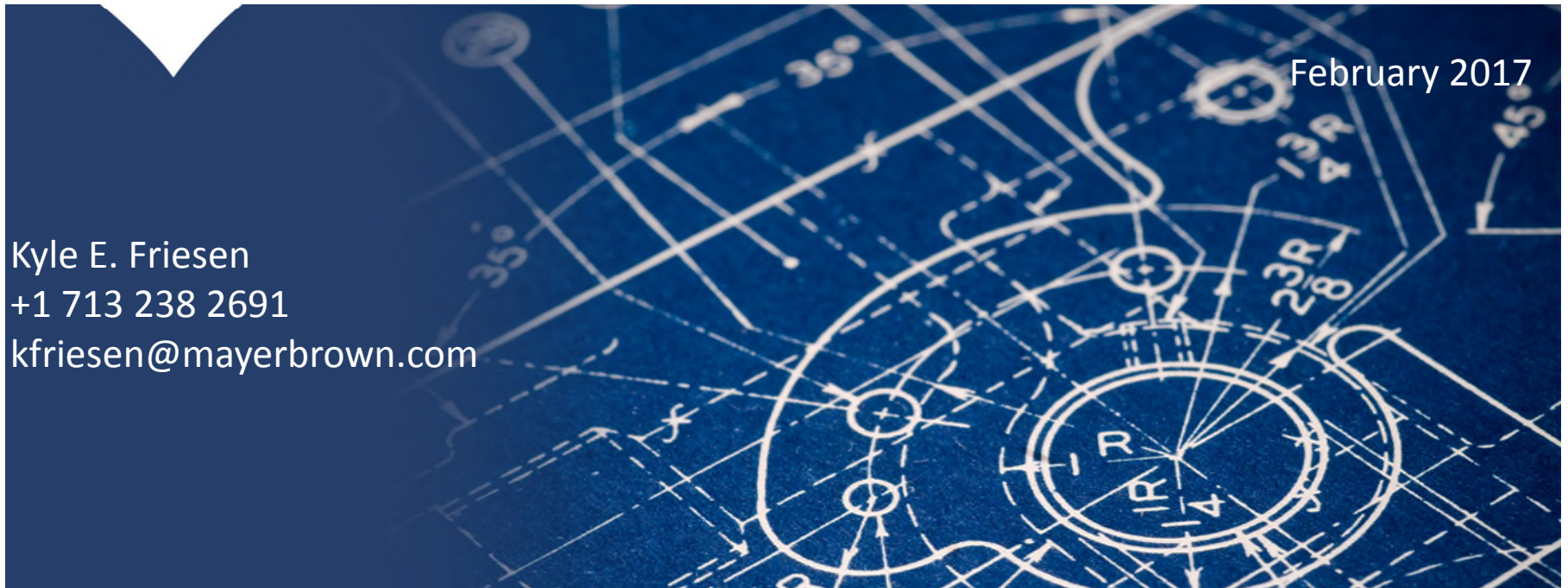


MAYER • BROWN

Lessons from the US Court of Appeals for the Federal Circuit's Recent Jurisprudence on *Inter Partes* and Post-Grant Review

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Topics to be Discussed

- Overview of PTAB Trial Proceedings & Appeals
- Burdens of Proof
- APA/Due Process Requirements
- Appellate Review and Jurisdiction
- Claim Construction
- Motions to Amend

PTAB Trial Proceedings & Appeals: *The New Normal*

Precedential Federal Circuit Opinions from AIA Trial Proceedings

Appeals & Mandamus from Non-Final Decisions

Case Name	Date	Appealed by	Outcome
<u><i>In re Dominion Dealer Solutions, LLC</i></u>	4/24/2014	Petitioner	Mandamus Denied
<u><i>In re Proctor & Gamble Co.</i></u>	4/24/2014	Patent Owner	Mandamus Denied
<u><i>St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp.</i></u>	4/24/2014	Petitioner	Appeal Dismissed
<u><i>GTNX, Inc. v. Intra, Inc.</i></u>	6/16/2015	Petitioner	Appeal Dismissed
<u><i>Medtronic, Inc. v. Robert Bosch Healthcare Systems, Inc.</i></u>	10/20/2016	Petitioner	Denied rehearing of dismissal of appeal post <i>Cuozzo</i> and mandamus denied

Precedential Federal Circuit Opinions from AIA Trial Proceedings



Case Name	Date	Issues	Appealed by	Outcome
<u><i>In re Cuozzo Speed Technologies, LLC</i></u>	7/8/2015 (replacing 2/4/2015)	BRI, defects in Petition, institution after final	Patent Owner	Affirmed-in-part, Dismissed-in-part (Affirmed by <u><i>Cuozzo Speed Technologies v. Lee</i></u> , June 20, 2016)
<u><i>Microsoft Corp. v. Proxyconn, Inc.</i></u>	6/16/2015	Claim construction, amendments	Both	Affirmed-in-part(Petitioner's appeal), Remand (Patent Owner's appeal)
<u><i>Versata Dev. Grp. v. SAP Am., Inc.</i></u>	7/9/2015	Institution after final, CBM, claim construction, § 101	Patent Owner	Affirmed
<u><i>Dynamic Drinkware, LLC v. National Graphics, Inc.</i></u>	9/4/2015	Priority to provisional	Petitioner	Affirmed
<u><i>Achates Reference Publishing, Inc. v. Apple Inc.</i></u>	9/30/2015	Institution after final	Patent Owner	Affirmed
<u><i>Belden Inc. v. Berk-tek LLC</i></u>	11/5/2015	Obviousness, reply evidence	Both	Affirmed-in-part (Patent Owner's appeal), Reversed-in-part (Petitioner's appeal)
<u><i>Ariosa Diagnostics v. Verinata Health, Inc.</i></u>	11/16/2015	APA review, reply evidence, obviousness	Petitioner	Remand
<u><i>Straight Path IP Group, Inc. v. Sipnet EU S.R.O.</i></u>	11/25/2015	Claim construction	Patent Owner	Remand
<u><i>MCM Portfolio LLC v. Hewlett-Packard Co.</i></u>	12/2/2015	Constitutionality, obviousness	Patent Owner	Affirmed
<u><i>Prolitec, Inc. v. Scentair Technologies, Inc.</i></u>	12/4/2015	Claim construction, amendment	Patent Owner	Affirmed
<u><i>SightSound Technologies, LLC v. Apple Inc.</i></u>	12/15/2015	Institution after final, CBM, claim construction, obviousness	Patent Owner	Affirmed-in-part, Dismissed-in-part

