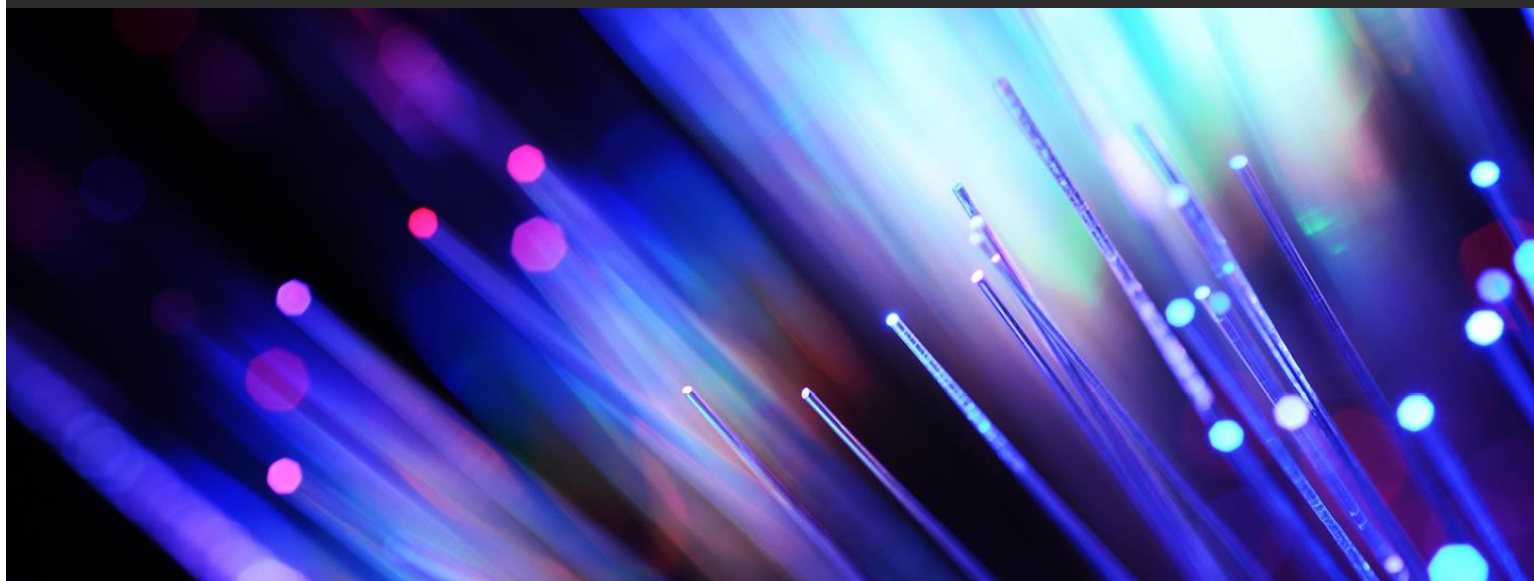


## Go Big or Go Home — A Re-cap of Recent, Significant Changes in Patent Law



By Vishesh Narayan | **May 17, 2019** | Association of Corporate Counsel – Tampa Bay

In recent years, the U.S. Supreme Court has been quite active on intellectual property issues, perhaps in recognition of the growing importance of IP to large swaths of the economy. The Court has addressed a variety of issues touching on damages, affirmative defenses, and numerous other fundamental issues of patent law. This also likely owes in part to the fact that, unlike other substantive bodies of law, only one intermediate appellate court—the U.S. Court of Appeals for the Federal Circuit—guides the development of patent law. This article discusses a selection of recent decisions of significance issued by the U.S. Supreme Court in the area of patent law.

