

IN RE AFFINITY LABS OF TEXAS, LLC, Appeal No. 2016-1092 (Fed. Cir. May 5, 2017).
Before Taranto, Chen, and Stoll. Appealed from Patent Trial and Appeal Board.

Background:

The appeal arose from two *inter partes* reexaminations and an *ex parte* reexamination of an Affinity patent. Each of the reexamination requests asserted different grounds of unpatentability of all the claims. The Patent Office granted all three requests, and merged them into one proceeding.

In a parallel district court proceeding, the validity of the litigated claims was affirmed (all claims were not litigated in the district court). Affinity then petitioned the Patent Office to vacate the entire merged reexamination proceeding, arguing that the estoppel provision of pre-AIA 35 U.S.C. §317(b) extends to not only the litigating party in the district court proceeding, but also to remaining parties in the reexamination proceeding, and extends to all of the challenged claims, not only the litigated claims.

The Patent Office denied the termination request and severed the losing litigant's reexamination from the merged proceeding. The Examiner then rejected the non-litigated claims of Affinity's patent in both the severed reexamination and the merged reexamination for anticipation and obviousness. Affinity appealed to the PTAB, which affirmed the Examiner's rejection. Affinity then appealed to the Federal Circuit.

Issues/Holdings:

Does the estoppel provision of pre-AIA §317(b) apply to all parties and all claims? No, affirmed.

Discussion:

The Federal Circuit found that the plain language of pre-AIA §317(b) does not support Affinity's arguments because the language of pre-AIA §317(b) specifically refers to the patent's claims, and not the patent in general. The Federal Circuit also found that if Congress had intended pre-AIA §317(b) to apply to all claims, it knew how to do so, citing to pre-AIA §317(a)'s language referring to "the patent" in general.

The Federal Circuit also found that pre-AIA §317(b) could not apply to the other reexamination requesters. First, pre-AIA §317(b) extends only to *inter partes* reexaminations, not *ex parte* reexamination. Thus, the estoppel effect did not extend to the *ex parte* reexamination. Second, the Federal Circuit found that the language of the statute is clear - the estoppel only applies to the party of the civil action. Because the second *inter partes* reexamination requester was not a party to the litigation, pre-AIA §317(b) also did not apply to the second *inter partes* reexamination.