

## SUPREME COURT TO CONSIDER CONSTITUTIONALITY OF PTAB PROCEEDINGS

Date: 13 June 2017

### IP Litigation Alert

By: Jason A. Engel, Devon C. Beane, Erik J. Halverson

On June 12, 2017, the U.S. Supreme Court granted Oil States Energy Services, LLC's petition for a writ of certiorari to address the following question: "Whether inter partes review—an adversarial process used by the Patent and Trademark Office (PTO) to analyze the validity of existing patents—violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury." The Supreme Court declined to grant certiorari on Oil States' remaining two questions presented, relating to amendment procedures and claim construction.

Oil States' argument is that patents are private property rights that can only be revoked by an Article III court, not by an Article I agency. In particular, Oil States urges the Supreme Court to overturn the Federal Circuit's decision in *MCM Portfolio LLC v. Hewlett-Packard Co.*, which held that patents are public rights and that "Congress has the power to delegate disputes over public rights to non-Article III courts."<sup>[1]</sup> The Federal Circuit has already upheld the constitutionality of the PTO's *ex parte* reexamination process in *Patlex Corp. v. Mossinghoff*.<sup>[2]</sup> In doing so, consistent with *MCM*, the Federal Circuit affirmed the power of an Article I agency to adjudicate the validity of an issued patent in the first instance.<sup>[3]</sup>

The Supreme Court previously rejected three other petitions challenging the constitutionality of Patent Trial and Appeal Board ("PTAB") proceedings. And, as recently as last month, the same issue was presented for en banc review to the Federal Circuit, which declined to review in a 10–2 vote.<sup>[4]</sup> Accordingly, this case will present the first opportunity for the Supreme Court to consider the constitutionality of the immensely popular post-grant proceedings put in place by the America Invents Act. The case also presents interesting issues regarding a patentee's right to a jury trial under the Seventh Amendment.

Updates to this alert will be provided as they become available.

### NOTES:

[1] 812 F.3d 1284, 1289 (Fed. Cir. 2015).

[2] 758 F.2d 594 (Fed. Cir. 1985).

[3] *Id.* at 604.

[4] *Cascades Projection LLC v. Epson Am., Inc.*, No. 2017-1517, slip op. at 2 (Fed. Cir. May 10, 2017).

## KEY CONTACTS



**JASON A. ENGEL**  
PARTNER  
CHICAGO  
+1.312.807.4236  
JASON.ENGEL@KLGATES.COM



**DEVON C. BEANE**  
PARTNER  
CHICAGO  
+1.312.807.4436  
DEVON.BEANE@KLGATES.COM



**ERIK J. HALVERSON**  
ASSOCIATE  
CHICAGO  
+1.312.807.4240  
ERIK.HALVERSON@KLGATES.COM

---

This publication/newsletter is for informational purposes and does not contain or convey legal advice. The information herein should not be used or relied upon in regard to any particular facts or circumstances without first consulting a lawyer. Any views expressed herein are those of the author(s) and not necessarily those of the law firm's clients.