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CLIENT ALERT

PTAB's Decision To Institute CBM Review Not Reviewable by Federal Circuit

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Sipco, LLC v. Emerson Electric Co., No. 2018-1635 (Fed. Cir. Nov. 17, 2020)

The Federal Circuit considered two questions: 1) whether the Patent Trial and Appeal Board's decision that a patent qualified for covered business method (CBM) review was reviewable on appeal, and 2) whether to uphold the Board's decision that the patent was patentable. The patent at issue is directed to a two-step communication path through which a remote device communicates with an intermediate node and thereby connects to a central location. For example, the court said a remote transmitter could be used to communicate with an ATM, which would then transmit the information to a central location.

The Federal Circuit had previously remanded the decision to institute to CBM review to the Board, but following an appeal, the Supreme Court remanded the case back to the Federal Circuit for further consideration under its precedential *Thryv, Inc. v. Click-to-Call Technologies, LP*, 140 S. Ct. 1367 (2020). In that case, the Supreme Court held that the Patent Office's decision whether earlier litigation bars institution of *inter partes* review is not appealable under 35 U.S.C. § 314(d). On remand, the Federal Circuit held that in light of *Thryv*, CBM review, which is subject to "a similar, materially identical 'No Appeal' provision in 35 U.S.C. § 324(e)," is also not subject to judicial review. The Federal Circuit held that *Thryv* "makes clear that the threshold determination that [the patentee's] patent qualifies for CBM review is a decision that is non-appealable . . . ." *Sipco* at 3.

On the second issue, patentability, the Federal Circuit upheld the Board's obviousness decision, but did not reach its decision of patent-ineligibility under Section 101. The Federal Circuit held that the Board's determination that the '842 patent was obvious over U.S. Patent No. 5,157,687 (Tymes) was supported by substantial evidence.

View the full opinion here.

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