



Supreme Court Clarifies That *Inter Partes* Review Must Decide All Challenged Claims

***SAS Institute, Inc. v. Iancu*,
No. 16-969**

Decided April 24, 2018

Today, the Supreme Court held 5-4 that if the Patent Trial and Appeal Board (PTAB) exercises its discretion to institute *inter partes* review, it must issue an opinion on all challenged claims.

Background:

Inter partes review is an administrative process in which the PTAB revisits the patentability of claims in existing patents. The PTAB may institute that review if the petitioner shows a “reasonable likelihood” of success on at least one claim. 35 U.S.C. § 314(a). If the PTAB institutes *inter partes* review, it “shall issue” a written decision as to the patentability of “any patent claim challenged by the petitioner.” 35 U.S.C. § 318(a). In this case, SAS Institute petitioned the PTAB for *inter partes* review of a certain patent. The PTAB reviewed only some of the claims, as U.S. Patent and Trademark Office (PTO) regulations permit. SAS Institute argues that the PTAB was required to issue a final decision on *all* of the claims.

Issue:

Whether the PTAB must issue a final written decision as to every claim challenged by the petitioner when it institutes an *inter partes* review.

Court's Holding:

Yes, if the PTAB institutes *inter partes* review, it must rule on all challenged claims.

"Even under Chevron, we owe an agency's interpretation of the law no deference unless, after 'employing traditional tools of statutory construction,' we find ourselves unable to discern Congress's meaning."

Justice Gorsuch,
writing for the majority

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What It Means:

- The Court determined that the statute's plain text does not permit the PTAB to decide *which claims* to review when it grants *inter partes* review. Instead, if the PTAB decides that the petitioner is reasonably likely to succeed on at least one claim, the statute requires the PTAB to review *all* of the claims in the petition.
- The Court rejected SAS Institute's invitation to overrule *Chevron U.S.A. Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837 (1984), under which courts defer to reasonable agency interpretations of an ambiguous statute. Here, the Court held that the PTO is not entitled to deference because the statute is not ambiguous.
- The majority left open the possibility that the PTAB could deny a petition while noting that one or more claims merit reexamination and permitting the petitioners to file a new petition limited to those claims.
- The America Invents Act's estoppel provisions prevent a petitioner from arguing that a claim is invalid, in a district court or before the International Trade Commission, on any ground raised or that reasonably could have been raised on *inter partes* review if the PTAB issues a final written decision on the claim. As a result of today's decision, if the PTAB institutes review, every claim raised must be addressed—and so likely will trigger the estoppel provisions.
- The Supreme Court's ruling may lead the PTAB to grant fewer petitions—meaning more patent litigation in the district courts.

Gibson Dunn's lawyers are available to assist in addressing any questions you may have regarding developments at the Supreme Court. Please feel free to contact the following practice leaders:

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