Precedential Federal Circuit Opinions from AIA Trial Proceedings



Case Name	Date	Issues	Appealed by	Outcome
<u>Merck & CIE v. Gnosis S.P.A.</u>	12/17/2015	Claim construction, obviousness, anticipation	Patent Owner	Affirmed
<u>South Alabama Medical Science Foundation v. Gnosis S.P.A.</u>	12/17/2015	Obviousness (companion to <i>Merck</i> decision)	Patent Owner	Affirmed
<u>Redline Detection, LLC v. Star Envirotech, Inc.</u>	12/31/2015	Supplemental information, obviousness	Petitioner	Affirmed
<u>Ethicon Endo-Surgery, Inc. v. Convidien LP</u>	1/13/2016	Single panel, obviousness	Patent Owner	Affirmed; <u>Denial of Petition for Rehearing En Banc</u>
<u>Trivascular, Inc. v. Samuels</u>	2/5/2016	Claim construction, obviousness	Petitioner	Affirmed
<u>Synopsis, Inc. v. Mentor Graphics Corp.</u>	2/10/2016	Scope of final written decision, anticipation, amendments	Both	Affirmed
<u>Nike, Inc. v. Adidas AG</u>	2/11/2016	Amendments, obviousness of proposed amended claims	Patent Owner	Affirmed-in-part, vacated-in-part, remand
<u>PPC Broadband, Inc. v. Corning Optical Communications RF, LLC (PPC Broadband I)</u>	2/22/2016	Claim construction, secondary considerations	Patent Owner	Affirmed-in-part, vacated-in-part, remand
<u>PPC Broadband, Inc. v. Corning Optical Communications RF, LLC (PPC Broadband II)</u>	2/22/2016	Claim construction	Patent Owner	Remand
<u>Blue Calypso, LLC v. Groupon, Inc.</u>	3/1/2016	CBM, anticipation, § 112 written description, § 102 (pre-AIA) publication	Both	Affirmed-in-part (both parties' appeals), reversed-in-part (Patent Owner's § 112 appeal)
<u>Harmonic Inc. v. Avid Technology, Inc.</u>	3/1/2016	Obviousness, institution after final	Petitioner	Affirmed

Precedential Federal Circuit Opinions from AIA Trial Proceedings



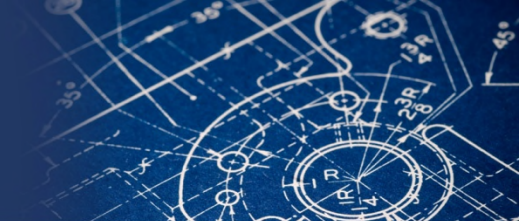
Case Name	Date	Issues	Appealed by	Outcome
<u><i>Dell Inc. v. Acceleron, LLC</i></u>	3/15/2016	Claim construction, anticipation, new arguments	Both	Affirmed-in-part, vacated-in-part and remanded
<u><i>Shaw Industries Group, Inc. v. Automated Creel Systems</i></u>	3/23/2016	Jurisdiction, Mandamus, Redundancy Doctrine, Estoppel	Both	Affirmed-in-part, vacated-in-part and remanded
<u><i>Pride Mobility Products Corp. v. Permobil, Inc.</i></u>	4/5/2016	Claim construction, obviousness	Patent Owner	Affirmed-in-part, reversed-in-part
<u><i>HP Inc. v. MPHJ Technology Investments</i></u>	4/5/2016	Jurisdiction, Reviewability	Petitioner	Affirmed
<u><i>Merck & CIE v. Gnosis S.P.A.</i></u>	4/26/2016	Standard of Review on Appeal	Patent Owner	Denied Petition for Rehearing En Banc
<u><i>South Alabama Medical Science Foundation v. Gnosis S.P.A.</i></u>	4/26/2016	Standard of Review on Appeal	Patent Owner	Denied Petition for Rehearing En Banc
<u><i>Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.</i></u>	5/9/2016	Obviousness, Improper reply brief	Petitioner	Affirmed
<u><i>In re: Aqua Products, Inc.</i></u>	5/25/2016	Motion to Amend	Patent Owner	Affirmed; Order Granting Rehearing En Banc
<u><i>SAS Institute, Inc. v. ComplementSoft, LLC</i></u>	6/10/2016	Claim Construction	Both	Affirmed-in-part, vacated-in-part and remanded; Order Denying Rehearing En Banc
<u><i>Genzyme Therapeutics Products Limited Partnership v. Biomarin Pharmaceutical Inc.</i></u>	6/14/2016	Reliance on references not in institution decision, claim construction, obviousness	Patent Owner	Affirmed
<u><i>In Re: Magnum Oil Tools Int'l</i></u>	7/25/2016	Burden of proof; Obviousness	Patent Owner	Reversed
<u><i>In Re: Warsaw Orthopedic, Inc.</i></u>	8/9/2016	Obviousness	Patent Owner	Affirmed-in-part, vacated-in-part and remanded
<u><i>Arendi S.A.R.L. v. Apple Inc.</i></u>	8/10/2016	Obviousness (application of common sense)	Patent Owner	Reversed

Precedential Federal Circuit Opinions from AIA Trial Proceedings



Case Name	Date	Issues	Appealed by	Outcome
<u>Veritas Technologies LLC v. Veeam Software Corp.</u>	8/30/2016	Claim construction; obviousness; Motion to Amend	Patent Owner	Affirmed-in-part, vacated-in-part and remanded
<u>Wi-Fi One, LLC v. Broadcom Corp.</u>	9/16/2016	Reviewability of time bar; claim construction; anticipation	Patent Owner	Affirmed (subject of 1/4/2017 <u>Rehearing en banc order</u>)
<u>Husky Injection Molding Systems Ltd. v. Athena Automation Ltd.</u>	9/23/2016	Reviewability of institution decision re assignor estoppel; anticipation/incorporation by reference	Both	Dismissed-in-part, vacated and remanded-in-part
<u>REG Synthetic Fuels, LLC v. Neste Oil Oyj</u>	11/8/2016	Anticipation; exclusion of exhibits	Patent Owner	Affirmed-in-part, reversed-in-part, vacated-in-part, and remanded
<u>In re NuVasive, Inc.</u>	11/9/2016	Obviousness	Patent Owner	Affirmed-in-part, vacated-in-part and remanded
<u>Perfect Surgical Techniques, Inc. v. Olympus America, Inc.</u>	11/15/2016	Antedating under 102(g); Claim construction	Patent Owner	Vacated and remanded
<u>Unwired Planet, LLC v. Google Inc.</u>	11/15/2016	Obviousness; analogous art; motivation to combine	Patent Owner	Affirmed-in-part and dismissed-in-part
<u>Unwired Planet, LLC v. Google Inc.</u>	11/21/2016	Definition of covered business patent	Patent Owner	Vacated and remanded
<u>Apple, Inc. v. Ameranth, Inc.</u>	11/29/2016	Claim construction; CBM patent exception; Section 101	Both	Affirmed-in-part and reversed-in-part
<u>In re Nuvasive, Inc.</u>	12/7/2016	Printed publication; obviousness; motivation to combine	Patent Owner	Vacated and remanded

