

Cuozzo Speed Technologies v. Lee

Banner & Witcoff offers the following content as a resource to help clients understand and prepare for the potential impact of this case:

On June 20, 2016, the Supreme Court decided *Cuozzo Speed v. Lee, Inc.*, affirming the Federal Circuit's judgment in full, thus resolving two significant issues for *inter partes* review proceedings before the Patent Trial and Appeal Board under the America Invents Act.

First, the Court held that the decision of the PTAB on whether to institute an IPR proceeding is not judicially reviewable unless it involves a constitutional question as to the institution decision. The Court noted that 35 U.S.C. §314(d) states that the “determination by the [Patent Office] whether to institute an inter partes review under this section shall be *final and nonappealable*.” The Court stated that “where a patent holder merely challenges the Patent Office’s ‘determin[ation] that the information presented in the petition . . . shows that there is a reasonable likelihood’ of success ‘with respect to at least 1 of the claims challenged,’ §314(a), or where a patent holder grounds its [argument] in a statute closely related to that decision to institute [an IPR], §314(d) bars judicial review.” The Court went on to state that in this case, the patent holder’s argument that the petition “was not pleaded ‘with particularity’ under §312 [was] little more than a challenge to the Patent Office’s conclusion, under §314(a), that the ‘information presented in the petition’ warranted review.” The Court concluded that §314(d) barred the patent holder’s efforts to attack the Patent Office’s determination to institute the IPR.

Second, the Court held that the Patent Office had legal authority under 35 U.S.C. §316(a)(4) to issue its regulation requiring the agency, when conducting an IPR, to give a patent claim “its broadest reasonable construction in light of the specification of the patent in which it appears.” 37 CFR §42.100(b). In doing so, the Court rejected the patent owner’s argument that an IPR was a “judicial” proceeding that required the “plain and ordinary meaning” claim construction as required in litigation. The Court noted that in significant respects, an IPR is less like a judicial proceeding and more like a specialized agency proceeding: (i) parties that initiate the proceeding need not have a concrete stake in the outcome; indeed, they may lack constitutional standing; (ii) challengers need not remain in the proceeding; rather, the Patent Office may continue to conduct an IPR even after the adverse party has settled, §317(a); (iii) as the case here, the Patent Office may intervene in a *later* judicial proceeding to defend its decision—even if the private challengers drop out; and (iv) the burden of proof in an IPR is different than in the district courts, i.e., the IPR challenger (or the Patent Office) must establish unpatentability “by a preponderance of the evidence,” while in district court, a challenger must prove invalidity by “clear and convincing evidence.”

IMPORTANT DATES

- June 20, 2016 – Supreme Court issues decision
- April 25, 2016 – Supreme Court hears arguments
- Jan 15, 2016 – Supreme Court grants Cuozzo's petition for a writ of certiorari
- October 6, 2015 – Cuozzo files petition for a writ of certiorari with Supreme Court
- July 8, 2015 – Federal Circuit issues decision

COURT DOCUMENTS

- [Supreme Court decision](#)
- [Supreme Court oral arguments](#)
- [Cuozzo's petition to the Supreme Court](#)
- [Federal Circuit decision](#)

MEDIA

Banner & Witcoff attorneys are available to answer questions and discuss this case. Media inquiries should be directed to Amanda Robert (312) 463-5465 or arobert@bannerwitcoff.com.