

NOTE: This order is nonprecedential.

**United States Court of Appeals  
for the Federal Circuit**

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**UNITED FIRE PROTECTION CORP.,**  
*Appellant*

v.

**ENGINEERED CORROSION SOLUTIONS, LLC,**  
*Appellee*

**ANDREI IANCU, Director, U.S. Patent and Trade-  
mark Office,**  
*Intervenor*

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2020-1272

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Appeal from the United States Patent and Trademark  
Office, Patent Trial and Appeal Board in No. IPR2018-  
00991.

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**ON MOTION**

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Before O'MALLEY, WALLACH, and STOLL, *Circuit Judges*.  
STOLL, *Circuit Judge*.

**O R D E R**

United Fire Protection Corp. moves to vacate and remand in light of *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320 (Fed. Cir. 2019). Engineered Corrosion Solutions, LLC (“ECS”) and the Director of the United States Patent and Trademark Office oppose remand, and the Director moves to dismiss this appeal.

ECS owns U.S. Patent No. 9,144,700 (“the ’700 patent”). In November 2015, two of United Fire’s competitors, South-Tek Systems, LLC and Potter Electric Co, LLC (collectively, “South-Tek”), filed a petition seeking *inter partes* review (“IPR”) of claims 1–9 of the ’700 patent based on several grounds. The Director, acting through the Patent Trial and Appeal Board, instituted review. In May 2017, the Board issued a final written decision concluding that South-Tek had not demonstrated, by preponderance of the evidence, that the claims are unpatentable.

In May 2018, United Fire filed the underlying petition challenging claims 1–9 of the ’700 patent based on 15 grounds, relying on several of the same references from South-Tek’s prior petition. The Director, again acting through the Board, exercised his discretion under 35 U.S.C. § 314(a) to not institute review of any of the challenged claims. In doing so, the Board noted that the petition “strongly suggest[ed]” that United Fire used its knowledge of the prior IPR “‘as a roadmap’ in an effort to find a successful challenge by curing the deficiencies the Board identified” in the prior IPR and that United Fire did not adequately explain the delay between when it learned of the prior IPR and the filing of its petition.

We agree with the Director that this court cannot hear United Fire’s appeal from the non-institution decision. The statutory scheme that governs judicial review of IPRs clearly differentiates between the Board’s final written decision on patentability after institution, which is appealable, *see* 35 U.S.C. §§ 318(a), 141(c); 28 U.S.C. § 1295(a)(4)(A); and the Director’s discretionary

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determination whether to decline review, which is “final and nonappealable,” 35 U.S.C. § 314(d); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (noting that the “decision to deny a petition is a matter committed to the Patent Office’s discretion”); *St. Jude Med., Cardiology Div., Inc. v. Volcano Corp.*, 749 F.3d 1373, 1376 (Fed. Cir. 2014) (holding that our review authority does not extend to appeals from decisions not to institute); *see also Thryv, Inc v. Click-to-Call Techs.*, \_\_ S. Ct. \_\_, 2020 WL 1906544, at \*6 (2020) (explaining that the § 314(d) review bar “encompasses the entire determination whether to institute an inter partes review” (internal quotation marks and citation omitted)). The Board’s decision in this case clearly falls within the latter category.

United Fire argues that, under *Arthrex*, the Board’s non-institution decision must be vacated, and the case remanded, because the Board judges were not appointed in compliance with the Appointments Clause. But the court in *Arthrex* considered and rejected that argument, expressly limiting its holding “to those cases where final written decisions were issued,” 941 F.3d at 1340, seeing “no constitutional infirmity in the institution decision [because] the statute clearly bestows such authority on the Director pursuant to 35 U.S.C. § 314,” *id.*\*

Accordingly,

IT IS ORDERED THAT:

- (1) United Fire’s motion to remand is denied.
- (2) The Director’s motion to dismiss is granted.

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\* For the reasons set forth in *Ciena Corp. v. Oyster Optics, LLC*, \_\_ F.3d \_\_, 2020 WL 2124762 (Fed. Cir. 2020), the remedy provided in *Arthrex* is also inapplicable to United Fire because it sought institution of the IPR.

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(3) Each side shall bear its own costs.

FOR THE COURT

May 19, 2020  
Date

/s/ Peter R. Marksteiner  
Peter R. Marksteiner  
Clerk of Court

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ISSUED AS A MANDATE: May 19, 2020