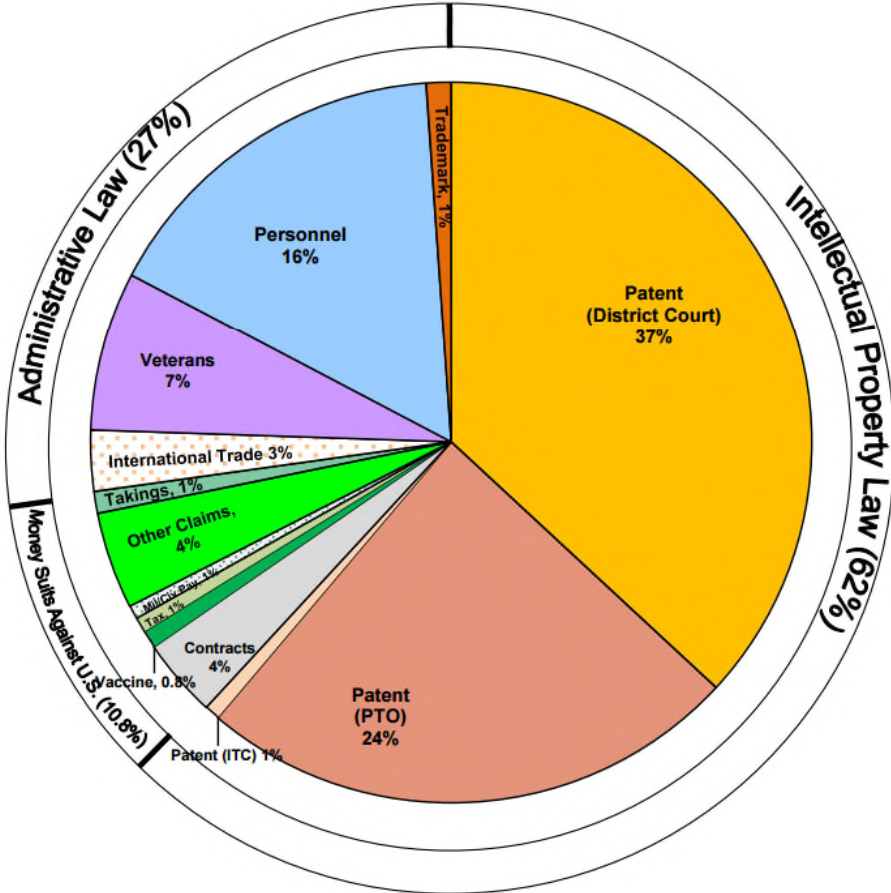
Precedential Federal Circuit Opinions from AIA Trial Proceedings



Case Name	Date	Issues	Appealed by	Outcome
<u><i>John D'Agostino v. Mastercard Int'l Inc.</i></u>	12/22/2016	Claim construction	Patent Owner	Vacated and remanded
<u><i>Phigenix, Inc. v. Immunogen, Inc.</i></u>	1/9/2017	Article III Standing	Petitioner	Dismissed
<u><i>MPHJ Technology Investments, LLC v. Ricoh Americas Corp.</i></u>	2/13/2017	Claim Construction	Patent Owner	Affirmed
<u><i>Personal Web Technologies, LLC v. Apple, Inc.</i></u>	2/14/2017	Claim Construction; Obviousness	Patent Owner	Vacated and remanded

Share of the Federal Circuit's Docket

United States Court of Appeals for the Federal Circuit
 Appeals Filed, by Category
 FY 2015

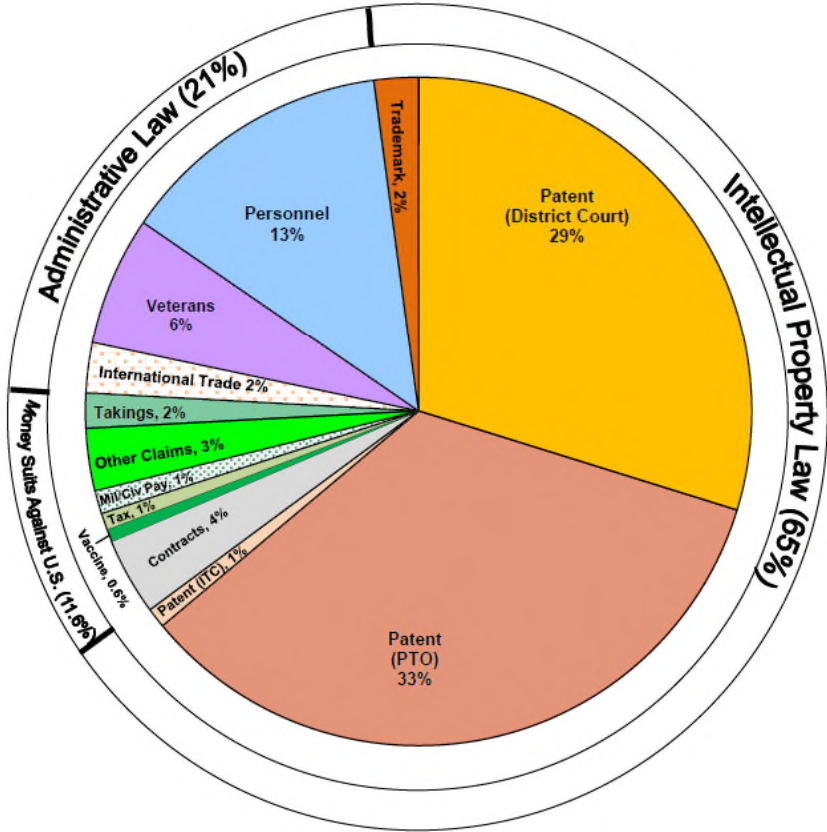


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<http://www.ca9.uscourts.gov/sites/default/files/Caseload%20by%20Category%20%282015%29.pdf>

Share of the Federal Circuit's Docket



United States Court of Appeals for the Federal Circuit
Appeals Filed, by Category
FY 2016

