



**MBHB snippets Alert**

**April 24, 2018**

**Supreme Court Overturns Federal Circuit in *SAS Institute Inc. v. Iancu***

*By Kevin E. Noonan, Ph.D.*

The Supreme Court reversed the judgment of the Federal Circuit today in *SAS Institute Inc. v. Iancu*. In a rare close decision in patent cases, Justice Gorsuch (joined by the Chief Justice and Justices Kennedy, Thomas, and Alito) provided a textual explication of the *inter partes* review statute in deciding that the USPTO was compelled to render a Final Written Decision (FWD) on all claims challenged by a petitioner in its IPR petition. This decision overruled the Patent Office's practice by rule that the Director (through the Patent Trial and Appeal Board) could institute an IPR on less than all challenged claims and then limit the FWD to only the instituted claims. According to the majority, the decision to institute is binary (either the PTAB decides to institute or not) but once instituted the Board must render a decision on all challenged claims. Because the majority saw no ambiguity in the statutory language, deference to the agency's implementation decisions under *Chevron v. Natural Resources Defense Council* did not apply.

Justice Breyer dissented, joined by Justices Ginsberg, Sotomayor, and Kagan. These Justices did perceive an ambiguity in the differences in language (albeit slight) between 35 U.S.C. Sections 314 (regarding the institution decision) and 318 (regarding FWD) sufficient to support both the Director's application of the statute and entitlement to *Chevron* deference. In addition, these Justices agreed with the Director's argument that interpreting the statute as the majority did would impose tremendous inefficiencies on the PTAB, requiring them to provide a FWD on claims that the petitioner had not shown had a reasonable likelihood of being invalid. This point was emphasized in a one-paragraph dissent penned by Justice Ginsberg (joined by the other dissenting Justices), who saw "no cause to believe Congress wanted the Board to spend its time so uselessly."

One practical consequence of this decision is that it provides a route for a petitioner, unhappy that the Board refused to institute IPR on any particular claim, to appeal the FWD and thus

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overcome the prohibition in the statute that the institution decision is at the Director's discretion and not appealable.

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The opinion can be found at [https://www.supremecourt.gov/opinions/17pdf/16-969\\_f2qg.pdf](https://www.supremecourt.gov/opinions/17pdf/16-969_f2qg.pdf).

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