

Thryv, INC., v. Click-to-Call Technologies

The Buck Stops at the PTAB!



Birch
Stewart
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Thryv, Inc. v. Click-to-Call Tech

Argued: December 9, 2019

Decided: April 20, 2020

Vote: 7-2

Majority: Ginsburg (Author) • Roberts •
Breyer • Kagan • Kavanaugh •
Thomas • Alito

Dissenting: Gorsuch (Author) • Sotomayor

Thryv, Inc. v. Click-to-Call Tech

Question before the court:

Does 314(d)'s bar on judicial review of the agency's decision to institute inter partes review preclude Click-to-Call's appeal?

Answer from the Majority

Yes. "The agency's application of §315(b)'s time limit, we hold, is closely related to its decision whether to institute inter partes review and is therefore rendered nonappealable by §314(d).

Timeline

Patent Prosecution

1995 – Inventor, Stephen Duval files U.S. Application Serial No. 08/512,820.

1998 – Inventor files voluntary Chapter 7 bankruptcy petition.

1998 – Patent Office issues U.S. Patent 5,818,836 (the '836 Patent).

Timeline

Litigation Begins

- 2001 – InfoRocket.com Inc., licenses ‘836 Patent from the inventor. [Side Note: the royalty payments were placed in escrow pending resolution of any issues related to Inventor’s omission of the patent application in his bankruptcy proceeding.]
 - InfoRock.com, Inc. files a complaint in the Southern District of New York seeking a declaratory judgement that US Patent No. 6,223,165 is invalid, unenforceable and not infringed and further alleges that Keen infringes of the ‘836 Patent.
- 2002 – Keen, INC. counterclaims InforRock.com infringes of US Patent No. 6,223,165
 - InfoRock.com’s motion for Summary Judgement based on non-infringement is granted.

Timeline

Litigation Ends

2003 – Keen acquires InfoRock.com. Subject to the terms of the merger, InfoRocket and Keen stipulate to a voluntary dismissal of both suits “without prejudice”

Keen and the bankruptcy trustee enter into a Release Agreement in March 2003 – Keen agrees to pay InfoRocket.com’s continuing liability the previous agreement and the Trustee releases Keen of and from any and all obligations or liabilities (including for infringement) related the ‘836 Patent from the beginning of time to the date of the Release Agreement.

Keen changes its name to Ingenio, Inc., late 2003.

Timeline

Infringer Strikes Back

- 2004 – Ingenio, Inc. files Request for Ex Parte Reexamination of the '836 Patent. (April)
Ingenio terminates the license. (October)
- 2007 – AT&T subsidiary acquires Ingenio, INC and changes name to Ingenio, LCC (AT&T also owns YellowPages.com)
- 2008 – DUVAL WIEDMANN, LLC files sue against InfoRocket.com and Ingenio in Western District of Texas for royalties owed as a result of a breach of contract of a previous Licensing Agreement
- 2008 – USPTO issues Ex Parte Reexamination Certificate for the '836 Patent (December)

Timeline

Return of the Patent Owner

- 2011 – Inventor assigns the '836 Patent to Click-to-Call Technologies LP (CTC).
- 2012 – CTC sues AT&T Inc.; YELLOWPAGES.COM LLC; Ingenio, Inc. d/b/a Keen; Ether, a Division of Ingenio, Inc.; in the Western District of Texas for infringement of the '836 Patent (the AT&T Action).

CTC sues Oracle Corporation; Art Technology Group, Inc.; eStara, Inc.; Dell Inc.; Carnival Cruise Lines; The Hartford Financial Service Group, Inc.; et al. in the Western District of Texas for infringement of the '836 Patent (the Oracle Action).

CTC sues eHarmony, Inc. in the Western District of Texas for infringement of the '836 Patent (the eHarmony Action)

Ingenio changes its name to YP Interactive

Timeline

Revenge of the Infringer

2013 – Ingenio together with Oracle Corp., Oracle OTC Subsidiary LLC, and YellowPages.com LLC file an IPR petition challenging claims of the '836 patent on anticipation and obviousness grounds. (May)

CTC filed a Preliminary Response on August 30, 2013 asserting §315(b) statutorily barred institution of the IPR proceedings based on the case filed in 2001.

