

IP News Alert

FEDERAL CIRCUIT TO REVIEW STANDING RULES IN *INTER PARTES* REEXAMINATION PROCEEDINGS

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- The Federal Circuit is examining whether third party public interest groups have standing to appeal adverse United States Patent and Trademark Office (USPTO) decisions to the Federal Circuit in *inter partes* reexamination proceedings.
- The specific standing question is whether public interest groups have a sufficiently concrete injury to confer standing; however, other third parties who are not competitors or infringers also may have difficulties in showing sufficient injury.
- The Federal Circuit resolution likely will impact standing determinations for all post grant proceedings, including *inter partes*, post grant, and covered business method reviews.



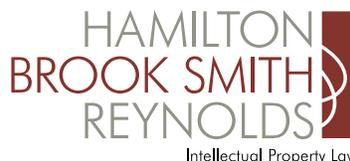
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On July 17, 2006, Consumer Watchdog, a consumer non-profit organization, petitioned for *inter partes* reexamination of all claims of U.S. Patent No. 7,029,913, owned by Wisconsin Alumni Research Foundation (“WARF”). Consumer Watchdog asserted that all of the claims were obvious in view of the prior art. Ultimately, WARF amended the claims and they were found to be valid over the prior art.

Consumer Watchdog appealed the validity finding to the Federal Circuit, faulting the analysis performed by the Board of Patent Appeals and Interferences (BPAI), predecessor to the current Patent Trial and Appeal Board (PTAB), (*Consumer Watchdog v. Wisconsin Alumni Research Foundation*, Appeal No. 2013-1377). On November 14, 2013, the Federal Circuit *sua sponte* requested briefing as to whether Consumer Watchdog had standing to bring the appeal. The doctrine of standing limits the power of federal courts to hear only disputes between parties that have suffered or imminently will suffer a concrete injury or harm that can be redressed by a favorable court decision. The question is whether Consumer Watchdog, as a public interest group, has suffered any sufficiently concrete harm to allow it to file an appeal to the Federal Circuit. Notably, the question at hand only relates to a party’s ability to bring an appeal to a court and does not affect any third party’s ability to file a petition with the USPTO.

On December 2, 2013, the Federal Circuit heard oral arguments on whether Consumer Watchdog has standing to appeal the *inter partes* reexamination decision confirming the patentability of the amended claims. Days later, on December 4, 2013, the Federal Circuit requested that the USPTO, as well as the United States Department of Justice, file briefs commenting on the standing issue and invited the parties to participate in further oral arguments in January 2014. Until *Consumer Watchdog*, the standing of third parties appealing adverse decisions in *inter partes* reexamination proceedings had not been questioned.

The America Invents Act (AIA) retired *inter partes* reexamination in favor of *inter partes* review and expanded the mechanisms (such as post grant review) by which third parties can challenge the validity of issued patents. However, the AIA retained the prior statutory scheme and the prior language for who can appeal adverse USPTO decisions - those parties that are



“dissatisfied” with a USPTO decision. Thus, the expected *Consumer Watchdog* decision, which is expected to focus upon the “dissatisfied” language, likely will impact appeals from all post grant proceedings.

While this expected decision will probably not impact competitors who have brought post grant proceedings from appealing adverse decisions, the expected decision may impact parties beyond just public interest groups. For example, depending on what the Federal Circuit decides, potential future competitors who are (i) simply designing or developing a product and who are not yet competitors or potential infringers, (ii) seeking freedom to operate prior to actually making a product, or (iii) conducting research or activities abroad, may not have sufficient recognizable, commercial activity to be considered a concrete injury sufficient to provide the required standing.

Accordingly, the *Consumer Watchdog* appeal should be closely followed and the Federal Circuit’s reasoning should be well analyzed when a decision is rendered.



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