

## Supreme Court Upholds AIA Provision Barring Judicial Review of Decision to Institute IPR

Under the America Invents Act (“AIA”), a third party may challenge the validity of an issued United States patent by filing a request for *inter partes* review (“IPR”). The Patent Trials and Appeal Board of the United States Patent Office (“Appeal Board”) will grant the request and institute the IPR if it finds a reasonable likelihood that the invention was previously disclosed or obvious to a person of ordinary skill in the art. In a statute establishing the IPR process, Congress stated that “[t]he determination by the Director whether to institute an *inter partes* review under this section shall be final and non-appealable.”

When determining if the invention was previously disclosed or obvious, the patent claims are given their broadest reasonable interpretation (“BRI”). The BRI standard is also the standard used during prosecution of the patent application at the United States Patent Office (“USPTO”), but differs from the ordinary meaning standard used in United States courts when determining the validity of a patent claim.

In *Cuozzo Speed Technologies, LLC vs. Lee (USPTO)* (U.S. June 20, 2016), the two questions were: 1) whether a court may review the Appeal Board’s decision to institute an IPR; and 2) whether the USPTO had the right to use the BRI standard for claim interpretation in IPR proceedings. The Supreme Court determined that the AIA barred judicial review of the Appeal Board’s decision to institute an IPR. Further, the Supreme Court determined that the AIA gave the USPTO the right to set the BRI standard for IPR proceedings.

When the courts review statutory language that might prohibit judicial review, there is a “strong presumption” that the language does not do so. However, this presumption can be overcome by clear and convincing evidence based on specific language and legislative history. The Supreme Court found that, in this case, the strong presumption was overcome. The Supreme Court based this decision on the plain language of the statute, the overall statutory scheme, the prior interpretation of similar patent statutes, and Congress’ purpose in creating an IPR. However, the Court left open a possibility that when appeals from the decision to institute an IPR contain constitutional issues, a judicial review may be available.

With respect to the question of whether the USPTO lacked the legal authority to set forth the BRI standard for claim interpretation, the Court held that the USPTO was within its rights to adopt the BRI standard. According to the Court, the statute did not unambiguously direct the USPTO to use one standard or the other, and therefore the USPTO could reasonably adopt the BRI standard. Further, the Supreme Court opined that although an IPR has many attributes of a court proceeding, that fact alone is not sufficient to determine that Congress meant for an IPR to have the same claim interpretation standard as in court proceedings.

To support this opinion, the Court pointed to several fundamental ways in which an IPR is not like a court proceeding such as: the petitioner has “no concrete stake in the outcome”, the standard of proof is lower and the purpose is to protect the public from overreaching patents.

Wood Phillips will continue to carefully monitor developments in IPR practice. If you have any questions about IPR proceedings, please contact an attorney at Wood Phillips.