PTAB concluded that CTC “has not established that service of the complaint in the [InfoRocket Action] bars Ingenio, LLC from pursuing an *inter partes* review for the '836 patent” because that infringement suit was “dismissed voluntarily without prejudice on March 21, 2003, pursuant to a joint stipulation under Fed. R. Civ. P. 41(a).”

Timeline

So Begins the Appeals

2014 – PTAB issues Final Written Decision (October)

CTC files Notice of Appeal (November)

2015 – USPTO Director intervenes solely to address the §315(b) time bar issue. (April)

Appellees submit Rule 28(j) letter arguing that *Achates Reference Publishing, Inc. v Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015) mandates dismissal of the appeal for lack of appellate jurisdiction. (October)

Fed. Cir. Issues an order dismissing CTC's appeal for lack of jurisdiction (*Click-to-Call Techs., LP v. Oracle Corp.*, 622 f. App'x 907 (Fed. Cir. 2015) (per curiam)) (November).

Timeline

And So Continues the Appeals

2016 – CTC petition for writ of certiorari

US Supreme Court grants CTC petition and vacates the Federal Circuit's dismissal and remands for consideration in light of its opinion in *Cuozzo*. (June)

On remand, the Federal Circuit again dismisses CTC's petition (*Click-to-Call Techs., LP v. Oracle Corp.*, XXX (Fed. Cir. 2016.))

CTC files petition for en banc rehearing arguing that *Achates* and *Wi-Fi One* should be overruled. (December)

Fed. Cir. Holds CTC's petition for rehearing in abeyance pending the outcome of *Wi-Fi One*.

Timeline

And So Continues the Appeals

2018 – Fed. Cir. Issues *en banc* decision in Wi-Fi One, expressly overruling *Achates* and holding that time-bar determinations under §315(b) are appealable.

Fed. Cir. grants CTC's petition for rehearing and CTC, Petitioners, and the Director, as Intervenor, all file supplemental briefs (Feb./March)

Fed. Cir. subsequently vacates its dismissal of CTC's appeal, vacates the PTAB's 2014 Final Written Decision and remans to the PTAB to dismiss the IPR (August)

2019 – Ingenio and YellowPages.com (now Thryv, Inc.) file petition for writ of certiorari

Majority Opinion

Section 314(d)'s language indicates that a party generally cannot contend on appeal that the agency should have refused "to institute an inter partes review"

Section 314(d) "preclude[es] review of the Patent Office's institution decisions" with sufficient clarity to overcome the "strong presumption' in favor of judicial review."

35 U.S.C. §314: Institution of inter partes review

(d) NO APPEAL.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

35 U.S.C. §314: Institution of inter partes review

(a) THRESHOLD. – The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

35 U.S.C. §314: Institution of inter partes review

(b) TIMING.—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after—

- “(1) receiving a preliminary response to the petition under section 313; or
- “(2) if no such preliminary response is filed, the last date on which such response may be filed.

35 U.S.C. §314: Institution of inter partes review

(c) NOTICE.—The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

35 U.S.C. §314: Institution of inter partes review

(d) NO APPEAL.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

Majority Opinion

Section 314(d)'s language indicates that a party generally cannot contend on appeal that the agency should have refused “to institute an inter partes review”

Section 314(d) “preclude[es] review of the Patent Office’s institution decisions” with sufficient clarity to overcome the “‘strong presumption’ in favor of judicial review.”

We reserved judgement in *Cuozzo*, however, on whether §314(d) would bar appeals reaching well beyond the decision to institute inter partes review.

Majority Opinion

Instead, we defined the bounds of our holding [in *Cuozzo*] this way: “[O]ur interpretation applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate inter partes review.” (emphasis added)

Majority Opinion

We therefore ask whether a challenge based on §315(b) ranks as an appeal of the agency’s decision “to institute an inter partes review.” §314(d).

35 U. S. C. §315(b):

PATENT OWNER'S ACTION.—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. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

Majority Opinion

We therefore ask whether a challenge based on §315(b) ranks as an appeal of the agency’s decision “to institute an inter partes review.” §314(d).

