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INSIGHTS
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Oil States Energy Services v. Greene's Energy Group: Supreme Court to Decide if Patents are Private or Public Rights

Q: WHAT ARE THE CENTRAL ISSUES IN *OIL STATES ENERGY SERVICES V. GREENE'S ENERGY GROUP*?

RORY P. PHEIFFER: The central issue is whether *inter partes* reviews (IPRs) are constitutional as administrative proceedings or if patent invalidity necessarily must be decided in accordance with Article III of the Constitution, and thus must be decided by the judicial branch. The constitutionality inquiry extends further to the Seventh Amendment—whether questions of fact related to patent invalidity should be decided by a jury. An underlying central issue used to support the respective positions for and against IPRs is whether a patent constitutes a private or public right. Oil States, the patentee who is arguing against the constitutionality of IPRs, considers patents to be private property, leaving questions of law and fact for the judiciary and jury, respectively. Greene, on the other hand, considers patents to be a public right, meaning Congress has the power to authorize an administrative body, like the United States Patent and Trademark Office (USPTO), to grant patents and conduct IPRs as a mechanism to correct any errors that may have occurred in granting patents.

Q: WHICH INDUSTRIES WILL BE THE MOST AFFECTED BY THIS DECISION?

RPP: To give a sense of how important this case is to practitioners and their clients, 57 *amicus* briefs were submitted, with parties supporting both sides almost equally. Generally, most companies in high tech industries support Greene because they prefer to have the ability to challenge patents as a tool for thwarting non-practicing entities (NPEs, aka "trolls"), while most companies in biotech industries, where NPEs are less prevalent, support Oil States because they believe only an Article III court can invalidate their valuable patents. We can expect that if IPRs are found to be unconstitutional, patent infringement suits brought by NPEs will proliferate as NPEs attempt to press forward without the risk of IPRs, at least until the USPTO attempts to establish an alternative system that aligns with the Supreme Court's decision. If IPRs are found to be constitutional, not much should change.

Q: HOW WILL THIS DECISION AFFECT BUSINESSES' IP STRATEGY?

RPP: If IPRs are found to be unconstitutional, businesses involved in IP litigation will need to give stronger considerations to other patent challenge options. *Ex parte* reexamination will remain an option, as could Post Grant Reviews, depending on the language of the Court's decision. I don't anticipate this decision will have a significant impact on the number of patents filed by a business, but the Supreme Court's ruling either way will certainly impact litigation strategy.

Q: WHAT DOES THIS MEAN FOR THE FUTURE OF THE PATENT TRIAL AND APPEAL BOARD (PTAB)? FOR IPRS?

RPP: The PTAB isn't going anywhere. There was a patent appeal board before IPRs existed and one will continue to exist post-*Oil States*. The more likely scenario if IPRs are found to be unconstitutional is the USPTO will modify IPRs in a manner that aligns with the Supreme Court's decision while still attempting to carry out the legislative provisions for IPRs in the America Invents Act.

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