

AGILENT TECHNOLOGIES, INC. v. WATERS TECHNOLOGIES CORPORATION, Appeal No. 2015-1280 (Fed. Cir. January 29, 2016). Before Moore, O'Malley, and Taranto. Appealed from PTAB.

Background:

In 2011, Waters sued Aurora SFC Systems, Inc., for infringement of its patent. Aurora subsequently filed a request for inter partes reexamination of all claims of the patent. In August 2012, Agilent acquired substantially all of Aurora's assets. Waters ultimately appealed the Examiner's rejection of the claims under reexamination, and the PTAB reversed all of the rejections. Agilent appealed.

Issue/Holding:

Does Agilent have a cause of action? No, dismissed.

Discussion:

The Federal Circuit framed the core issue as whether Agilent is a member of a class of litigants that may enforce a legislatively created right or obligation under 35 U.S.C. §141, which confers the right to appeal an adverse reexamination decision only on patent owners and third-party requesters. Agilent argued that its asset purchase confers on it the status of a third-party requester for purposes of pursuing the appeal because Agilent is the "successor-in-interest" and "privy" of Aurora.

Waters argued that §141 does not permit privies to appeal reexamination decisions, because §141 does not reference privies of third-party requesters when defining the categories of litigants who may appeal from reexamination decisions even though other statutory provisions governing inter partes reexaminations specifically mention privies. The Federal Circuit agreed concluding that based on the unambiguous language of the statute mere privies lack a cause of action to appeal reexamination decisions.

Both parties presented arguments about whether a successor-in-interest becomes the third party requester for purposes of §141. The Federal Circuit declined to make this determination, instead finding that Agilent did not establish that it was, in fact, Aurora's successor-in-interest. Agilent argued that it is a successor-in-interest because it bought substantially all of Aurora's assets before the reexamination concluded, including rights relating to the reexamination and underlying infringement litigation. The Federal Circuit disagreed based on several facts; most notably, Aurora was still a party to and will be bound by the judgment in the underlying infringement litigation. The Federal Circuit held that Agilent did not establish that it was Aurora's successor-in-interest or had otherwise "stepped into the shoes of Aurora" for all intents and purposes. Thus, the Federal Circuit dismissed the case for Agilent's failure to demonstrate a cause of action.