
Appeals to the Federal Circuit – 2023 Recent Updates



PTAB Bar Assoc. Comm. on
Appeals from the PTAB
December 12, 2023



Apple v. Corephotonics

APA Violations and Typographical Errors

Apple Inc. v. Corephotonics, Ltd., 81 F.4th 1353 (Fed. Cir. 2023)

APA and IPRs

What is APA?

- Administrative Procedure Act (APA)
- APA is a federal act that governs the procedures of administrative law, including rulemaking and adjudication

Limits Imposed on the Board's Authority by the APA

- “Persons entitled to **notice** of an agency hearing shall be timely informed of ... the matters of **fact** and **law** asserted” 5 U.S.C. § 554(b)(3) (emphasis added).
- The Board “shall give all interested parties **opportunity** for ... the **submission and consideration** of **facts** [and] **arguments**....” 5 U.S.C. § 554(c)(1) (emphasis added).

The IPR

Claims	35 U.S.C. §	Reference(s) /Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
1, 10–14, 16, 18, 23, 32– 36, 38, 40	103(a)	Parulski, Konno		1, 10–14, 16, 18, 23, 32–36, 38, 40
2–4, 24–26	103(a)	Parulski, Konno, Szeliski		2–4, 24–26
5–9, 27–31	103(a)	Parulski, Konno, Szeliski, Segall		5–9, 27–31
15, 37	103(a)	Parulski, Konno, Stein		15, 37
Overall Outcome				1–16, 18, 23– 38, 40

IPR2020-00905, Paper 51 at 21-22.

Claims	35 U.S.C. §	Reference(s) /Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
19, 20	103(a)	Parulski, Ogata, Kawamura, Soga		19, 20
21, 22	103(a)	Parulski, Ogata, Kawamura, Soga, Morgan-Mar		21, 22
Overall Outcome				19–22

IPR2020-00906, Paper 54 at 20.

The IPR



In finding that Apple did not meet its burden to establish that the challenged claims are unpatentable, the Board focused almost entirely on the typographical error in Apple expert Dr. Sasián's declaration.

IPR2020-00906, Paper 54 at 15-17.

The Appeal

Apple

“[T]he Board’s conclusion regarding Dr. Sasián’s declaration in the second IPR was a new argument raised without notice to Apple in violation of the APA.”

Apple at 1357.

The Appeal



“[T]he board must base its decisions on arguments that were advanced by [the] part[ies].” *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364 (Fed. Cir. 2016)

“[In *Magnum Oil Tools*], under the APA, the board erred in adopting arguments that the petitioner had not sufficiently made.”

“[In *Power Integrations, Inc. v. Lee*, 797 F.3d 1318 (Fed. Cir. 2015),] ‘[B]oard’s analysis ... failed to straightforwardly and thoroughly assess the critical issue’ outlined by the parties.... [It] was a violation of the APA.”

Apple at 1360.

The Appeal



“Here, the Board[’s finding was based on] errors in Dr. Sasián’s expert declaration that neither party asserted were material to the claimed invention – and only one of which Corephonics even identified as an error.”

“The Board failed to provide a reasoned explanation for why it found the ... error meaningful.”

“[Other] purported mistakes ... were never mentioned by the parties.”

Apple at 1361.

The Appeal



“On this record, the Board’s determination that the typographical error in Dr. Sasián’s declaration was essentially dispositive of the issues in the case does not comport with the notice requirements of the APA.”

“[T]he Board spent a significant portion of its opinion assessing an issue that no party meaningfully raised or asserted as relevant.”

Apple at 1362.

Elekta v. Zap Surgical

Motivations to Combine Reasonable Expectation of Success

Elekta Ltd. v. ZAP Surgical Sys., Inc., 81 F.4th 1368 (Fed. Cir. 2023)

Obviousness

What is Obviousness?

- “Obviousness requires, *inter alia*, a finding that a skilled artisan would have been ***motivated to combine the teachings of prior art*** in such a way that the combination discloses the claimed invention.”