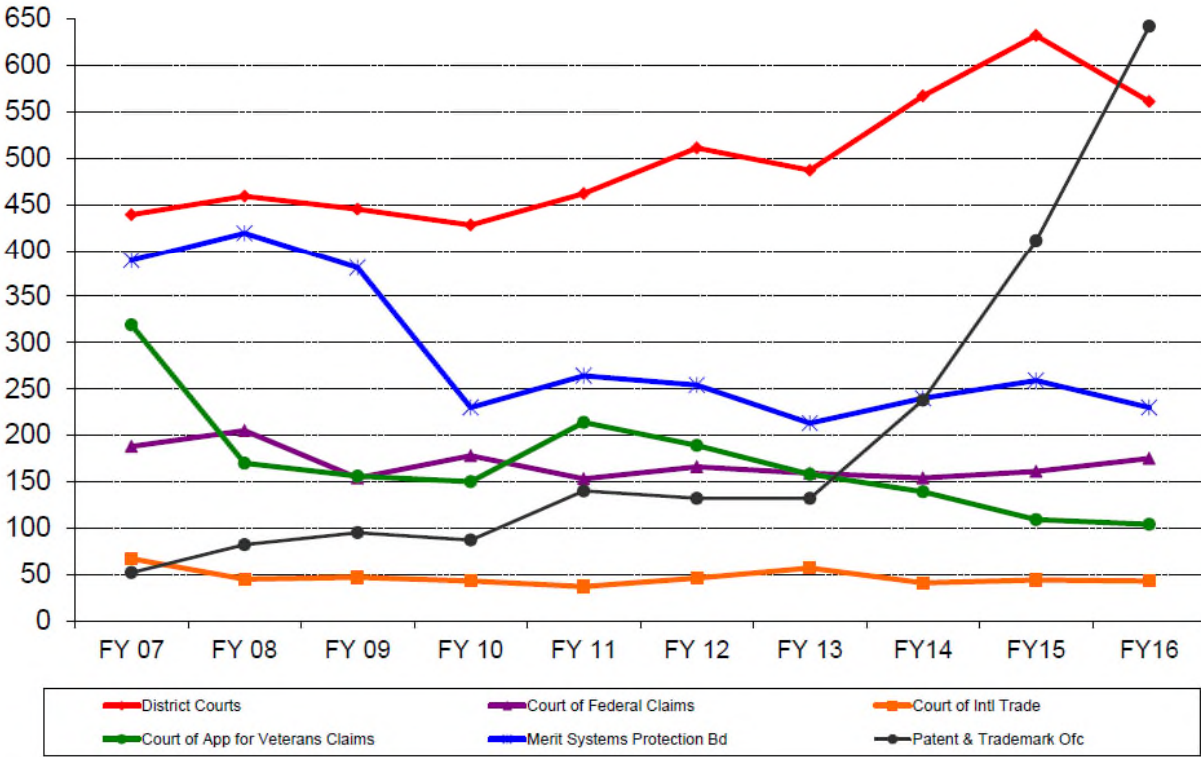


Source: http://www.cafc.uscourts.gov/sites/default/files/the-court/statistics/FY16_Caseload_by_Category.pdf

Share of the Federal Circuit's Docket



United States Court of Appeals for the Federal Circuit
Appeals Filed in Major Origins

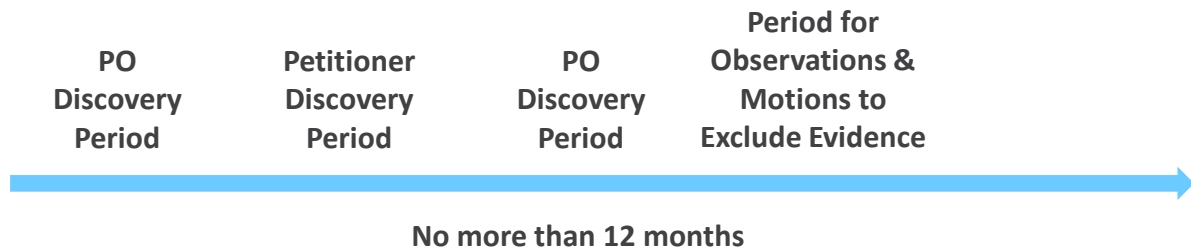


Notes: Includes reinstated, cross-, and consolidated appeals.

Source: http://www.cafc.uscourts.gov/sites/default/files/the-court/statistics/FY16_Caseload_by_Major_Origin.pdf

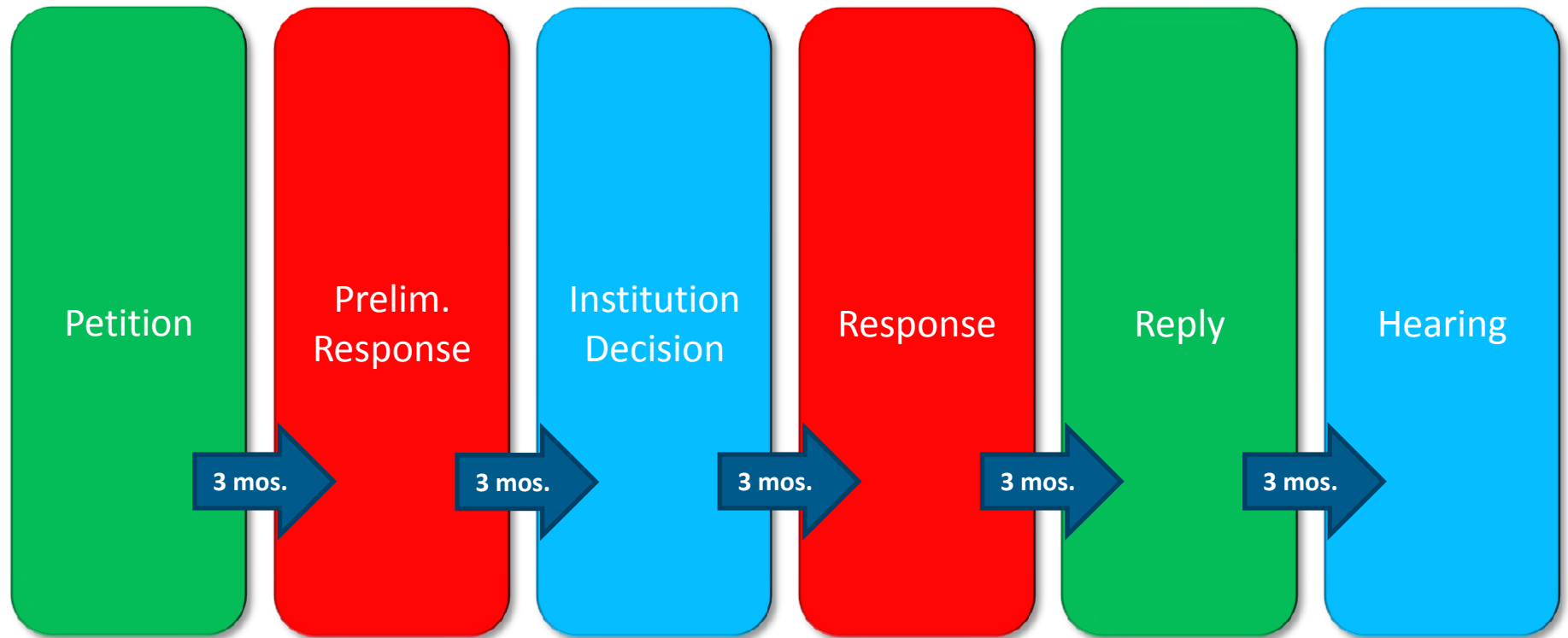
PTAB Trial Proceedings: (Very) Brief Overview

