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Federal Circuit Patent Bulletin: *GTNX, Inc. v. INTTRA, Inc.*

June 17, 2015

"[Absent] a clear, indisputable right to have the Board maintain [a covered business method review proceeding, following the Board's nonappealable termination due to a previously filed suit seeking a declaratory judgment of patent invalidity,] mandamus relief [under 28 U.S.C. § 1651] is unavailable."

On June 16, 2015, in *GTNX, Inc. v. INTTRA, Inc.*, the U.S. Court of Appeals for the Federal Circuit (Dyk, Taranto,* Chen) dismissed GTNX's appeal of the U.S. Patent and Trademark Office (PTO) Patent Trial and Appeal Board termination of the covered business method patent review proceedings involving four INTTRA patents, which related to online methods for coordinating containerized shipping. The Federal Circuit stated:

In the Leahy-Smith America Invents Act, Pub. L. No.112–29, § 18, 125 Stat. 284, 329-31 (2011), Congress required the Patent and Trademark Office to establish a "transitional post-grant review proceeding for review of the validity of covered business method patents." Section 18 (a)(1) states a general rule, subject to exceptions not material here, that the PTO must "employ," for such review, the "standards and procedures of [ ] a post-grant review under chapter 32 of title 35," i. e., 35 U.S.C. §§ 321–329.

Section 324 authorizes the Director of the PTO to institute post-grant review, but by regulation, the Director has delegated to the Board the responsibility to make the institution determination. Of relevance to this case, 35 U.S.C. § 325(a)(1) declares that "review may not be instituted . . . if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent." And § 324(e)

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declares that "[t]he determination by the Director whether to institute a post-grant review under this section shall be final and nonappealable." . . . [T]here was no dispute that GTNX's declaratory-judgment action fell within the terms of § 325(a)(1). . . .

GTNX's appeal falls outside 35 U.S.C. §§ 141 and 329 and hence outside this court's jurisdiction under 28 U.S. C. § 1295(a)(4)(A). By its terms, § 329 authorizes appeal, under § 141(c), only from a "final written decision of the [Board] under section 328(a)." Similarly, § 141(c), as relevant here, authorizes appeal only from a "final written decision of the [Board] under section . . . 328(a)." In turn, § 328(a) refers only to "a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 326(d)." Here, the Board made no decision "with respect to the patentability" of any claim. The Board decision at issue, therefore, is outside § 328(a) and, hence, outside §§ 141(c) and 329. . . .

The Board decision GTNX is seeking to appeal was not reached after conduct of the review and did not make a determination with respect to patentability. The decision is therefore outside 35 U.S.C. §§ 141(c), 328(a), 329 and, in turn, outside 28 U.S.C. § 1295(a)(4)(A). Confirming that the decision at issue is not a § 328(a) decision—the only appealable decision within the statutory regime—is that the fair characterization of the decision within the regime is as a decision whether to institute proceedings. The Board expressly stated that it was vacating the earlier decision to institute proceedings.

Having reconsidered whether to institute the proceeding here and determined not to do so based on § 325(a) (1), the Board simultaneously "vacated" the institution decisions and required termination of the proceedings. It is strained to describe this as anything but a "determination . . . whether to institute" proceedings—statutory language that is not limited to an initial determination to the exclusion of a determination on reconsideration. The statute declares such a decision to be "final and nonappealable," thus reinforcing the absence of appeal jurisdiction in this court.

In its notice of appeal, GTNX invoked the All Writs Act, 28 U.S.C. § 1651. Although in opposing the motion to dismiss, GTNX does not invoke that provision, we may treat the appeal as, in the alternative, a request for mandamus relief under § 1651. Doing so, we do not find mandamus relief to be available. [W]here inter partes review had been instituted, and the institution was challenged after a final written decision, we found the particular asserted limit on institution to fall short of constituting a clear and indisputable bar on the Board's action. Here, too, it cannot be said that GTNX has a clear and indisputable right to have the proceeding continue, in the face of the otherwise-applicable proscription of § 325(a)(1), just because INTTRA did not raise this ground before the initial institution decision was made or in a rehearing request within 14 days under 37 C.F.R. § 42.71(d).

GTNX identifies nothing in the statute or regulations that precludes the Board from reconsidering an initial institution decision or invoking the § 325(a)(1) bar on its own, let alone inviting the patentee to file a motion more than 14 days after institution. In particular, 37 C.F.R. § 42.71(d)(1) restricts only rehearing requests made as of right. It does not prohibit the PTO from allowing a party to file a later request for rehearing from an institution decision, as the Board did here. Moreover, as a general matter, "administrative agencies possess inherent authority to reconsider their decisions, subject to certain limitations, regardless of whether they

possess explicit statutory authority to do so." We see nothing in the statute or regulations applicable here that clearly deprives the Board of that default authority. We likewise see no clear bar on the Board's treatment of the § 325(a)(1) proscription as a "jurisdiction[al]" limit, to be applied without invoking waiver based on the timing of the patentee's raising of the issue. In any event, GTNX cannot find a clear, indisputable right to have the Board maintain the proceeding in the circumstances present here. We conclude that mandamus relief is unavailable.