Reasonable Expectation of Success

- “***An obviousness determination requires*** finding that a person of ordinary skill in the art would have had a reasonable expectation of success[, which is] ... ***the likelihood of success in combining references to meet the limitations of the claimed invention.***”

Elekta at 1374-75 (emphasis added).

The IPR

Claims	35 U.S.C. §	References/ Basis	Claims Shown Unpatentable	Claims Not Shown Unpatentable
1–4, 7–8, 11, 12, 17, 18, 20, 23	103(a)	Grady, Ruchala	1–4, 7–8, 11, 12, 17, 18, 20, 23	
9, 10, 13, 16, 22	103(a)	Grady, Ruchala, Lam	9, 10, 13, 16, 22	
1–4, 7–8, 11, 12, 17, 18, 20, 23	103(a)	Adler, Grady	1–4, 7–8, 11, 12, 17, 18, 20, 23	
9, 10, 13, 16, 22	103(a)	Adler, Grady, Lam	9, 10, 13, 16, 22	
1–4, 7–8, 11, 12, 17, 18, 20, 23	103(a)	Valentin, Roder		1–4, 7–8, 11, 12, 17, 18, 20, 23
9, 10, 13, 16,	103(a)	Valentin,		9, 10, 13, 16,

IPR2019-01659, Paper 48 at 70.

The Appeal

Elekta

“Elekta argues that the Board erred as a matter of law because it failed to articulate *any* findings on reasonable expectation of success.”

Elekta at 1375.

The Appeal



“Unlike a motivation to combine determination, which requires an explicit analysis, ... ***a finding of reasonable expectation of success can be implicit.***”

There is no tension with the APA that requires the Board to explain its decision, “where the Board makes an implicit finding on reasonable expectation of success ***by considering and addressing other, intertwined arguments, including ... a motivation a combine.***”

Elekta at 1376 (emphasis added).

The Appeal



“Elekta raised reasonable expectation of success arguments before the Board in asserting that **ZAP’s proposed combination would result in inoperable device, result in an inferior quality product, and would teach away** because the combination would not produce the result sought by the ’648 patent owner....”

“Elekta also argued that because **the prior art** would not ‘provide a viable solution ...,’ it **would not work for its intended purposes**, and thus would ‘negat[e] any reasonable expectation of success.’”

Elekta at 1376 (emphasis added).

The Appeal



“In these circumstances, the Board made no error in addressing the issues of motivation to combine and reasonable expectation of success in the ***same blended manner*** that Elekta chose to present those issues.”

Elekta at 1376 (emphasis added).

The Appeal

Elekta

“[E]ven if the Board made an implicit finding, ‘there is no substantial evidence that could support a finding that a skilled artisan would have reasonably expected to succeed’ in combining the asserted references.”

Elekta at 1377.

The Appeal



“Evidence of a reasonable expectation of success, just like evidence of a motivation to combine, ‘may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or in some cases, from the nature of the problem to be solved.’”

“In some cases, such as here, ***the evidence establishing a motivation combine may establish a finding of reasonable expectation of success.***”

Elekta at 1377 (emphasis added).

Analogous Art

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Circuit

December 12, 2023

Recent Precedential Federal Circuit Cases

May 9, 2023

Sanofi-Aventis Deutschland GmbH v. Mylan Pharmaceuticals Inc., 66 F.4th 1373 (Fed. Cir. 2023)

September 11,
2023

Netflix, Inc. v. DivX, LLC, 80 F.4th 1352 (Fed. Cir. 2023)

- (1) Whether the art is from the same field of endeavor
- (2) If the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.

Sanofi-Aventis Deutschland GmbH v. Mylan Pharmaceuticals Inc., 66 F.4th 1373 (Fed. Cir. 2023)

Mylan presented a combination of prior art references A and B.

Mylan argued that references A and B were analogous.

PTAB held that all claims were unpatentable.

Sanofi appealed, arguing that Mylan never showed how reference B was analogous to the target patent.

Under substantial evidence standard, CAFC reversed.

