Standing At The Federal Circuit: The Constitutional Roadblock To Appealing PTAB Decisions

Petitioners in PTAB trials who have not been sued and who do not face an imminent threat of infringement have found themselves at a Constitutional roadblock when pursuing an appeal from the PTAB final written decision.

35 U.S.C. § 311(a) provides that "a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent." 35 U.S.C. § 141(c) further provides that "A party to an inter partes review or a post-grant review who is dissatisfied with the final written decision . . . may appeal the Board's decision only to the United States Court of Appeals for the Federal Circuit." Read together, these statutory provisions would suggest that any party to an inter partes review is permitted to appeal that review to the Federal Circuit. However, such an interpretation overlooks the distinction between the PTAB, an administrative tribunal under Article I of the U.S. Constitution, and the Federal Circuit, a federal court under Article III of the U.S. Constitution. Recent Federal Circuit decisions have held that while Congress can enact legislation defining who can appear before an administrative tribunal, it cannot override the Constitutional requirement for a "case or controversy" to appear before an Article III court.

Over the years the federal courts have developed a variety of doctrines to clarify the Article III requirements for establishing a "case or controversy." These doctrines include the legal concept of "standing," requiring a party to establish: (1) that it has suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the appellee; and (3) that a favorable judicial decision is likely to redress the injury.

As recent decisions from the Federal Circuit and pending petitions to the Supreme Court demonstrate, the issue of whether a party has suffered an injury in fact is not a bright line issue, particularly where a party has not been sued and there is no imminent threat of infringement. In such cases, the Court has been looking to whether the petitioner can demonstrate real world economic losses that are attributable to the challenged patent.

Our discussion will explore how the Federal Circuit has grappled with the issue of standing in recent decisions from Consumer Watchdog to JTEKT and oral arguments in the pending Momenta and GE cases.