

Timing Is Everything — Intervening Loss in Standing Results in Dismissal of Appeal

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ModernaTx, Inc. v. Arbutus Biopharma Corporation, No. 2020-1184, 2020-1186 (Fed. Cir. Dec. 1, 2021)

Petitioner appealed an adverse decision from the PTAB holding certain claims of a patent were not unpatentable. The Federal Circuit dismissed the appeal for lack of standing.

While there is no standing requirement to file a request to institute an IPR, a petitioner must show Article III standing to appeal any resulting decision. The petitioner argued it had standing at the time it filed the appeal as a licensee of the patent having monetary obligations impacted by the PTAB's decision. The Federal Circuit disagreed. First, it found that the last payment petitioner made under the license was more than five years prior to the filing of the appeal, which fell short of demonstrating it was suffering a concrete injury at the time of the appeal. Second, the court found that the license included many patents, and the petitioner had not shown that invalidation of this particular patent would change its royalty obligations (if any).

The Federal Circuit also found petitioner had not shown continuous standing throughout pendency of the appeal. Nine months after it filed its opening brief in the appeal, petitioner filed a motion to supplement the record and shifted its basis for standing during the appeal, arguing that while its development program (that was subject to the above-described license) had ended at some point, it still had standing due to a risk of an infringement suit for its COVID-19 vaccine. Petitioner pointed to the patent owner's public statements on the scope of the patents, refusal to grant a covenant not to sue, and insistence that a license was required as evidence of a significant risk that it would be sued for infringement. But the Federal Circuit concluded it was "impossible to determine" whether by the time the licensed program had terminated, petitioner was sufficiently underway with its development of its COVID-19 vaccine. Petitioner had not even provided an approximate date of termination. As such, the Federal Circuit found the evidence showed a gap in petitioner's standing evidence and dismissed the petitioner's appeal.

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