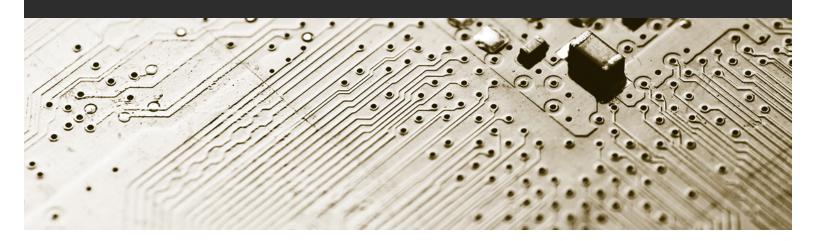


Alert | Intellectual Property & Technology



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USPTO Must Decide the Patentability of All Claims Challenged in an *Inter Partes* Review

On April 24, 2018, in *SAS Institute Inc., v. Iancu*, 585 U.S.__(2018), the U.S. Supreme Court issued a 5-4 decision that ends the practice at the Patent Office of instituting *inter partes* review (IPR) with respect to fewer than all claims or fewer than all grounds. Justice Gorsuch delivered the opinion of the Court, which was joined by Chief Justice Roberts and Justices Kennedy, Thomas, and Alito.

The SAS Institute case arose when SAS sought an IPR of a software patent. In its petition, SAS alleged that every claim in the patent was unpatentable, and the Patent Trial and Appeal Board (PTAB) concluded that SAS was likely to succeed in its challenge with respect to at least one claim. SAS Inst., slip op. at 3. The PTAB did not institute review with respect to all challenged claims, however, choosing instead to institute on a subset of the petitioner's challenges pursuant to a Patent Office regulation (37 CFR § 42.108(a)) permitting that practice. SAS sought review in the Federal Circuit, which rejected SAS's argument. The Court granted certiorari to review that decision.

The question in front of the Court was whether, "[w]hen the Patent Office initiates an inter partes review, must it resolve *all* of the claims in the case, or may it choose to limit its review to only *some* of them?" *SAS Inst.*, slip op. at 1.

The majority found its answer in 35 U.S.C. § 318(a), which indicates that the Patent Office must issue a final written decision with respect to the patentability of "any" challenged claims. Justice Gorsuch explained that, for an IPR that are instituted and not dismissed, the PTAB "shall" issue a final decision with respect to "any" claim challenged by a petitioner, such that the Patent Office cannot curate which claims are at issue. *Id.* at 1-2. The statutory language does not permit partial institution, unlike more



permissive and flexible language in other statutory schemes. For example, the ex parte reexamination statute permits "the Director to institute proceedings on <u>a claim-by-claim and ground-by-ground basis</u>." *Id.* at 7-8 (emphasis added). The IPR statutory scheme does not utilize this permissive approach, and instead its language presents a "binary choice—either institute review or don't." *Id.* at 7.

Thus, the Court's decision requires an instituted IPR to proceed with respect to all claims and all grounds raised in a petition. The PTAB is **no** longer permitted to institute a partial IPR on a subset of the claims or grounds raised by a Petitioner. In other words, once the PTAB decides that a petitioner has a reasonable likelihood of success on one claim and decides to institute review, it must do so for *all* of the challenged claims and on all grounds raised by the petitioner.

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