Netflix, Inc. v. DivX, LLC, 80 F.4th 1352 (Fed. Cir. 2023)

Board held that petitioner “failed to identify the field of endeavor of either the ’792 patent or Kaku.”

CAFC: “Although Netflix’s reply brief before the Board did not formulaically articulate a field of endeavor using those exact words, our precedent does not require the use of magic words.”

New Arguments Raised in the Petitioner's Reply: Where is the Line?

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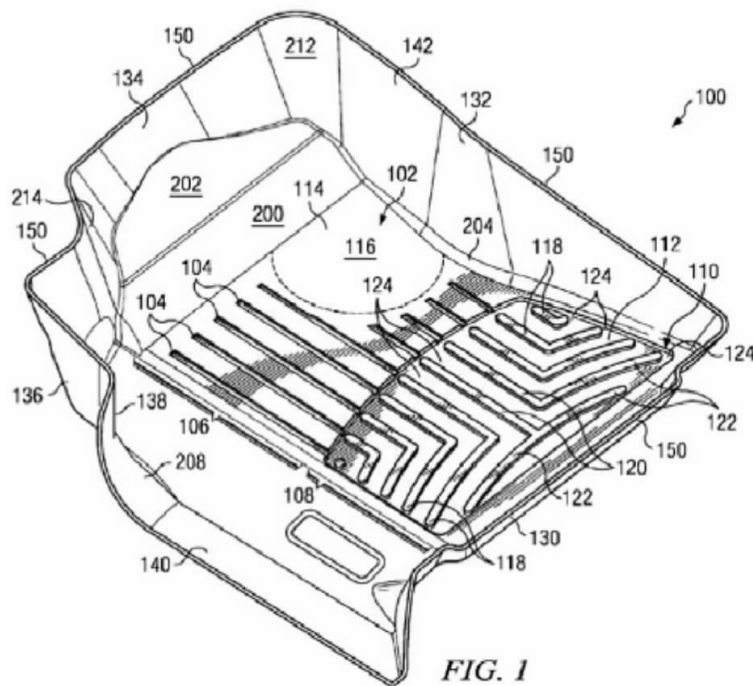
December 12, 2023

Recent Precedential Federal Circuit Cases

June 6, 2023 *Yita LLC v. MacNeil IP LLC*, 69 F.4th
1356 (Fed. Cir. 2023)

August 7, 2023 *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th
1374 (Fed. Cir. 2023)

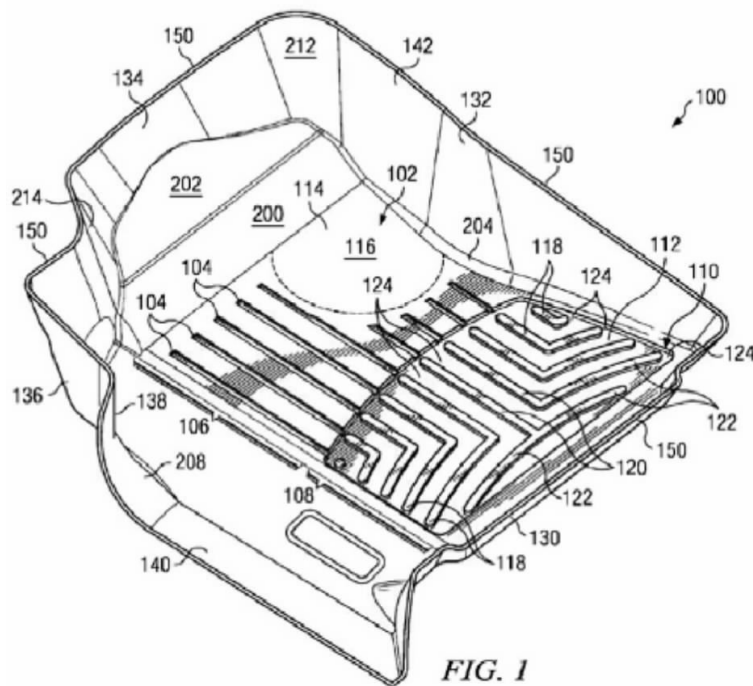
August 11, 2023 *Rembrandt Diagnostics, LP v. Alere, Inc.*,
76 F.4th 1376 (Fed. Cir. 2023)



One-Eighth Limitation

“at least 90 percent of...the first, second, and third tray walls...being within one-eighth of an inch of the respective foot well walls.”