Timing of a Typical IPR Proceeding



(77 Fed. Reg. at 48757)

Timing of a Typical IPR Proceeding (Oversimplified)



Burdens of Proof, Production & Persuasion

- 35 U.S.C. § 316(e):

Evidentiary standards. — In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

- 35 U.S.C. § 326(e):

Evidentiary standards. — In a post-grant review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

Burden of Proof Remains with the Petitioner

- *In re Magnum Oil Tools Int'l*, 829 F.3d 1364 (Fed. Cir. July 25, 2016)
 - Reversed decision that claims were obvious
 - Board erred in shifting burden of proof to Patent Owner to disprove obviousness
 - “The petitioner continues to bear the burden of proving unpatentability after institution, and must do so by a preponderance of the evidence at trial.”

Burden of Proof Remains with the Petitioner

- *In re Magnum Oil Tools Int'l*, 829 F.3d 1364 (Fed. Cir. July 25, 2016)
 - Petition based on (1) Reference A in view of C & D and (2) Reference B in view of C & D
 - Petitioner supported Ground (2) by “incorporating” the arguments from Ground (1), including the reason to combine
 - Board instituted on Ground (2), but not Ground (1)
 - Patent Owner argued lack of proof for combination of B, C & D

Burden of Proof Remains with the Petitioner

- *In re Magnum Oil Tools Int'l*, 829 F.3d 1364 (Fed. Cir. July 25, 2016)
 - USPTO argued that the decision to institute shifted the burden of production to Patent Owner
 - Federal Circuit rejected this:

“[T]he petitioner continues to bear the burden of proving unpatentability after institution, and must do so by a preponderance of the evidence at trial. *See* 35 U.S.C. § 316(e). And, the Board has an obligation to assess the question anew after trial based on the totality of the record.”
- This is ***not*** examination, where a *prima facie* case shifts the burden

Burden of Proof

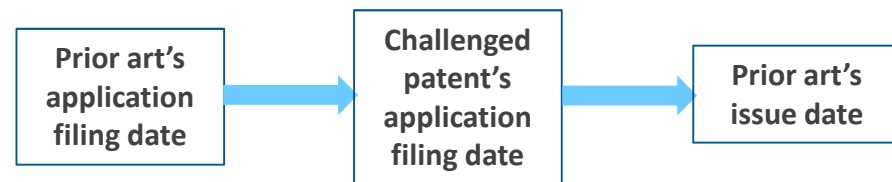
When Does the Patent Owner Have a Burden?

- *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015)
 - Affirmed Board's decision denying cancellation of claims
 - Petitioner relied on § 102(e) art
 - Patent Owner antedated filing date of the prior art patent's utility application
 - Petitioner failed to prove prior art patent was entitled to claim priority to an earlier provisional application

Burden of Proof

When Does the Patent Owner Have a Burden?

Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.
After the Petition, these were the relevant facts:

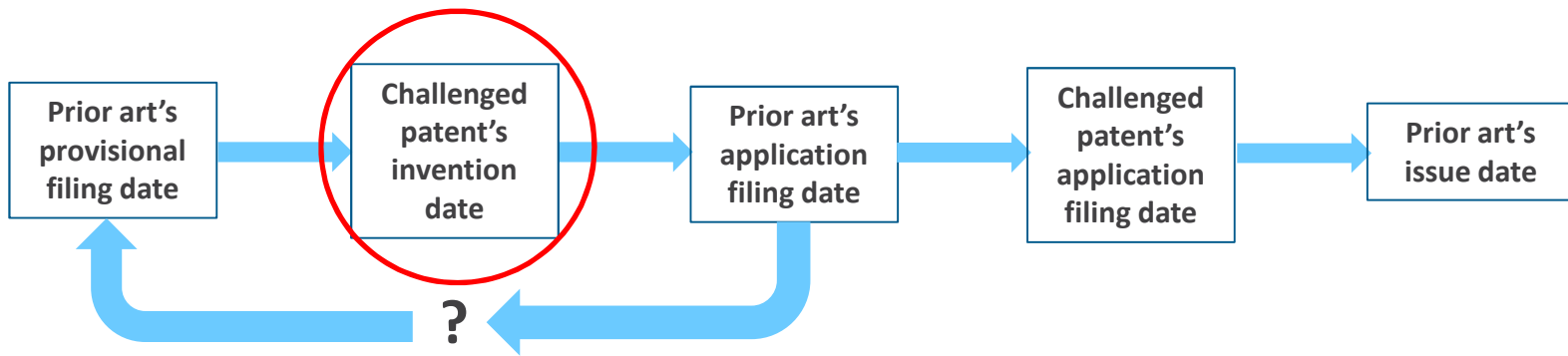


The Petitioner has **no** burden to prove priority to the provisional, at this point

Burden of Proof

When Does the Patent Owner Have a Burden?

Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.
After the Response, these were the relevant facts:



Now, the Petitioner has the burden to prove priority to the provisional

APA/Due Process:
Notice and Opportunity to
Respond

Notice and Opportunity to Respond “Improper Reply”

- 37 C.F.R. § 42.23(b):

All arguments for the relief requested in a motion must be made in the motion. A reply may only respond to arguments raised in the corresponding opposition, patent owner preliminary response, or patent owner response.

- Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48767 (Aug. 14, 2012):

[A] reply that raises a new issue or belatedly presents evidence will not be considered and may be returned. The Board will not attempt to sort proper from improper portions of the reply.

