

Cantor Colburn Client Alert: Fed. Cir. Rejects Tribal Immunity Strategy at the PTAB

Summary

On July 20, 2018, in a precedential opinion the U.S. Court of Appeals for the Federal Circuit rejected drug maker Allergan PLC's attempt to shield its highly profitable Restasis patents from *inter partes* review (IPR) challenges by transferring them to a Native American tribe. In reaching its decision, the Court found that IPR and other post-grant review proceedings are more akin to federal administrative proceedings rather than civil litigation, where trial immunity generally applies.

Overview

On July 20, 2018, in a precedential opinion the U.S. Court of Appeals for the Federal Circuit rejected drug maker Allergan PLC's attempt to shield its highly profitable Restasis patents from IPR challenges by transferring them to a Native American tribe.

In a novel strategy, Allergan assigned the patents to the Saint Regis Mohawk Tribe while IPRs were pending, and the Tribe licensed the patents back to Allergan in exchange for ongoing royalty payments. The Tribe then filed a motion with the PTAB to terminate the IPRs on the basis of sovereign immunity. The PTAB denied the motion largely on the grounds that IPR and other post-grant review proceedings are more akin to federal administrative proceedings rather than civil litigation, where trial immunity generally applies. The Federal Circuit agreed, holding that "immunity does not apply where the federal government acting through an agency engages in an investigative action or pursues an adjudicatory agency action."

It remains to be seen if Allergan will try to advance the case to the Supreme Court, but for now the law is clear that tribal immunity will not shield patents from post-grant review proceedings at the PTO.

Finally, it should be noted that the Federal Circuit expressly mentioned that its decision on tribal immunity is not applicable to the open question of state immunity, stating that "[w]hile we recognize there are many parallels, we leave for another day the question of whether there is any reason to treat state sovereign immunity differently."

For Further Information and Assistance

As one of the largest full-service intellectual property law firms in the country, Cantor Colburn has a practice dedicated to [Post Grant Review](#), chaired by litigation partner [Andrew Ryan](#). Andrew and his group will continue to monitor further developments regarding tribal and state sovereign immunity in connection with post-grant practice. Please do not hesitate to contact Andrew at aryan@cantorcolburn.com and +1 (860) 286-2929 or your Cantor Colburn attorney with any questions you may have regarding this matter and your IP in general.

Please note that each situation has its own unique circumstances and ramifications. This Client Alert is for informational purposes only and is not legal advice.