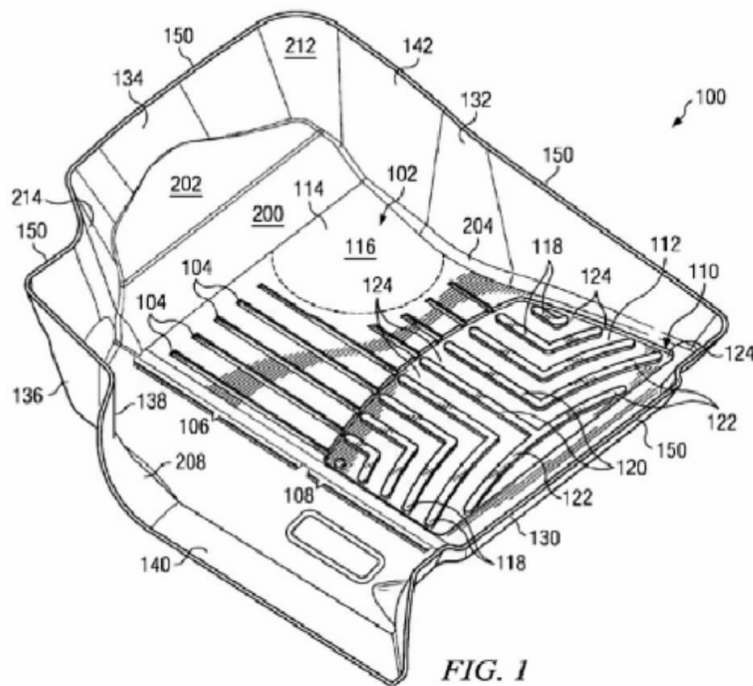
In petition, petitioner argued Rabbe discloses the one-eighth limitation.



In petition, petitioner argued Rabbe discloses the one-eighth limitation.

Patent Owner argued that Rabbe did not disclose the limitation.

In its reply, petitioner argued that the limitation would have been obvious over Rabbe.



PTAB said the obvious over Rabbe argument was an improper new argument.

CAFC: “We thus see no abuse of discretion in the Board’s decision not to consider the new argument.”

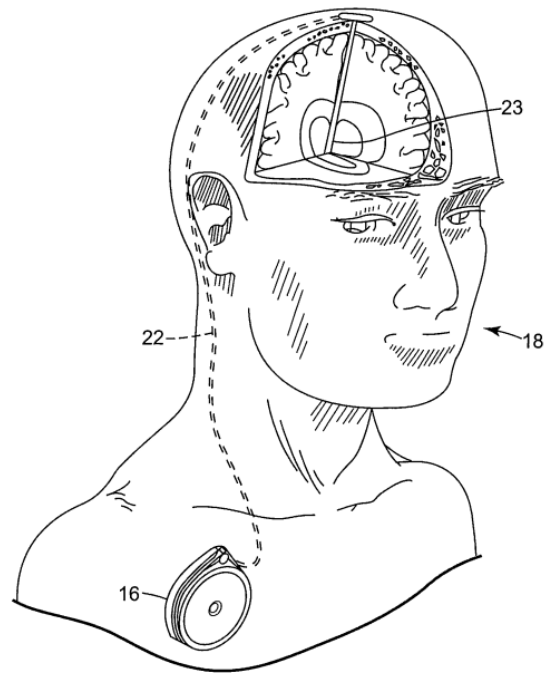


Fig. 1

Two claim limitations:

wherein said external power source automatically varies its power output based on a value associated with said current passing through said internal power source.

wherein said external power source automatically varies its power output based on a measured current associated with said current passing through said internal power source.