Notice and Opportunity to Respond “Improper Reply”

- *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064 (Fed. Cir. 2015)
 - Affirming cancellation of claims and reversing holding of nonobviousness on others
 - Petition included no expert declaration explaining references
 - Petitioner submitted expert declaration on reply
 - Patent Owner moved to exclude reply declaration
 - Board declined to exclude declaration & Federal Circuit agreed

Notice and Opportunity to Respond “Improper Reply”

- *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064 (Fed. Cir. 2015)
 - Federal Circuit found the reply declaration was not improper; it was responsive to arguments in Patent Owner’s Response and was not necessary to the *prima facie* case
 - Court also found no denial of an opportunity to respond

Notice and Opportunity to Respond “Improper Reply”

- *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064 (Fed. Cir. 2015)
 - Regarding opportunity to respond, the Court explained:
[The Board] provided Belden with a meaningful opportunity to respond to the propriety of Mr. Baxter's evidence submitted with Berk-Tek's Reply, in that it granted every request Belden made for consideration of the issue. Belden ***did not seek*** to file a surreply, to file additional observations on its cross-examination, to make arguments in those observations, or to have the Board waive any other regulations
- May be important to request procedural relief to ***preserve error***

Notice and Opportunity to Respond “Improper Reply”

- *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*,
821 F.3d 1359 (Fed. Cir. 2016)
 - Affirmed Board decision that claims were nonobvious
 - Petitioner raised new theory of obviousness in reply
 - Board did not consider this new argument
 - Federal Circuit held Board did not abuse its discretion in excluding evidence and arguments raised in reply

Notice and Opportunity to Respond “Improper Reply”

- *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359 (Fed. Cir. 2016)
 - Petition argued that Reference Z provided appropriate conditions for the reaction of Reference X and it was obvious to combine
 - In Response, Patent Owner argued that the conditions in Reference Z were not suitable
 - Petitioner’s Reply argued that a POSITA would have used ***different*** reaction conditions

Notice and Opportunity to Respond Petitioner's Obligation

- *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359 (Fed. Cir. 2016)
 - In affirming Board's decision, Federal Circuit explained:

IBS chose which grounds of invalidity to assert in its petition and it chose not to assert this new one. Unlike district court litigation — where parties have greater freedom to revise and develop their arguments over time and in response to newly discovered material — ***the expedited nature of IPRs bring with it an obligation for petitioners to make their case in their petition to institute.***

Notice and Opportunity to Respond Not Just “Improper Reply”

- *In re Nuvasive*, 841 F.3d 966 (Fed. Cir. 2016)
 - Affirmed Board decision cancelling claims & reversed Board decision cancelling others
 - Two cases on two petitions, relying on different base references, challenging related patents
 - Petition A cited a Figure in secondary for a claim limitation, but Petition B did not cite the Figure for the corresponding limitation in that case
 - Replies in both cases relied on the Figure
 - In both cases, the Board found the disputed limitation was disclosed by the secondary reference including the cited Figure

Notice and Opportunity to Respond Not Just “Improper Reply”

- *In re Nuvasive*, 841 F.3d 966 (Fed. Cir. 2016)
 - Federal Circuit held that Nuvasive was denied notice and an opportunity to respond in the case on Petition B
 - Board’s findings of disputed limitation based solely on the cited Figure, so they were essential
 - The material relied on in the Figure was “sufficiently distinct” from other cited parts of the reference that Nuvasive was entitled to an opportunity to respond
 - “Motion for observation” not sufficient, at least in this case

Notice and Opportunity to Respond Not Just “Improper Reply”

- *In re Nuvasive*, 841 F.3d 966 (Fed. Cir. 2016)
 - Cited precedent on “new ground of rejection” as potentially analogous
 - Distinguished between improper reply and the requirement to give notice and an opportunity to respond:

But satisfying [37 C.F.R. § 42.23(b)] does not mean that the pre-Response notice was sufficient.

Appellate Review and Jurisdiction

What About an Appeal?

- Review of administrative decisions by Fed. Cir. is governed by the Administrative Procedure Act.
- Board's factual findings are reviewed for substantial evidence and questions of law are reviewed *de novo*. *In re Gartside*, 203 F. 3d 1305, 1311 (Fed. Cir. 2000) (citing *Dickinson v. Zurko*, 527 U.S. 150 (1999)).
- More deferential in a number of respects than review of judgments from district courts

What About an Appeal?

- Fed. Cir. may affirm PTAB ruling if the court may reasonably discern that the PTAB followed a proper path, even if path is less than perfectly clear
- Fed. Cir. may affirm PTAB if an erroneous portion of PTAB's ruling is not prejudicial
- Fed. Cir. may **not** make factual and discretionary determinations that are in purview of the agency

- 35 U.S.C. § 141(c) provides basis for appeal (emphasis added):

POST-GRANT AND INTER PARTES REVIEWS.—A party to an *inter partes* review or a post-grant review who is dissatisfied with the **final written decision** of the Patent Trial and Appeal Board under section 318(a) or 328(a) (as the case may be) may appeal the Board’s decision only to the United States Court of Appeals for the Federal Circuit.

- 35 U.S.C. §§ 319 and 329 have similar language

Limit on Jurisdiction

Article III Standing

- *Phigenix, Inc. v. Immunogen, Inc.*, ___ F.3d ___ (Fed. Cir. Jan. 9, 2017)
 - Court dismissed appeal by Petitioner for lack of standing
 - Right to file IPR petition is not the same as Article III standing
 - If evidence not of record is needed to show standing, Petitioner/Appellant must file it with the Court of Appeals

Limit on Jurisdiction Institution Decisions Nonappealable

- 35 U.S.C. §§ 314(d) and 324(e) provide (emphasis added):

NO APPEAL.—The determination by the Director whether to institute a post-grant review [or an *inter partes* review] under this section shall be final and nonappealable.

Relief from Decision to Institute After Final Written Decision?

- *Cuozzo Speed Techs. LLC v. Lee*, ___ U.S. ___ (June 20, 2016)
 - The Supreme Court held that the words of 35 U.S.C. § 314(d)—“The determination by the [USPTO] whether to institute an inter partes review under this section shall be final and nonappealable”—prohibited the appeal in *this* case.
- What’s left after *Cuozzo*?

Relief from Decision to Institute After Final Written Decision?

- *Cuozzo Speed Techs. LLC v. Lee*, ___ U.S. ___ (June 20, 2016)
 - The Court emphasized “that [its] interpretation applies where the grounds for attacking the decision to institute inter partes review consist of questions that are closely tied to the application and interpretation of statutes related to the [USPTO’s] decision to initiate inter partes review.”

Relief from Decision to Institute After Final Written Decision?

