Title: Potential Impact of *Oil States vs. Greene's Energy Group* on Final Written Decisions and Parallel Judgments

Panelist: Louis W. Tompros, Partner, WilmerHale (with thanks to Myles McDonagh, Associate, WilmerHale, for his significant contributions to this analysis)[1]

If the Supreme Court decides that *inter partes* review, post grant review, and covered business method patent review are unconstitutional, parties to completed review proceedings will face a conundrum: what is the status of issued final written decisions of the Patent Trial and Appeal Board? This paper briefly (1) describes how many decisions and judgments the Supreme Court could impact, (2) assesses the possibility that a determination that IPR/PGR/CBM proceedings are unconstitutional would have retroactive effect on completed PTAB determinations, and (3) discusses how a party might choose to attack a judgment in a parallel litigation that was dependent on an IPR determination.

PTAB Decisions and Related District Court Judgments

According to Patent Office statistics through October 2017, the PTAB has received 7,685 petitions requesting IPR, post grant review, or covered business method review since its inception.[2] Of those petitions, 1,817 have resulted in a final written decision.[3] The vast majority of those decisions (1,471) found some or all of the claims at issue to be unpatentable; the remaining decisions (346) found no claims to be unpatentable.[4] Although matching data on the number of individual claims invalidated by the PTAB is not easily accessible, one aggregator found that 16,190 individual claims had been invalidated through December 2016.[5]

When the PTAB invalidates a claim that is the subject of litigation in a district court, the PTAB decision renders will generally render the parallel litigation moot as to that disputed

---

[1] The views expressed in this paper are the views of the author alone, and do not necessarily reflect the opinions of WilmerHale or any of its clients.

[1] U.S. PATENT & TRADEMARK OFFICE, TRIAL STATISTICS 11 (October 2017), https://www.uspto.gov/sites/default/files/documents/trial_statistics_october_2017.pdf.

[2] *Id.*

[3] *Id.*; *see also* DOCKET NAVIGATOR (showing 1,811 PTAB petitions that resulted in an "Unpatentable/Cancelled" determination as of Dec. 12, 2017, which likely includes petitions for which one party requested and received an adverse determination).

[4] FITZPATRICK, *Just the Stats: Statistics-at-a-Glance*, http://www.postgranthq.com/statistics/ (combining separate charts for IPR and CBM survival rates; methodology explained in charts) (last visited Dec. 11, 2017).

claim.[6] It is unclear, however, how many district courts have issued final judgments on the basis of PTAB decisions. But the rate at which IPR proceedings involve patents that are also enmeshed in district court litigation is high: 85.6% as of December 2016.[7] This suggests that most PTAB decisions have affected litigation in a district court to at least some extent.

Likelihood of a Broad Retroactive Holding

Under its general principles governing retroactivity, the Supreme Court's holdings do not disturb otherwise final judgments.[8] More specifically, the Court has declined in the past to vacate a government entity's acts wholesale, even when the government entity's make-up violated the Constitution. Specifically, in *Buckley v. Valeo*, the Court gave previous acts of the Federal Election Commission "de facto validity," even though it determined that the Commission had operated in violation of the Appointments Clause.[9] Similarly, the Court in *N. Pipeline Const. Co. v. Marathon Pipe Line Co.* decided against nullifying past decisions of bankruptcy courts, even though it concluded that those courts had exceeded their constitutionally permissible jurisdiction.[10] The Court relied in part on the strength of reliance interests—which are likewise strong in the context of PTAB decisions (particularly where they affect co-pending district court litigation).[11] It is therefore unlikely that a decision finding PTAB proceedings unconstitutional would necessarily void past PTAB determinations.

Effect of a Broad Retroactive Holding on District Court Judgments

If, however, the Supreme Court were void the PTAB's decisions retroactively, parties that have been subject to a final judgment in a parallel district court litigation would not be without recourse. Rule 60(b)(5) of the Federal Rules of Civil Procedure permits courts to relieve a party from a judgment "based on an earlier judgment that has been reversed or vacated." Courts have interpreted this "based on" language to be most applicable where one judgment

---

[5] *Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 721 F.3d 1330, 1340 (Fed. Cir. 2013).
[6] FITZPATRICK, *Just the Stats: Percentage of IPRs with a Concurrent Litigation*, http://www.postgranthq.com/statistics/percentage-iprs-concurrent-litigation/ (last visited Dec. 11, 2017).
[7] *See Harper v. Virginia Dep't of Taxation*, 509 U.S. 86, 97 (1993) (A new rule "must be given full retroactive effect in all cases still open on direct review . . . .").
[8] *Buckley v. Valeo*, 424 U.S. 1, 142–43 (1976) (subsequent history omitted).
[9] *N. Pipeline Const. Co. v. Marathon Pipe Line Co.*, 458 U.S. 50, 88–89 (1982) (plurality opinion) (subsequent history omitted).
[10] *Id.* at 88.

relies on another "in the sense of res judicata or collateral estoppel."[12] A district court judgment "based on" a subsequently overturned PTAB decision fits that mold neatly. Parties would therefore have a persuasive argument for obtaining Rule 60(b)(5) relief from the district court.

[5] *Gillispie v. Warden, London Corr. Inst.*, 771 F.3d 323, 327 (6th Cir. 2014) (quoting *Klein v. United States*, 880 F.2d 250, 258 n. 10 (10th Cir. 1989)).