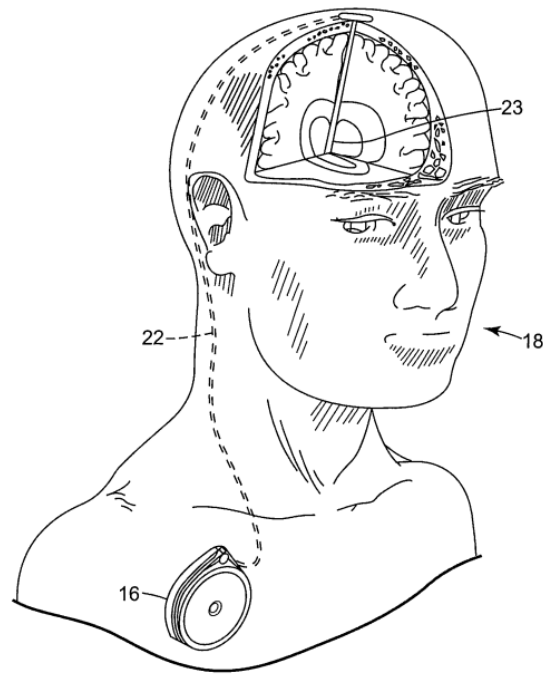


Fig. 1

Pre-institution: Petitioner argued that one-input satisfied both wherein limitations. Patent Owner and Board agreed. The “One-Input” construction.

Post-institution: Patent Owner argued that it required two inputs. The “Two-Input” construction. Petitioner presented arguments that prior art rendered obvious the Two-Input construction. PTAB said it was improper new arguments.

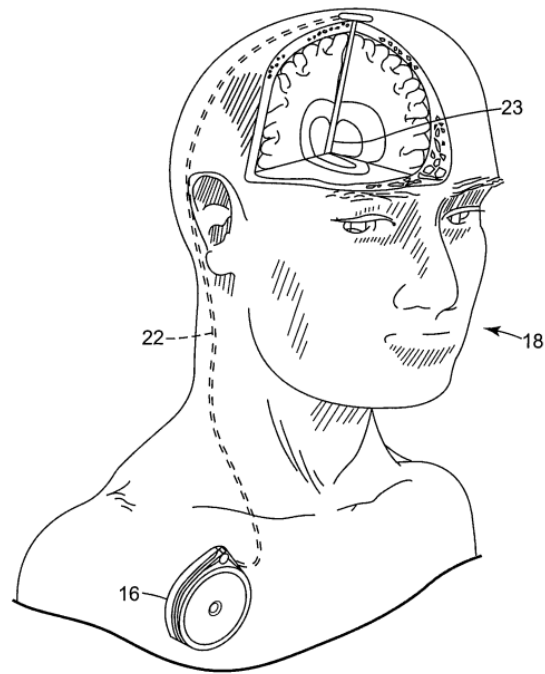


Fig. 1

“[A] petitioner is entitled to respond to new arguments made in a patent owner response.”

“That is not to say a petitioner may rely on new prior art in response to a new claim construction presented in the patent owner response.”

“We leave for another day the question of whether...a petitioner can rely in it reply on new embodiments from the prior art references.”

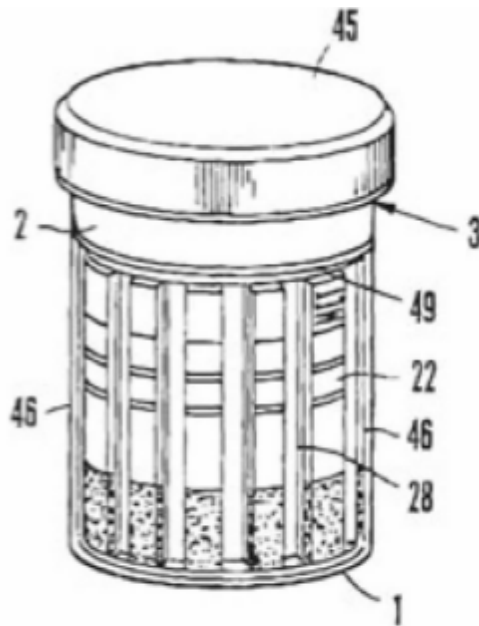


Fig. 6

Petition:

Raised “benefits of having the liquid sample contact the test strip only [at] a predetermined designated area.”