### **Power of “Partial Institution” in *Inter Partes* Review – *SAS Institute, Inc. v. Iancu* (2018)**

In *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018), the Supreme Court held that when the Patent Trial and Appeal Board institutes *inter partes* review of a patent—an increasingly attractive and important option for parties accused of infringement—it “must decide” the patentability of every patent claim challenged by the petitioner in its original petition.<sup>1</sup> The Court, in a relatively brief opinion, concluded that the plain language of 35 U.S.C. § 318(a) required the Patent Trial and Appeal Board to “address every claim the petitioner has challenged,” rather than allowing the Board to elect to address only a subset of the challenged patent claims.<sup>2</sup> In prior practice, the Board had routinely exercised a power of “partial institution” on the

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<sup>1</sup> *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348, 1353 (2018).

<sup>2</sup> *Id.* at 1354.

authority of 37 C.F.R. § 42.108(a), which provided that “[w]hen instituting inter partes review, the [Director] may authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim.”<sup>3</sup> The Court held that the plain language of Section 318(a) precluded this practice and required the Board to address every claim challenged in a petition on which *inter partes* review has been instituted. Going forward, the primary procedural effect of the Court’s decision in *SAS Institute* will obviously be to eliminate the Board’s ability to exercise its prior practice of partially instituting petitions—that is, instituting *inter partes* review on only a subset of the patent claims challenged in the original petition—and require the Board to deal only with the binary choice of either instituting review on none of the challenged patent claims, or on all of them. What remains to be seen is whether the Court’s *SAS Institute* decision will have secondary systemic effects in light of the Board’s finite institutional resources. Against the backdrop of an ever-increasing number of petitions for *inter partes* review, *SAS Institute* may well oblige the Board to more cautiously exercise its discretion to institute *inter partes* review, ultimately making it more difficult for petitioners to prevail in instituting review proceedings. In this setting, as in many others, discretion is hydraulic: by limiting the Board’s discretion in one element of the *inter partes* review process, *SAS Institute* may well change how the Board exercises discretion elsewhere in the process.

### **Constitutionality of *Inter Partes* Review – *Oil States Energy Services LLC v. Greene’s Energy Group, LLC* (2018)**

In *Oil States Energy Services LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365 (2018), the Supreme Court upheld the constitutionality of *inter partes* review against a challenge based on Article III of the U.S. Constitution. In *Oil States*, the patent owner challenged the constitutionality of *inter partes* review, arguing that any action to revoke a patent must be tried in an Article III federal court, and that *inter partes* review, which proceeds before the Patent Trial and Appeal Board, a tribunal within the U.S. Patent & Trademark Office (which is itself a part of the U.S. Department of Commerce), was therefore unconstitutional.<sup>4</sup> The Court rejected this argument, holding that *inter partes* review “falls squarely within the public-rights doctrine,” which “covers matters ‘which arise between the Government and persons subject to its authority in connection with the performance of the constitutional functions of the executive or legislative departments.’”<sup>5</sup>

As can be seen, the Supreme Court’s activity and interest in guiding the development of patent law continues unabated, and the Court’s current docket will also address issue of primary importance in patent law.

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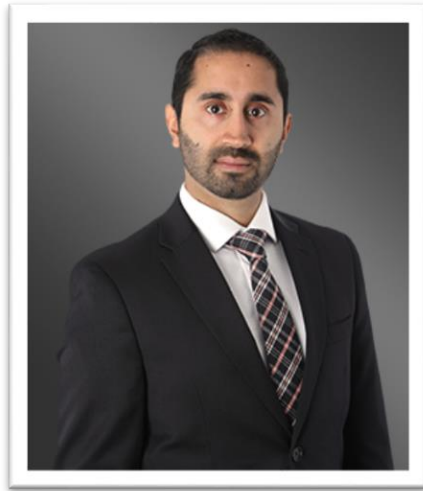
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<sup>3</sup> *Id.*

<sup>4</sup> *Oil States Energy Services LLC v. Greene’s Energy Group, LLC*, 138 S. Ct. 1365, 1372 (2018).

<sup>5</sup> *Id.* at 1373 (quoting *Crowell v. Benson*, 285 U. S. 22, 50 (1932)).



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