

ST. JUDE MEDICAL, CARDIOLOGY DIVISION, INC. v. VOLCANO CORP., Appeal No. 2014-1183 (Fed. Cir. April 24, 2014). Before Prost, O'Malley, and Taranto. Appealed from P.T.A.B. (No. IPR2013-00258).

Background:

St. Jude brought suit against Volcano, alleging infringement of St. Jude's patents. Volcano subsequently filed a counterclaim against St. Jude, alleging infringement of Volcano's U.S. Patent No. 7,134,994 ("the '994 patent"). The district court dismissed all claims relating to the '994 patent, based on stipulations by the parties.

St. Jude then filed at the U.S. Patent and Trademark Office ("PTO") a petition for *inter partes* review of the '994 patent. The Patent Trial and Appeal Board ("the Board") denied St. Jude's petition and reasoned that Volcano's counterclaim bars an *inter partes* review because St. Jude was served with the counterclaim more than one year before filing the petition.

35 U.S.C. § 311 specifies that a person other than the owner of a patent may petition the PTO for an *inter partes* review of a patent. However, 35 U.S.C. § 315(b) bars such *inter partes* review when the petition "is filed more than 1 year after the date on which the petitioner ... is served with a complaint alleging infringement of the patent." The Board held that Volcano's counterclaim constitutes "a complaint alleging infringement" of the '944 patent. Because this complaint was served on St. Jude more than one year before St. Jude's *inter partes* petition, the Board ruled that St. Jude is barred from *inter partes* review of the '944 patent under § 315. St. Jude appealed the Board's decision.

Issue/Holding:

Does the Federal Circuit have jurisdiction to review the Board's holding that Volcano's counterclaim bars St. Jude's petition for *inter partes* review of the '944 patent? No, case dismissed.

Discussion:

On appeal, the Federal Circuit ruled that it lacks jurisdiction to review the Board's decision. Although 35 U.S.C. § 141(c) authorizes appeals by a party to an *inter partes* review when the party "is dissatisfied with the final written decision" of the Board, the Federal Circuit held that the Board did not issue a final written decision in this case.

As justification for its holding, the court discussed the two-step procedure for *inter partes* review. The first step is the Board's decision whether to institute an *inter partes* review, and the second step is the Board's final decision of the review (if the proceeding is granted in the first step). As to the first step, 35 U.S.C. § 314(d) states that the determination "whether to institute an *inter partes* review under this section shall be final and nonappealable." Thus, the Federal Circuit held that a party may only appeal the decision of the second step, as it constitutes the final written decision of the Board. Because St. Jude appealed the decision of the first step, the Federal Circuit lacks jurisdiction.