

Tom King in Law360: Amicus Arguments For and Against Inter Partes Review

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Over the last five years, the U.S. patent system has been dramatically impacted by new post-grant proceedings such as *inter partes* reviews. However, the constitutionality of these proceedings has been called into question by the U.S. Supreme Court granting certiorari in *Oil States Energy Services LLC v. Greene's Energy Group LLC*, which asks whether IPRs are consistent with Article III and the Seventh amendment. Recognizing the potential of a decision in *Oil States* to impact the patent system, over 50 amicus briefs representing hundreds of amici and a substantial share of the U.S. GDP have been filed with the court.

The briefs represent the full spectrum of participants and interested parties in the patent system, and were written by many of the most prominent Supreme Court advocates of our day, including Carter Phillips and Ted Olson. The issues presented are weighty, including concerns regarding separation of powers and the limits of the administrative state, the impact of IPRs on various parts of the patent system, and applying the principles of originalism to 18th century patent practice. This article addresses the main arguments presented by amici on both sides of the issue in *Oil States*, and attempts to point out those arguments and issues that are likely to have the greatest impact. ...

The primary issue in *Oil States* arguably has little to do with patent law, and instead concerns separation of powers, particularly the authority of Congress to reassign adjudicative authority from the judiciary to an administrative agency.

Broadly speaking, groups opposing IPRs on separation of powers grounds made two arguments. First, they argued that because IPRs have the attributes of private property, 35 U.S.C. § 261, that they are therefore private rights that must be adjudicated by Article III courts under a line of cases starting with *Murray's Lessee v. Hoboken Land & Improvement Co.* ...

The second separation of powers concern involved judicial decisions being overturned by inconsistent administrative decisions that are decided on profoundly different legal standards. As one party pointed out, “the possibility of inconsistent results is inherent to Congress’[s] regulatory design” for IPRs, and that “[t]his observation condemns, not justifies, what Congress has done in triggering the separation of powers violation here.” Patent owners also criticized the Patent Trial and Appeal Board’s use of challenger-friendly claim construction and validity standards because “[a] patent claim is not ‘like a nose of wax, which may be turned and twisted in any direction ... for the purpose of changing it, and making it different from what it is.’” ...

Parties supporting IPRs framed the issue entirely differently. Most supporters of IPRs viewed patents as having a strong public component that rendered them “public rights” which did not have to be decided by Article III courts under *Murray’s Lessee*. ...

The amicus briefs also focused on the impact of IPRs on the patent system. Many opponents of IPRs focused on the difficulty of attracting investment when “[t]he PTAB hovers as a permanent cloud over the clean title to our patents and every one of the 2.5 million patents in force.”[12]

Another group colorfully argued that “[r]oulette wheels in Las Vegas Casinos offer better odds for a return on investment.”...

Groups supporting IPRs focused on the beneficial impact they have had in rooting out bad patents and bad patent actors. Major tech companies such as Apple Inc., Dell Inc., Facebook Inc. and Cisco Systems Inc. argued that district court patent cases were a drain on their resources since each one cost potentially millions of dollars (as opposed to a few hundred thousand for IPRs). Generic drug companies and other organizations interested in health care argued that IPRs were necessary to achieve lower pharmaceutical prices by helping to clear out low quality patents that extend the term of a patented drug monopoly. ...

Oil States has attracted the attention of the entire patent law community, and of many in the broader legal community. Both sides and their supporting amicus briefs have provided the court with enough reasoned argument to rule in their favor. Regardless of who prevails, *Oil States* is shaping up to be a major case impacting all of U.S. patent law and perhaps beyond.

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