

CAFC Can Use Mandamus Jurisdiction to Review PTAB’s Decision to Deny Institution—But Don’t Get Hopes Up

Mylan Lab’ys Ltd. v. Janssen Pharmaceutica, N.V., 2021 WL 936345 (Fed. Cir. Mar. 12, 2021)

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On appeal from the Patent Trial and Appeal Board (the “PTAB”), the Federal Circuit (the “CAFC”) held that the CAFC may not normally review the PTAB’s decision to deny institution in an inter partes review (“IPR”); but the CAFC may use its mandamus jurisdiction to review a decision to deny institution when there are “colorable constitutional claims.”

In 2019, Janssen Pharmaceutica, N.V. (“Janssen”) brought a patent infringement suit against Mylan Laboratories Ltd. (“Mylan”) for allegedly infringing claims in U.S. Patent No. 9,439,906 (the “’906 patent”). Subsequently, Mylan filed an IPR petition for the ’906 patent. Janssen argued Mylan’s petition should be denied due to two co-pending district court actions which overlapped with Mylan’s petition and would likely reach final judgment before the IPR’s final written decision. Using the *Fintiv* factors to evaluate whether to institute in view of an earlier trial date in a co-pending district court action, the PTAB denied Mylan’s petition. Mylan appealed the PTAB’s decision arguing that (1) the PTAB’s denial based on the separate district court action where Mylan was not a party undermined Mylan’s constitutional and due process rights; and (2) the PTAB’s institution standards are contrary to Congress’s intent. Mylan also requested mandamus relief on the same two grounds under the All Writs Act. 28 U.S.C. § 1651.

The CAFC addressed both of Mylan’s arguments. First, the CAFC noted the jurisdiction of federal courts is limited to only those cases and controversies that are articulated in Article III of the Constitution or from a statutory grant of jurisdiction. The court found no statute granted the CAFC jurisdiction over appeals from institution denials. Congress decided under 35 U.S.C. § 314(d) that the PTAB’s decision whether to institute is “final and *nonappealable*.” *Mylan*, 2021 WL 936345 at *2 (emphasis in original). Furthermore, the CAFC explained that the Supreme Court, in *Cuozzo*, said that the PTAB’s decision to deny institution is “committed to agency discretion.” *Cuozzo Speed Technologies, LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016). Therefore, the CAFC dismissed Mylan’s first ground of appeal.

Regarding Mylan’s mandamus argument, the CAFC explained that judicial review is allowed in extraordinary circumstances by petition for mandamus. The All Writs Act allows an appellate court to issue writs of mandamus to protect “its prospective jurisdiction,” however, the CAFC noted that this prospective jurisdiction is not allowed to expand a court’s jurisdiction. In IPRs, the CAFC’s prospective jurisdiction is triggered when the IPR is filed. The court noted § 314(d) is silent regarding mandamus and, thus, inherently provides the CAFC with jurisdiction to review any PTAB decision denying institution. However, the Court said it is “difficult to imagine a mandamus petition that challenges a denial of institution and identifies a clear and indisputable right to relief.” The Court explained that a mandamus petitioner must show three things; (1) that it has a clear and indisputable legal right; (2) that it does not have any other adequate method of obtaining relief; and (3) that the writ is appropriate under the circumstances. Mylan did not have a clear and indisputable right to have the Court review the PTAB’s application of the *Fintiv* factors. Furthermore, The Court found that the CAFC cannot review the PTAB’s decision to deny institution except for “colorable constitutional claims.” 2021 WL 936345 at *2. The Court further held that Mylan had no constitutional claim as Mylan was not bound by a judgment where Mylan was not a party; Mylan was able to litigate the validity of the ’906 patent in its own district court case. Parties wishing to appeal the PTAB’s decision to deny institution should be ready to explain how the circumstances surrounding the petition involve a constitutional claim that can’t otherwise be redressed.