

Client Alert

May 2020

***Thryv* Bars Federal Circuit From Reviewing PTAB Real-Party-In-Interest Determinations**

1. Introduction

As discussed in our recent alert,¹ in *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S. Ct. 1367 (2020), the Supreme Court held that PTAB determinations closely related to IPR institution decisions, including whether an IPR is time-barred, cannot be challenged on appeal under 35 U.S.C. § 314(d). As we explained, one implication of the *Thryv* decision is that virtually all PTAB determinations closely related to institution decisions likely will be shielded from judicial review on appeal, including those related to real-party-in-interest issues.

It did not take long for the Federal Circuit to confirm this prediction. In *ESIP Series 2, LLC v. Puzhen Life USA, LLC*, No. 2019–1659 (Fed. Cir. May 19, 2020),² the Federal Circuit held that, under *Thryv* and *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016), section 314(d) barred the Court from reviewing the PTAB's determination that the petitioner had identified all real parties in interest.

As explained below, given *ESIP*, it is very likely that the Federal Circuit also is barred from reviewing PTAB determinations of whether a third party is a privy of the petitioner. Moreover, *ESIP* should support RPX's recently filed motion to vacate the Federal Circuit's precedential decision in *Applications In Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 2018), in which the Court rejected the PTAB's real-party-in-interest analysis in favor of a more flexible analysis.

2. The *ESIP* Decision

The Federal Circuit's reasoning in *ESIP* is a straightforward application of the Supreme Court's holding in *Thryv* and *Cuozzo* that § 314(d) bars appellate review 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." *ESIP*, slip op. at 11 (quoting *Cuozzo*, 136 S. Ct. at 2141–42).

In *ESIP*, the patent owner ESIP Series 2, Inc., challenged on appeal the PTAB's determination that the petitioner Puzhen Life USA, LLC, had identified all real parties in interest as required by § 312(a)(2). ESIP argued that Puzhen had failed to identify other entities that are real parties in interest, and that this failure meant the PTAB should not have instituted the IPR.

In an opinion by Judge Reyna, the Federal Circuit held that § 314(d) barred the Court from reviewing the PTAB's determination that ESIP had identified all real parties in interest. Judge Reyna explained that "ESIP's contention that the Board failed to comply with § 312(a)(2) is 'a contention that the agency should have refused to institute an inter partes review.'" *ESIP*, slip op. at 12 (quoting *Thryv*, 140 S. Ct. at 1373–74). Therefore, "ESIP's challenge to the Board's 'real parties in interest' determination 'raises "an ordinary dispute about the application of" an institution-related statute,'" which the Court is barred from reviewing

¹ <https://www.huntonak.com/images/content/6/5/v2/65928/supreme-court-shuts-door-appeals-challenging-issues-related-ipr-pdf>.

² http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/19-1659.Opinion.5-19-2020_1590336.pdf.

under § 314(d). *ESIP*, slip op. at 12 (quoting *Thryv*, 140 S. Ct. at 1373–74 (quoting *Cuozzo*, 136 S. Ct. at 2141–42)).

3. Implications of *ESIP*

The Federal Circuit's decision in *ESIP* is not surprising. As explained in our *Thryv* alert, the Supreme Court's decision means that virtually all PTAB determinations closely related to institution decisions likely will be shielded from judicial review, including whether a third party is a real party in interest or a privy of the petitioner, and whether the petitioner identified all real parties in interest. *ESIP* confirms that the Federal Circuit is barred from reviewing PTAB real-party-in-interest determinations, and, given *ESIP*, it is very likely that the Court also is barred from reviewing PTAB privy determinations.

ESIP also implicitly calls into question the Federal Circuit's precedential decision in *Applications In Internet Time, LLC v. RPX Corp.*, 897 F.3d 1336 (Fed. Cir. 2018), in which the Court rejected the PTAB's real-party-in-interest analysis in favor of a more flexible analysis.

In *RPX*, the Federal Circuit vacated the PTAB's determination that RPX's IPR petition was not time-barred and remanded for the PTAB to reconsider this issue. The Court held that the PTAB had applied an unduly restrictive test in determining that a third party (Salesforce)—which had been sued more than one year before RPX filed its petition—was not a real party in interest under § 315(b). *RPX*, 897 F.3d at 1351–56.

In our *Thryv* alert, we raised the issue of whether the PTAB will remain bound by Federal Circuit precedent that reviewed PTAB determinations related to IPR institution decisions, including the *RPX* decision. Since then, RPX has filed a motion requesting that the Federal Circuit recall its mandate, vacate its *RPX* decision and reinstate the appeal.³ RPX argues based on *Thryv* that section 314(d) barred the Federal Circuit from reviewing the PTAB's time-bar determination, including the PTAB's determination that Salesforce was not a real party in interest.

The Federal Circuit's holding in *ESIP* that PTAB real-party-in-interest determinations cannot be reviewed on appeal should support RPX's pending motion to vacate the *RPX* decision. If the Federal Circuit does vacate its *RPX* decision, PTAB decisions that analyze how to determine whether a third party is a real party in interest will become more important.

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³ *Applications In Internet Time, LLC v. RPX Corp.*, No. 2017–1698 (Fed. Cir.), Docket No. 95 (May 4, 2020). RPX also received permission from the PTAB to file a motion to stay the remand proceedings pending the outcome of its motion to vacate in the Federal Circuit. *RPX Corp. v. Applications In Internet Time, LLC*, No. IPR2015–1750 (P.T.A.B.), Docket No. 116 (May 5, 2020).