U.S. SUPREME COURT TO DECIDE CASE THAT COULD IMPACT INTER PARTES REVIEW

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Patent Office Litigation Alert

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It often takes several years for new statutory regimes to work through the court system before the Supreme Court can authoritatively interpret them. The America Invents Act (AIA), enacted in 2011, is no exception. The Supreme Court recently granted certiorari in its first case involving the AIA, *Cuozzo Speed Tech., LLC v. Lee*. The case involves the *inter partes* review (IPR) process created by the AIA. Our prior Alert discusses the Federal Circuit's *Cuozzo Speed* decisions and their potential significant impact on IPR proceedings. The Supreme Court granted Cuozzo Speed's certiorari petition on January 15, 2016. The petition presents two questions, and their resolution could impact nearly every IPR proceeding.

The first question involves claim construction. At present, the Patent Trial and Appeal Board (PTAB) applies the broadest reasonable interpretation standard (BRI) when construing patent claims in IPR proceedings. The Federal Circuit upheld the PTAB's use of the BRI standard. *See In re Cuozzo Speed Tech., LLC,* 793 F.3d 1268 (Fed. Cir. 2015) and 793 F.3d 1297 (denial of *en banc* review by 6-5 vote). Cuozzo Speed seeks to have the plain and ordinary meaning standard, used in district court patent litigation, applied to claim construction in IPR proceedings.

The second question involves whether a PTAB decision to institute an IPR is appealable. The AIA states that IPR institution decisions "shall be final and nonappealable." 35 U.S.C. § 314(d). Resolving the issue involves considering whether this AIA provision merely prohibits interlocutory appeals or prohibits all appeals of IPR institution decisions. A three-member panel of the Federal Circuit ruled that IPR institution decisions are not at all appealable, even after the PTAB reaches final decisions in IPRs. 793 F.3d 1268 (Fed. Cir. 2015).

Specifically, the two questions presented in Cuozzo Speed's certiorari petition are:

1. Whether the court of appeals erred in holding that, in IPR proceedings, the Board may construe claims in an issued patent according to their broadest reasonable interpretation rather than their plain and ordinary meaning.
2. Whether the court of appeals erred in holding that, even if the Board exceeds its statutory authority in instituting an IPR proceeding, the Board's decision whether to institute an IPR proceeding is judicially unreviewable.

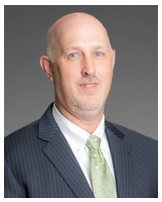
The last oral arguments during the present 2015-16 Supreme Court term are scheduled for the end of April 2016 (*viz*. April 17-19 and 24-26, 2016). If there are no extensions in the customary briefing schedule, the *Cuozzo Speed* case could be argued before the Court in April, in which case a decision would be rendered by June 30, 2016. If, however, the briefing schedule is delayed such that oral argument cannot be scheduled for this April, the case will be pushed to the Court's 2016-17 term.

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In the period before the Supreme Court decides *Cuozzo Speed,* parties to an IPR in which the claim construction standard affects the outcome should consider taking steps to preserve their right to argue that the PTAB should not apply the BRI claim construction standard.

Also of note, another party recently petitioned for Supreme Court review of the constitutionality of IPR proceedings. Inventor J. Carl Cooper's petition asserts that the IPR process violates Article III of the Constitution "to the extent that it empowers an executive agency tribunal [i.e., the PTAB] to assert judicial power canceling private property rights amongst private parties embroiled in a private federal dispute…, rather than merely issue an advisory opinion as an adjunct to a trial court." Cooper asserts that the IPR process can be saved constitutionally if its outcomes were subject to *de novo* review by an Article III trial court. The Supreme Court has not yet decided whether to hear Cooper's case, but Cooper requested that his case be heard with the *Cuozzo Speed* case.

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