

Without Concrete Evidence of Potential Infringement Liability, Petitioner Lacked Standing to Challenge PTAB's Final Written Decision on Appeal

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The Federal Circuit dismissed an appeal from an *inter partes* review ("IPR") final written decision for lack of standing where it found the appellant failed to provide evidence sufficient to show it suffered an injury in fact.

The appellant in this case filed an IPR petition challenging the validity of U.S. Patent No. 9,354,369 ("the '369 Patent") after the patentee filed two separate suits accusing the appellant's optical filters of infringement. Ultimately, the PTAB issued a final written decision holding the appellant failed to show the challenged claims were unpatentable. Importantly, while the IPR was pending, the patentee dismissed both of its infringement lawsuits against appellant voluntarily and with prejudice.

The appellant sought review of the PTAB's final written decision, but was immediately confronted with the threshold question of whether it had standing to appeal. Although a party does not need to establish Article III standing to appear before the PTAB, it must have standing to seek review of a PTAB decision in the Federal Circuit. And to establish standing, the appellant must show, *inter alia*, that it suffered an injury in fact, i.e., the appellant must allege a harm that is "concrete and particularized" and "actual or imminent, not conjectural or hypothetical."

Here, the appellant alleged two harms: (1) supplying the filters that were the subject of one of the patentee's dismissed lawsuits to overseas parties and (2) developing new models of filters. The Federal Circuit considered both grounds and found them insufficient to confer standing.

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As to the first harm, the appellant argued it suffered an injury in fact because continuing to distribute its filters, created a likelihood that the patentee once again sue for infringement. As support, the appellant referenced a letter from the patentee stating it did not believe it was possible for the patentee to fulfill its supply agreements with non-infringing products. The court rejected this argument as too speculative because the letter was sent before the patentee filed its prior infringement lawsuits, both of which were dismissed with prejudice.

As to the second ground, the appellant submitted a declaration from its Deputy Director of Operation Management, asserting that it was continuing to develop new filters and it anticipates the patentee will accuse those products of infringement in the future. Here again, the Federal Circuit found the appellant's alleged harm too speculative. The court noted that appellant's declaration failed to provide detailed plans for the development of new products, any particulars about those products, or any explanation for how the products might implicate the '369 Patent. While recognizing that a party need not concede infringement to obtain standing, the Federal Circuit maintained that the appellant's vague and conclusory statements about future products could not meet the requirement for concrete plans for development. Because the appellant could not meet the requirements for Article III standing, the court dismissed the appeal without reaching the merits of the PTAB's decision.

Practice Tip: Any party contemplating filing an IPR petition should carefully consider whether it will be able to meet the requirements for standing in any subsequent appeal. In the event there are doubts about standing, the risk of not being able to appeal a final written decision must be weighed against the possible benefits of filing the IPR at that point in time. Ultimately, the decision of whether to file an IPR must balance the risk of no appeal against the relative merits of the IPR and the likelihood that an IPR could be filed in the future among other factors.

Platinum Optics Technology Inc. v. Viavi Solutions Inc., C.A. No. 2023-1227 (Fed. Cir. Aug. 16, 2024).

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