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Supreme Court Upholds Constitutionality of Inter Partes Review - PTAB Must Decide Patentability of All Challenged Claims

Legal Update

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The Supreme Court of the United States issued a pair of significant decisions today regarding post-grant practice before the Patent and Trademark Office's (PTO's) Patent Trial and Appeal Board (PTAB). In *Oil States Energy Services, LLC, v. Greene's Energy Group, LLC*, the Court held that Congress had the constitutional authority to entrust the PTAB with *inter partes* review (IPR) of issued patent grants. In *SAS Institute Inc. v. Iancu*, the Court held that the statutory terms of the America Invents Act require the PTAB to adjudicate all of the patent claims raised in an instituted IPR petition.

In a closely-watched case, Oil States had argued that Article III and the Seventh Amendment of the Constitution required any challenge to the validity of an issued patent to be tried before a jury in U.S. district court. The Supreme Court held that the grant of patent fell within the "public rights" doctrine, and accordingly Congress had the authority to assign reconsideration of that grant to an administrative agency:

Inter partes review falls squarely within the public-rights doctrine. This Court has recognized, and the parties do not dispute, that the decision to *grant* a patent is a matter involving public rights—specifically, the grant of a public franchise. Inter partes review is simply a reconsideration of that grant, and Congress has permissibly reserved the PTO's authority to conduct that reconsideration. Thus, the PTO can do so without violating Article III.

Likewise, *inter partes* review does not violate the Seventh Amendment because "when Congress properly assigns a matter to adjudication in a non-Article III tribunal, 'the Seventh Amendment poses no independent bar to the adjudication of that action by a nonjury factfinder.'"

Following the *Oil States* decision that IPRs are constitutional, the Court addressed the PTAB's common practice of instituting IPRs with regard to some, but not all, of the patent claims challenged in a petition. Because the text of 35 U.S.C. § 318(a) states that "the Patent Office must 'issue a final written decision with respect to the

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patentability of *any* patent claim challenged by the petitioner[.]” the Court in *SAS Institute* held that the statute requires the PTAB to institute IPRs with regard to all claims challenged in the petition (emphasis added by Court).

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