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Delay Is Okay: Final Written Decisions Can Be Issued After Statutory Deadline

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In a matter of first impression, the US Court of Appeals for the Federal Circuit concluded that the Patent Trial & Appeal Board has the authority to issue a final written decision (FWD) in a post-grant review (PGR) proceeding after the statutory deadline has passed. *Purdue Pharma L.P. v. Collegium Pharm., Inc.*, Case No. 22-1482 (Fed. Cir. Nov. 21, 2023) (**Dyk**, Hughes, Stoll, JJ.)

Purdue owns a patent directed to a pharmaceutical formulation meant to prevent or deter the abuse of opioid analgesics through the use of an aversive agent. On March 13, 2018, Collegium filed a PGR petition asserting that the patent claims were invalid. On September 24, 2019, Purdue filed a notice of bankruptcy and imposition of automatic stay, after which the Board stayed the PGR proceeding. The Board's one-year deadline to issue an FWD under 35 U.S.C. § 326(a)(11) and 37 C.F.R. § 42.200(c) expired on October 4, 2019. After the bankruptcy court lifted the stay on the PGR proceeding on September 1, 2020, Purdue argued that the Board no longer had the authority to issue an FWD because the 18-month statutory deadline to do so had passed. The Board disagreed and issued an FWD finding the challenged claims unpatentable. Purdue appealed.

Purdue argued that the Board did not have authority to issue an FWD after the deadline established by 35 U.S.C. § 326(a)(11) and 37 C.F.R. § 42.200(c) had passed. Purdue advanced four arguments in favor of its proposed interpretation of § 326(a)(11):

1. The use of "shall" and "requiring" deprives the Board of the authority to issue an FWD.
2. The "negative words" of "not later than 1 year" and "by not more than 6 months" indicate a loss of authority.
3. The statutory language in § 326(a)(11) requires PGR proceedings to be conducted "*in accordance with*" the Board's jurisdictional grant in 35 U.S.C. § 6, and therefore the Board's jurisdiction expires when the deadline in § 326(a)(11) expires.
4. The exceptions in § 326(a)(11) for "good cause" and "joinder" demonstrate that those are the only limited instances where the Board may issue an FWD after the statutory deadline.

None of Purdue's arguments persuaded the Federal Circuit. The Court reasoned that § 328(a) plainly requires the issuance of an FWD and that "[h]ad Congress meant to deprive the agency of power in § 326(a)(11), it knew how to do it" *vis-à-vis* the use of specific language, like the language it used in other sections of the America Invents Act (AIA), such as 35 U.S.C. § 315(b) and 35 U.S.C. §

321(c), both of which specifically deny agency power after a temporal deadline.

The Federal Circuit also considered the legislative history of § 316(a)(11), recognizing that Congress created PGR and *inter partes* review (IPR) proceedings when enacting the AIA to, among other things, replace the "lengthy and inefficient" reexamination proceeding. The Court reasoned that prohibiting an FWD after the statutory deadline would "force" parties to commence district court litigation—an act contrary to the purpose of the AIA, which sought to create a more efficient alternative to district court litigation—and potentially lose the work that was completed in the PGR proceeding.

Ultimately, the Federal Circuit adhered to Supreme Court of the United States precedent that "even in the face of a statutory timing directive, when a statute does not specify the consequences of non-compliance, courts should not assume that Congress intended that the agency lose its power to act." Neither the language, structure nor legislative history of § 326(a)(11) provided consequences for noncompliance with the statutory deadline, and therefore the Board was permitted to issue an FWD after the statutory deadline. As a result, and as the Court stated, if Purdue wanted to compel an earlier decision from the Board, it could have sought *mandamus*.

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