

The PTAB's Retroactive Application of IPR Proceedings to Pre-AIA Patents Is Not an Unconstitutional Taking Under the Fifth Amendment

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Celgene Corporation v. Peter, Nos. 2018-1167, 2018-1168, and 2018-1169 (Fed. Cir. Jul. 30, 2019)

The Patent Trial and Appeal Board (PTAB) invalidated numerous claims of two pharmaceutical patents as obvious over certain prior art. The patentee appealed, arguing that the PTAB erred in finding the claims obvious, and also that retroactive application of *inter partes* reviews (IPRs) to patents filed before September 16, 2012 (i.e., before the relevant provisions of the America Invents Act went into effect) constitutes an unconstitutional taking.

The Federal Circuit held that the retroactive application of IPR proceedings to pre-AIA patents is not an unconstitutional taking under the Fifth Amendment. The Federal Circuit reasoned that IPRs do not differ substantively or procedurally enough from pre-AIA review mechanisms to effectuate a taking. The Federal Circuit likened IPRs to a “legislative modification to the PTO’s longstanding reconsideration procedures.”

IPRs *review* patents on the same substantive grounds (anticipation and obviousness) based on the same categories of prior art as *ex parte* and *inter partes* reexaminations, with the same preponderance of the evidence standard of proof. Similarly, the same “broadest reasonable interpretation” standard for claim construction has been used, though that standard has since aligned with the district court standard, which is more favorable to patent owners. Therefore, the Federal Circuit held that any minor procedural differences with pre-AIA review mechanisms “do not disrupt the expectation that patent owners have had for nearly four decades—that patents are open to PTO reconsideration and possible cancellation if it is determined, on the grounds specified in § 311(b), that the patents should not have issued in the first place.”

[A copy of the opinion can be found here](#)

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