

For Petitioner’s Without Federal Standing IPR Decisions are Final

Phigenix, Inc. petitioned for an *Inter Partes Review* (“IPR”) of Immunogen, Inc.’s patent on the ground that the claims of the patent were obvious over the prior art. The Patent Trial and Appeal Board (“PTAB”) found that the claims were valid as non-obvious. Phigenix then appealed the PTAB’s decision to the Court of Appeals for the Federal Circuit (“CAFC”). The CAFC dismissed the case, finding that Phigenix did not have federal “standing” to bring the case before the court. *Phigenix, Inc. v. Immunogen, Inc.* Appeal No. 2016-1544, 13 (Fed. Cir. Jan. 9, 2017). This decision effectively means that PTAB’s IPR decisions are final for any petitioner who does not have federal standing to sue the patent owner.

The United States Patent and Trademark Office (“USPTO”) has placed no restriction on who may petition for an IPR of an issued patent. The purpose of the IPR is to maintain balance between the exclusive rights given to patent owners and the interest of the public in the patented invention. Thus, anyone or any company may petition for an IPR on behalf of the public’s interest to ensure that the patented invention was not already owned by the public.

The United States federal court system was designed to redress grievances between two interested parties. In order to appeal an administrative decision to a federal court, a party must have standing. To have standing, a plaintiff “must have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, (3) that is likely to be redressed by a favorable judicial decision.” *Phigenix, Inc.* at 4 quoting, *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1547 (2016).

The CAFC found that Phigenix did not suffer an injury in fact. An injury in fact must be a “concrete” injury or an imminent threat of concrete injury to the party. Phigenix contends that it suffered a concrete economic injury in a reduced ability to license its own patent because the issuance of Immunogen’s allegedly invalid patent covered similar subject matter. However, as the CAFC concluded, Phigenix’s hypothetical licensing injury was not concrete because Phigenix neither proved nor asserted that it had ever licensed its patent to any third party, much less a third party to which Immunogen had licensed its allegedly invalid patent. Thus, Phigenix had no injury in fact because Phigenix’s profits had not been reduced by the issuance of Immunogen’s allegedly invalid patent.

Phigenix offered two additional arguments for federal standing. First, Phigenix argued that the statute giving rise to the IPR system granted the right to an appeal. The CAFC found that a right to an appeal does not establish federal standing. Second, Phigenix argued that the PTAB’s final decision caused Phigenix a concrete injury because the decision prevented Phigenix from requesting or maintaining a further legal proceeding in relation to Immunogen’s patent.

For example, seeking a declaratory judgment in federal district court that the patent is invalid. The CAFC found that inability to participate in further litigation was not an injury in fact because Phigenix could not sue anyway as Phigenix was “not engaged in activity that would give rise to a possible infringement suit,” which is a prerequisite to seeking a declaratory judgment of invalidity. *Phigenix, Inc.* at 13, quoting *Consumer Watchdog v. Wis. Alumni Research Found.*, 753 F.3d 1258, 1262 (Fed. Cir. 2014).

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