- *Cuozzo Speed Techs. LLC v. Lee*, ___ U.S. ___ (June 20, 2016)
 - It “need not, and [did] not decide the precise effect of §314(d) on appeals that implicate constitutional questions, that depend on other less closely related statutes, or that present other questions of interpretation that reach, in terms of scope and impact, well beyond ‘this section,’” as that term is used in §314(d).
 - Such appeals “may be properly reviewable” under either §319 or the Administrative Procedures Act (APA) as “contrary to constitutional right,” “in excess of statutory discretion” or “arbitrary and capricious.”

No Direct Relief from Decision to Institute

- *St. Jude Med., Cardiology Div. v. Volcano Corp.*, 749 F.3d 1373 (Fed. Cir. 2014)
 - Dismissed appeal from a decision not to institute IPR
- *In re Proctor & Gamble Co.*, 749 F.3d 1376 (Fed. Cir. 2014)
 - Denied mandamus from a decision instituting IPR
 - Left open possibility of review after final written decision
- *In re Dominion Dealer Solutions, LLC*, 749 F.3d 1379 (Fed. Cir. 2014)
 - Denied mandamus from a decision not instituting IPR

Institution After 1-Year Time Bar? No Review (Yet)

- *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015)
 - Interpreting § 314(d) prohibition on appeal as precluding appellate jurisdiction regarding § 315(b) time bar
- *Wi-Fi One, LLC v. Broadcom Corp.*, 837 F.3d 1329 (Fed. Cir. 2016)
 - Applied *Achates* and dismissed appeal based on § 315(b) time bar
 - Vacated by order granting rehearing *en banc* on whether to overrule *Achates*

Partial Institutions? No Review

- *Synopsis, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309 (Fed. Cir. 2016)
 - No review of Board decision denying institution on some claims
 - The final written decision need not address challenged claims for which no review was instituted
- *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356 (Fed. Cir. 2016)
 - No jurisdiction to review institution decisions denying some grounds as redundant
 - Board had authority to promulgate regulations permitting institution on “all or some of the grounds of unpatentability asserted for each claim”

Termination Without a Final Written Decision? No Review

- *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309 (Fed. Cir. 2015)
 - After institution, Patent Owner moved for termination because the Petitioner had previously filed a DJ claim asserting invalidity
 - Board terminated CBM proceeding based on § 325(a)(1) bar
 - 35 U.S.C. §§ 141(c), 328(a), 329 construed
 - Termination decision was not appealable because it was not a “final written decision”
 - “The Board decision GTNX is seeking to appeal was not reached after conduct of the review and did not make a determination with respect to patentability.”
 - Also denied mandamus, in the alternative; no clear right to relief

Other Issues Not Reviewable

- *SightSound Technologies, LLC v. Apple Inc.*, 809 F.3d 1307 (Fed. Cir. 2015)
 - Petition asserted anticipation
 - Board instituted and cancelled claims based on single-reference obviousness
 - No jurisdiction to review

Other Issues Not Reviewable

- *Shaw Industries Group, Inc. v. Automated Creel Systems*, 817 F.3d 1293 (Fed. Cir. 2016)
 - Board denied institution of some grounds as redundant
 - No jurisdiction to review decision not to institute on redundancy grounds
 - Alternative mandamus request denied
- *HP Inc. v. MPHJ Technology Investments*, 817 F.3d 1339 (Fed. Cir. 2016)
 - No jurisdiction to review Board’s decision not to institute on redundancy grounds

Other Issues Not Reviewable

- *Husky Injection Molding Sys. Ltd. v. Athena Automation Ltd.*, 838 F.3d 1236 (Fed. Cir. 2016)
 - IPR Petition filed by inventor’s new start-up
 - Patent Owner argued (pre-institution) assignor estoppel prevented IPR challenge
 - Board instituted because statute permits filing by anyone other than the patent owner (35 U.S.C. § 311)
 - Court dismissed appeal on this issue for lack of jurisdiction
 - Plager, J. (dissenting): Court should find jurisdiction under Supreme Court’s *Cuozzo* decision

Exception to Rule of No Jurisdiction: CBM Standing

- *Versata Dev. Grp., Inc. v. SAP Am. Inc.*, 793 F.3d 1306 (Fed. Cir. 2015)
 - Construed America Invents Act § 18(a)(1)(E):
The Director may institute a transitional proceeding [under Section 18] only for a patent that is a business method patent.
 - Section 18(a)(1)(E) places a limit on the PTAB’s “invalidation authority”
 - “Here, nothing in § 324(e) meets the high standard for precluding review of whether the PTAB has violated a limit on its invalidation authority under § 18.”

“Invalidation Authority”

- Compare Section 18 of the AIA (“invalidation authority”):

The Director **may institute** a transitional proceeding [under Section 18] **only** for a patent that is a business method patent.

- With 35 U.S.C. § 315(b) (not “invalidation authority”):

PATENT OWNER’S ACTION.— An inter partes review **may not be instituted** if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.

Claim Construction

Claim Construction Standard

- IPR and district court litigation have different claim construction “standards”
- In district court litigation, claims are construed to give them their plain and ordinary meaning
 - *Claims given their plain and ordinary meaning to one skilled in the art*
 - *Specification is key in determining a claim’s construction*
 - *Prosecution history provides insights into the metes and bounds of the claimed invention*
 - *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005)
- In an IPR, the Board applies the Broadest Reasonable Interpretation (“BRI”) standard to the claims

Claim Construction Standard

- AIA created the IPR proceeding, but was silent on the claim construction standard that should be applied
- But, AIA did grant the PTO the right to promulgate rules that govern IPR proceedings
- PTO originally promulgated 37 C.F.R. § 100(b) that provided:
 - “A claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.”

Claim Construction ... “Standard”?

- 37 C.F.R. § 100(b) now provides:
 - “A claim in an unexpired patent that will not expire before a final written decision is issued shall be given its broadest reasonable construction in light of the specification of the patent in which it appears. A party may request a district court-type claim construction approach to be applied if a party certifies that the involved patent will expire within 18 months from the entry of the Notice of Filing Date Accorded to Petition. The request, accompanied by a party’s certification, must be made in the form of a motion under § 42.20, within 30 days from the filing of the petition.”

