The patent owner raised two issues at the Federal Circuit. First, the patent owner asserted that the PTAB's final written decisions should be vacated because the underlying IPR proceedings are time-barred under 35 U.S.C. § 315(b). Second, the patent owner challenged the PTAB's various unpatentability findings, including one based on an allegedly erroneously construed claim term. The Federal Circuit held that the patent owner waived its time-bar challenge to the IPRs because it failed to present those arguments before the PTAB. The court noted that it retains case-by-case discretion over whether to apply waiver. Further, despite the Federal Circuit previously describing the time-bar restrictions on the PTAB's institution powers as "jurisdictional," the court held that the application of waiver differs between challenges to an agency's "jurisdiction" and challenges to a federal court's jurisdiction, and thus, time-bar challenges under § 315(b) are not immune from waiver.

Regarding the unpatentability findings, for one patent, the Federal Circuit found that the patent owner raised a new non-obviousness argument on appeal that was never presented to the PTAB, and thus, found those arguments waived. The court found that the PTAB's unpatentability factual findings for the other patent were supported by the evidence.

Accordingly, the Federal Circuit affirmed the PTAB's final written decisions invalidating two of the patent owner's patents.

Copies of the opinions can be found <u>here</u> and <u>here</u>.

2 Min Read

Author

James Lin

Related Locations

Charlotte

Chicago

Los Angeles

Silicon Valley

Related Topics

Inter Partes Review (IPR)

Patent Trial and Appeal Board (PTAB)

Invalidity

Related Capabilities

Patent Litigation

Intellectual Property

Related Regions

North America

Related Professionals



David Enzminger



<u>Ivan Poullaos</u>



Mike Rueckheim



Danielle Williams