

Inter Partes Review Challenges May Be Deemed Time-Barred by Privity and Real-Party-in-Interest Relationships Arising After an IPR Is Filed

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Power Integrations, Inc. v. Semiconductor Components Industries, LLC, DBA ON Semiconductor, No. 2018-1607 (Fed. Cir. June 13, 2019)

An *inter partes* review (IPR) proceeding found the claims at issue were invalid and disagreed with arguments that the IPR was time-barred under 35 U.S.C. § 315(b) (“An *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”). Upon appeal, the Federal Circuit found that the IPR was time-barred and remanded with instructions that the IPR be dismissed.

The primary issue with respect to the time-bar issue involved a merger between the IPR petitioner and a company that had been served with a complaint more than one year prior. The patent owner argued that the merger created a privity relationship under § 315(b), rendering the IPR time-barred. The IPR petitioner countered that the alleged privity was irrelevant, because the relationship arose after the IPR was filed.

Based upon the timing of the merger agreement, the Federal Circuit viewed the issue as “one of first impression: whether privity and [real-party-in-interest] RPI relationships arising after filing but before institution should be considered for purposes of the § 315(b) time-bar.” In addressing this issue, the panel examined the plain language of the statute to find that “the best reading of § 315(b) requires consideration of privity and RPI relationships arising after filing but before institution.” The panel supported this interpretation by observing that § 315(b) “states that an IPR ‘*may not be instituted*’ if a stated condition is true.” As such, the panel reasoned, the “focus of § 315(b) is on institution” and not on whether privity was established at the filing stage. The panel further supported its reading of the statute by discussing prior cases that characterized § 315(b) as a limitation *on institution*, and by comparing to common law preclusion principles that suggest “preclusion can apply based on privity arising after a complaint is filed.” The panel rejected each of the IPR petitioner’s contrary arguments, including the argument that the panel should give deference to the Patent Trial and Appeal Board’s interpretation “that RPI and privity relationships for purposes of the § 315(b) time-bar are only relevant *up to the date the petition is filed*.”

[A copy of the opinion can be found here.](#)

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