Different Claim Construction Standards Challenged as Improper in *In re Cuozzo*

- The application of the BRI standard in an IPR proceeding was challenged in *In re Cuozzo Speed Tech., LLC*, 793 F.3d 1268 (Fed. Cir. 2015)
- *Cuozzo Speed Tech., LLC v. Lee*, ___ U.S. ___ (June 20, 2016)
 - the rule adopting the “broadest reasonable interpretation” standard of claim construction is reasonable, particularly in light of its long history of use before the USPTO and is entitled to Chevron deference

Significance of the BRI Standard

- Judge Moore, writing for the Court in *PPC Broadband, Inc. v. Corning Optical Comm’ns RF, LLC*, 815 F.3d 734 (Fed. Cir. 2016) (*PPC Broadband I*), explained how the difference between the BRI standard and the *Phillips* standard was “outcome determinative” in that case
- The claims recited a coaxial cable with a “continuity member” disposed between two other components
 - The Board construed “continuity” to require “establish[ing] an electrical connection” between those components, but it did not require “consistent or continuous contact”
 - The Court held this construction was the broadest reasonable interpretation, but that it would not have been correct under *Phillips*

Significance of the BRI Standard

- The Court in *PPC Broadband I* began with the background of the *Cuozzo* decision, then explained how the case would be decided under *Phillips*
 - “Under *Phillips*, we would hold that the correct construction of the term ‘continuity member’ requires, as PPC Broadband argues, a continuous or consistent connection.”
 - The Court pointed to dictionary definitions of “continuity” and passages from the specification describing the invention as providing “consistent” or “constant” contact between the relevant components

Significance of the BRI Standard

- But, because *Phillips* did not apply, the Court affirmed the Board's construction because it was "not unreasonable"
 - Another dictionary definition of "continuous" supported a construction based on "spatial continuity" (i.e., a physical path for electrical current to flow)
 - The Court also noted "some language in the specification" that supported Corning's argument that "continuity" referred to "an unbroken *physical* path"
- The Board's construction of another claim term in *PPC Broadband I* was reversed as unreasonable, including a claim term that expressly required the "continuity member" maintain a constant electrical connection, while the construction of a third term was upheld

Significance of the BRI Standard

- The same day, the Federal Circuit also issued a second decision involving the same parties, *PPC Broadband, Inc. v. Corning Optical Comm'ns RF, LLC*, 815 F.3d 747 (Fed. Cir. 2016) (*PPC Broadband II*)
 - The Court reversed the Board's construction of "reside around" to mean "in the immediate vicinity of; near" rather than "encircle or surround"
 - The Court noted that both were consistent with dictionary definitions, but not "all of these [dictionary] meanings are reasonable interpretations in light of this specification."
 - Every use of "around" in the specification "relates to encircling or surrounding."
 - The Court rejected the argument that this construction would exclude disclosed embodiments because the specification discloses 20 embodiments, at least some of which are encompassed: "We will not adopt the position advocated by Corning that the broadest reasonable construction is always the one which covers the most embodiments. Above all, the broadest reasonable interpretation must be *reasonable* in light of the claims and specification."

Significance of the BRI Standard – Or Is It Significant?

- *Microsoft v. Proxyconn*, 789 F.3d 1292 (Fed. Cir. 2015)
 - Rather, “claims should always be read in light of the specification and teachings in the underlying patent.” *Suitco*, 603 F.3d at 1260. **The PTO should also consult the patent’s prosecution history in proceedings in which the patent has been brought back to the agency for a second review.** See *Tempo Lighting Inc. v. Tivoli LLC*, 742 F.3d 973, 977 (Fed. Cir. 2014). Even under the broadest reasonable interpretation, the Board’s construction “cannot be divorced from the specification and the record evidence,” *In re NTP, Inc.*, 654 F.3d 1279, 1288 (Fed. Cir. 2011), and “must be consistent with the one that those skilled in the art would reach,” *In re Cortright*, 165 F.3d 1353, 1358 (Fed. Cir. 1999). A construction that is “unreasonably broad” and which does not “reasonably reflect the plain language and disclosure” will not pass muster. *Suitco*, 603 F.3d at 1260.

Claim Construction in an IPR – *Don't Forget to Develop Your Extrinsic Evidence*

- The Federal Circuit reviews the Board's claim construction according to the Supreme Court's decision last year in *Teva Pharm. U.S.A., Inc. v. Sandoz, Inc.*, 135 S. Ct. 831 (2015)
 - Factual determinations concerning extrinsic evidence are reviewed for substantial evidence
 - Ultimate claim construction is reviewed *de novo*
- The application of *Teva* to appeals from PTAB proceedings further highlights the importance of developing factual evidence in an IPR

Motions to Amend

Motions to Amend Burden to Show Patentability

- *Prolitec, Inc. v. Scentair Technologies, Inc.*, 807 F.3d 1353 (Fed. Cir. 2015)
 - Patent owner has burden to prove patentability of amended claims
- *In re: Aqua Products*, 823 F.3d 1369 (Fed. Cir. 2016)
 - Court relied on *Prolitec* for burden of proof
 - Court further held the Board did not abuse its discretion in not considering evidence of secondary considerations where Patent Owner did not argue patentability on that basis

Motions to Amend

Burden to Show Patentability

- *In re: Aqua Products* – Fed. Cir. August 12, 2016 En Banc Order
 - (a) When the patent owner moves to amend its claims under 35 U.S.C. § 316(d), may the PTO require the patent owner to bear the burden of persuasion, or a burden of production, regarding patentability of the amended claims as a condition of allowing them? Which burdens are permitted under 35 U.S.C. § 316(e)?
 - (b) When the petitioner does not challenge the patentability of a proposed amended claim, or the Board thinks the challenge is inadequate, may the Board sua sponte raise patentability challenges to such a claim? If so, where would the burden of persuasion, or a burden of production, lie?

Motions to Amend Burden to Show Patentability

- *Veritas Techs., LLC v. Veeam Software Corp.*, 835 F.3d 1406 (Fed. Cir. 2016)
 - Federal Circuit vacated denial of contingent motion to amend and remanded
 - Board erred by requiring Patent Owner to “discuss whether each newly added feature was separately known in the prior art”
 - Patent Owner’s argument was clearly “that it is only the combination that was the ‘new feature’”
 - Board’s demand for more was “arbitrary and capricious”

Motions to Amend Reasonable Number of Substitute Claims

- *Nike, Inc. v. Adidas AG*, 812 F.3d 1326 (Fed. Cir. 2016)
 - Remanded for consideration of claim that was not adequately considered
 - Patent Owner proposed two substitute claims for one claim
 - Board correctly stated standard for exceeding the one-for-one presumption—proposed claims must be patentably distinct from one another
 - Board instead grouped the two claims together and only evaluated one of the two

Lessons Learned

Lessons Learned and Future Considerations

- Prepare petition and patent owner response with the assumption that you get one bite at the apple
 - Don't rely on ability to file supplemental or reply evidence
 - Anticipate what opponent may argue
- Develop record with an eye toward appeal
- On appeal, consider requests for intervention by Director
- Keep an eye on cert petitions to Supreme Court

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Thank you!

