

ACOUSTIC TECHNOLOGY INC. v. ITRON NETWORKED SOLUTIONS INC., Appeal No. 2019-1061 (Fed. Cir. Feb. 13, 2020). Before Reyna, Moore, and Taranto. Appealed from the Patent Trial and Appeal Board.

Background

Acoustic sued Itron in March 2010 for infringement of its patent. Itron eventually licensed the patent from Acoustic to settle the lawsuit. Acoustic then sued Silver Spring Networks for infringement in March 2016. In response, Silver Spring filed an IPR challenging the validity of Acoustic's patent in March 2017.

Before filing the petition, Itron and Silver Spring were in merger discussions. The parties eventually agreed to merge nine days after the IPR was instituted.

The PTAB issued a final written decision seven months after the merger was completed, and cancelled the only claim at issue.

Acoustic appealed the decision to the Federal Circuit. Although not raised before the PTAB, Acoustic argued that the IPR was time-barred under §315(b), because Itron had merged with Silver Spring.

Issue/Holding

Did the PTAB exceed its jurisdiction in cancelling the claim at issue? No, affirmed.

Discussion

35 U.S.C. §315(b) provides that "[a]n inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent."

Because it was sued in 2010, Itron was time-barred from filing an IPR. Silver Spring would likewise be time-barred from petitioning for IPR if Itron constitutes a real party in interest or privy of Silver Spring.

However, the Federal Circuit held that Acoustic had waived its §315(b) arguments by failing to raise them before the PTAB. The Federal Circuit reasoned that even though this issue was jurisdictional, there is a difference between challenges to agency jurisdiction and challenges to federal court jurisdiction. In that respect, challenges to agency jurisdiction can be waived during an agency proceeding.