'Injury-in-fact' standing required to appeal PTAB decision

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25 Jan 2017

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On January 11 2017 the Federal Circuit in *Phigenix v Immunogen* held that a petitioner challenging the validity of a patent in a Patent and Trademark Appeal Board (PTAB) *inter partes* review proceeding must have legal standing under Article III of the US Constitution to appeal an adverse PTAB decision upholding the challenged claims. Thus, while any entity can file an *inter partes* review petition challenging the validity of claims in a patent before the PTAB, only an individual suffering an injury in fact can appeal a PTAB decision to the Federal Circuit Court of Appeals.

Phigenix had filed a petition seeking review of an ImmunoGen patent under the *inter partes* review process, asserting that certain claims were obvious. ImmunoGen won, with the PTAB determining that the challenged claims were not obvious. Phigenix appealed to the Federal Circuit, as provided for in the America Invents Act.

However, the Federal Circuit dismissed the case for lack of standing. The America Invents Act's grant of authority for a proceeding to be filed by any entity before the PTAB was acceptable because the PTAB is an administrative agency and its power is not limited by Article III of the Constitution. However, Article III has been interpreted to limit federal judicial power only to actual cases or controversies between parties. The doctrine of standing requires that a party have suffered an injury in fact that is fairly traceable to the challenged conduct, and that the injury is likely to be redressed by a favourable judicial decision. Thus, while standing (in this sense) is not an issue when the matter is before PTAB, it must exist during the appeal to a federal court. More specifically, the court reiterated that the appeal right under the America Invents Act (35 USC 141(c)) does not replace the standing requirement under Article III.

Phigenix asserted that it had standing as it was in some form of competition with Immunogen, and that while it did not plan to use the patented invention itself, the existence of the patent made ImmunoGen a stronger market competitor, thus leading to actual economic injury. The Federal Circuit indicated that that type of injury might be enough to convey standing, but that Phigenix had failed to prove that it had been injured in this way.

Thus, parties considering whether to file a petition before the PTAB should carefully consider the number and nature of the parties seeking review. Care should be taken to ensure that at least some of the petitioners will have clear standing to appeal with regard to the challenged claims.

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