Reply:

Raised “benefits of reducing cost and simplifying a device.”

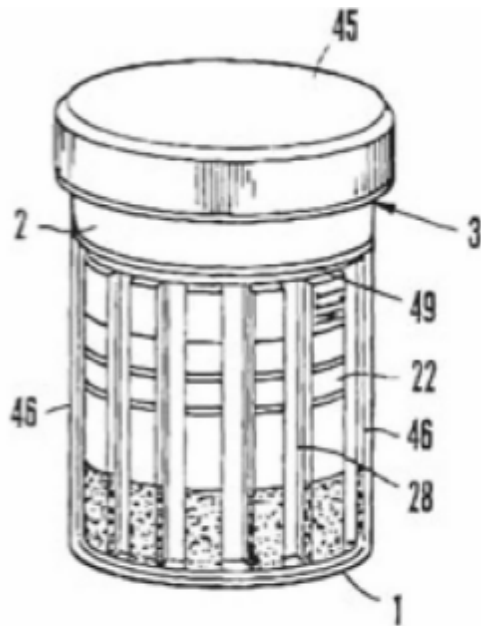










Fig. 6

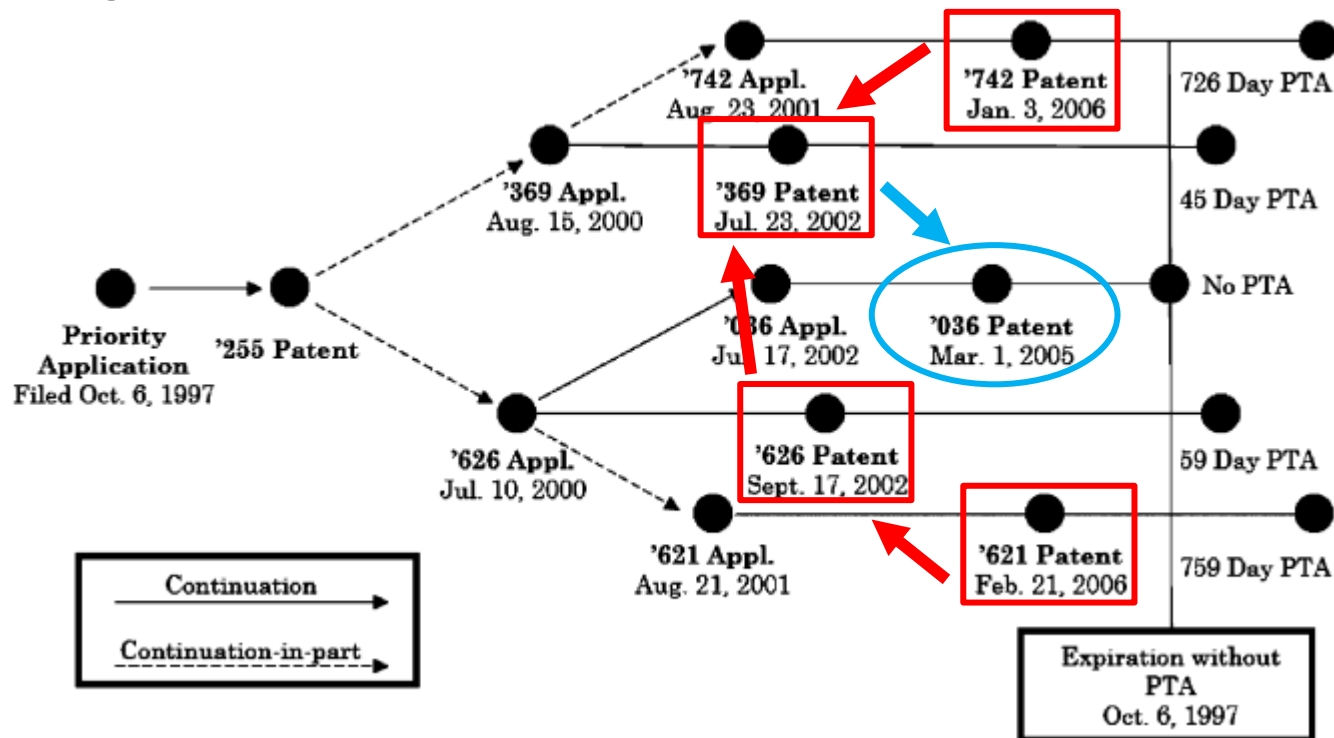
PTAB held it was not a new argument.