We need not venture beyond *Cuozzo*’s holding that §314(d) bars review at least of matters “closely tied to the application and interpretation of statutes related to” the institution decision, for a §315(b) challenge easily meets that measurement.

Section 315(b)’s time limitation is integral to, indeed a condition on, institution. After all, §315(b) sets forth a circumstance in which “[a]n inter partes review may not be instituted.”

Majority Opinion

And §314(d) refers not to a determination under subsection (a), but to the determination “under this section.”

That phrase indicates that §314 governs the Director’s institution of inter partes review. Titled “Institution of inter partes review,” §314 is the section housing the command to the Director to “determine whether to institute an inter partes review,” §314(b).

Thus, every decision to institute is made “under” §314 but must take account of specifications in other provisions—such as the §312(a)(3) particularity requirement at issue in *Cuozzo* and the §315(b) timeliness requirement at issue here.

Majority Opinion

Allowing §315(b) appeals would tug against that objective, wasting the resources spent resolving patentability and leaving bad patents enforceable.

... because a patent owner would need to appeal on §315(b) untimeliness grounds only if she could not prevail on patentability, §315(b) appeals would operate to save bad patent claims.

Majority Opinion

A petitioner's failure to satisfy §315(b) does not prevent the agency from conducting inter partes review of the challenged patent claims; the agency can do so at another petitioner's request. §315(b), (c)

the §315(b)-barred party can join a proceeding initiated by another petitioner

the agency may issue a final written decision even “[i]f no petitioner remains in the inter partes review.” §317(a).

Majority Opinion

Click-to-Call presses an alternative reason why the Board's ruling on its §315(b) objection is appealable.

Click-to-Call argues that because the Board's final written decision addressed the §315(b) issue, it may appeal under §319, which authorizes appeal from the final written decision.

Click-to-Call's attempt to overturn the Board's §315(b) ruling is still barred by §314(d) because Click-to-Call's contention remains, essentially, that the agency should have refused to institute inter partes review which make it's §314(d) contention unreviewable.

DISSENTING OPINION

The relevant statute, the presumption of judicial review, and our precedent all point toward allowing, not forbidding, inventors their day in court.

While Congress sought to move many cases out of court and into its new administrative process, it thought patent owners who have already endured long challenges in court shouldn't have to face another layer of administrative review. After all, some repose is due inventors.

DISSENTING OPINION

The statute tells us that “[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.” So the only thing §314(d) insulates from judicial review is “[t]he determination” made “by the Director” “under this section”—that is, a determination discussed within §314.

This stands as an affirmative limit on the agency’s authority. Much like a statute of limitations, this provision supplies an argument a party can continue to press throughout the life of the administrative proceeding and on appeal. Nothing in §315(b) speaks of a “determination by the Director,” let alone suggests that the agency’s initial ruling on a petition’s timeliness is “final and nonappealable.”

DISSENTING OPINION

Even if you could muster some doubt about the reach of §314(d), it wouldn't be enough to overcome the “well-settled presumption favoring interpretations of statutes that allow judicial review of administrative action.”

It should come as an equal surprise to think Congress might have imposed an express limit on an executive bureaucracy's authority to decide the rights of individuals, and then entrusted that agency with the sole power to enforce the limits of its own authority.

DISSENTING OPINION

Although no one doubts that Congress authorized inter partes review to encourage further scrutiny of already issued patents, there also is plenty of evidence that Congress also included provisions to preserve the value of patents and protect the rights of patent owners.

The provisions of §315 protects patent owners from the need to fight a two-front war before both the Board and federal district court.

All the discussion [in *Cuozzo*] about the reviewability of decisions outside §314(a) turned out to be nothing more than dicta entirely unnecessary to the decision. Nor did anything in *Cuozzo* directly address §315(b) decisions, let alone declare them to be “close enough” to §314(a) decisions to preclude judicial review.

DISSENTING OPINION

And even supposing that “closely related to institution” really is the test we’ll apply next time, does anyone know what this judicially concocted formulation even means? Despite three opinions interpreting the same provision in under five years, only one thing is clear: Neither the statute nor our precedent can be counted upon to give the answer.

Any Questions/Comments?