CAFC Allows More "Standing" Room In Article III Cases

Intel Corp. v. Qualcomm Inc., No. 2020-1664, 2021 WL 6122360 (Fed. Cir. Dec. 28, 2021)& Intel Corp. v. Qualcomm Inc., No. 2020-1828, 2021 WL 6122434 (Fed. Cir. Dec. 28, 2021)

By: Reid Huefner & Nick Wheeler | January 7, 2022

The Federal Circuit ("CAFC") continues to define when a party has standing to appeal the final written decision of an *inter partes* review ("IPR") proceeding from the Patent Trial and Appeal Board ("PTAB"). On December 28, 2021, the CAFC ruled in a pair of precedential decisions (Nos. 2020-1664 and 2020-1828) that Intel Corporation ("Intel") satisfied its Article III standing requirements to appeal two different final written decisions because Qualcomm Incorporated ("Qualcomm") mapped various Qualcomm patent claims to Intel products in a prior infringement suit against Apple.

Intel filed separate IPR petitions against Qualcomm for U.S. Patent Nos. 8,229,043 ("the '043 Patent) and 8,8837,949 ("the '949 Patent"). Intel identified Apple as a real party in interest due to Qualcomm's previous infringement suits against Apple relating to the patents-at-issue. The PTAB held in each of these petitions that some of the challenged claims from the '043 and '949 Patents were unpatentable. Intel appealed each of the Board's decisions not to find the remaining claims unpatentable. In response to Intel's appeal, Qualcomm asserted that Intel did not have Article III standing to appeal.

On appeal, the CAFC addressed the threshold issue of standing.[1] Although there is no standing requirement to file an IPR, the requirement activates once a party seeks a court's review. To have standing a party must demonstrate "(1) an 'injury in fact' (2) 'fairly traceable' to the defendant's challenged conduct and (3) 'likely to be redressed by a favorable judicial decision.'"[2] An injury in fact is a "concrete and particularized and actual or imminent, not conjectural or hypothetical."[3] For IPR petitioners, this injury in fact usually comes from activities that have or are likely to give rise to a possible infringement suit. Qualcomm did not sue Intel for infringement; however, Qualcomm also did not challenge the assertion that Qualcomm mapped claims of the '043 patent against an Intel product in Qualcomm's infringement suit against Apple. Thus, the CAFC found that Intel's actions could serve as a basis for a possible infringement suit. The CAFC elaborated that no infringement suit against Intel was needed, as "Intel need not face a specific threat of infringement." Further, the CAFC explained that—although Qualcomm's refusal to provide a covenant not to sue usually is not enough to create an actual controversy and Qualcomm's settlement with Apple usually deprives a party of standing—Intel's continued sale of possibly infringing products to Apple supported Intel's claim that it faces the risk of an infringement suit by Qualcomm. Therefore, Intel's risk of an infringement "transcended mere conjecture or hypothesis" and provided Intel standing to appeal.

These decisions will certainly allow for future parties to argue that Article III standing exists, even absent pending litigation, in light of the holdings that potential infringers do not need to be sued for infringement to have standing. Parties can now seek to determine whether a patent owner has implicated their products indirectly and establish Article III standing that way.

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[1] Most of the CAFC's standing analysis is found in the court's 2020-1664 decision. The CAFC's decision in case No. 2020-1828 noted, for the '949 Patent, that Intel's activities possibly rose to direct and indirect infringement and therefore granted Intel standing to appeal.

[2] *Intel Corp. v. Qualcomm Inc.*, No. 2020-1664, 2021 WL 6122360, at *2 (Fed. Cir. Dec. 28, 2021).

[3] *Id.*