

insights

TYPES NOT MAPPED YET June 20, 2019 | TTR not mapped yet | Anthony F. Blum

Federal Circuit holds that states are not entitled to sovereign immunity in inter partes review proceedings

The Patent Trial and Appeal Board (PTAB) previously held that state sovereign immunity applies to *inter partes* review (IPR) proceedings, but is waived when the state sues for patent infringement in district court, as explained in a [2017 publication on the issue](#). In that decision, the PTAB refused to dismiss an IPR filed against the University of Minnesota. The Federal Circuit has now affirmed the results of that case in [Regents of the University of Minnesota v. Ericsson Inc.](#), Case No. 18-1559 (Fed. Cir. June 14, 2019), but on very different grounds. Specifically, the Federal Circuit held state sovereign immunity does not apply to IPRs.

The Federal Circuit explained that “States typically enjoy immunity from lawsuits brought by private parties as a ‘fundamental aspect of the sovereignty which the States enjoyed before the ratification of the Constitution, and which they retain today.’” This not only applies to lawsuits brought in Article III district courts, but also to “agency adjudications brought by private parties that are similar to court adjudications.” The court, however, explained that state sovereign immunity does not apply to suits brought by the United States, including agency proceedings commenced by the United States.

Here, the Federal Circuit had to decide whether IPRs were more like private litigation or more like agency proceedings commenced by the United States. And it chose the latter, effectively reversing the PTAB’s decision which had reached the opposite conclusion. As the Federal Circuit explained, in *Cuozzo Speed Technologies, LLC v. Lee*, 136 S.Ct. 2131 (2016), the Supreme Court “concluded that IPR proceedings are essentially agency reconsideration of a prior patent grant.” The Federal Circuit acknowledged the Supreme Court has also found the patent office’s enlistment of third parties in the IPR process to make it less of an “agency-led, inquisitorial process for reconsidering patents,” and more of a “party-directed, adversarial process.” *SAS Inst., Inc. v. Iancu*, 138 S.Ct. 1348, 1355 (2018). Nevertheless, the court found this “does not disturb the basic purpose of the proceeding, ‘namely, to reexamine an earlier agency decision.’”

Thus, after further analyzing the IPR process and past decisions, the Federal Circuit found that state sovereign immunity does not apply to IPRs. Whether Ericsson will ultimately be successful in invalidating the University of Minnesota’s patents is yet to be seen. After denying the University of Minnesota’s motion to dismiss the IPRs, the PTAB stayed the proceedings for the Federal Circuit appeal. The University of Minnesota will now have to file (or waive its right to file) preliminary responses, and the IPRs will proceed in the normal course.

[Tony Blum](#) represents clients before the USPTO in post-grant proceedings and litigates patent infringement suits throughout the country.

authorsTest

anthony

Anthony F. Blum