Insights: Alerts

Is the Pendulum About to Swing Back?

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In 2012, the American Invents Act created *Inter Partes review* ("IPR") and related proceedings that allowed parties to request that the Patent Office institute a trial to determine the patentability of issued claims. Over the last five years, these proceedings have provided a more efficient method of invalidating patents, and many would argue, served to lessen the value of issued patents. During this same period, the Supreme Court has issued a number of rulings, such as *Alice*, that have similarly had a detrimental effect on the value of patents. But two recent developments may serve to reverse that trend.

First, the STRONGER Patents Act of 2017 (Support Technology and Research for Our Nation's Growth and Economic Resilience Patents Act of 2017) was introduced and co-sponsored in the U.S. Senate on June 21, 2017 by Sen. Chris Coons (D-DE), Sen. Tom Cotton (R-AR), Sen. Dick Durbin (D-IL) and Sen. Mazie Hirono (D-HI). The Act is a revision of the STRONG Patents Act of 2015 and is titled "A bill to strengthen the position of the United States as the world's leading innovator by amending title 35, United States Code, to protect the property rights of the inventors that grow the country's economy." The bill includes amendments designed to adjust IPR and PGR proceedings so as to improve the odds for patent owners. For example, the bill would apply the presumption of validity to these proceedings, allow for easier claim amendments, apply the *Phillips* claim construction standard (rather than BRI), strengthen the estoppel provisions, defer to district court findings of validity, raise the standard for review to clear and convincing evidence, and allow interlocutory appeal of institution decisions by patent owners. While many doubt that the bill would be enacted in its current form, it seems to reflect that at least some legislators are interested in attempting to restore value to patents.

In addition, in June the Supreme Court granted *certiorari* to hear *Oil States Energy Services, LLC v. Greene's Energy Group, LLC*. The question presented is whether IPR violates the Constitution by extinguishing private property rights through a non-Article III forum without a jury. The Supreme Court's decision to hear this case was somewhat surprising for many in the patent community, because previous Constitutional challenges to AIA statutes have already reached the Supreme Court and were denied (e.g., *certiorari* was denied in *MCM Portfolio LLC v. Hewlett-Packard Co. et al.*, and *Cooper et al. v Lee et al.*, for example). Here the U.S. was invited to weigh in and recommended against hearing the case. Recently, the Supreme Court's decision to grant *certiorari* typically meant a reversal of the Federal Circuit, but in this case, the Supreme Court may merely intend to provide clarity on constitutionality of IPR and other post-grant proceedings.

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