CAFC affirmed: “We conclude that Alere’s reply argument is responsive to Rembrandt’s arguments and the Board’s observations.”

	Reference Discloses -> Obvious	Supplemental Expert Declaration	New Embodiment - Same Prior Art	New Prior Art
Expands on Petition				
Responsive to Patent Owner Arguments				

In re: Collect, LLC, 81 F.4th 1216 (Fed. Cir. 2023)

- Four related patents challenged in *ex parte* reexamination as unpatentable based on obviousness-type double patenting



In re: Collect, LLC, 81 F.4th 1216 (Fed. Cir. 2023)

- Collect did not dispute that the challenged patents:
 - Claim priority from same application
 - Are commonly owned
 - Claim overlapping subject matter
 - Expire after reference patent only because of PTA
- Collect argued that determining unpatentability under ODP should be based on expiration dates before addition of PTA
- ***Question on appeal:*** whether an ODP analysis should be based on patent expiration date including PTA

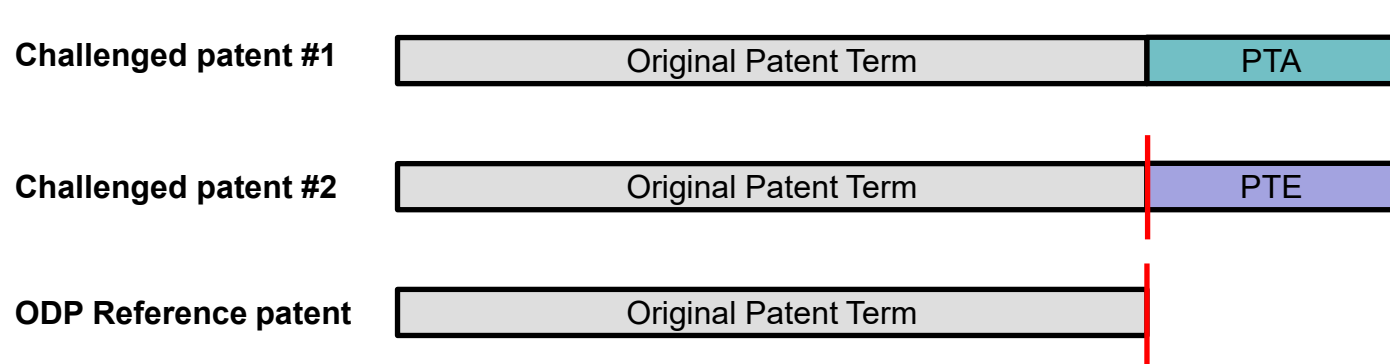
In re: Collect, LLC, 81 F.4th 1216 (Fed. Cir. 2023)

- ODP is an obviousness assessment
 - *Problem*: claims of later-expiring patent are obvious over claims of earlier-expiring patent
 - *Solution*: terminal disclaimer
- Later-expiring patent depends on PTA and PTE:
 - **PTA**: extend patent term of a particular patent due to delays during prosecution
 - **PTE**: extend patent term for single invention due to regulatory delays in product approval

In re: Collect, LLC, 81 F.4th 1216 (Fed. Cir. 2023)

Federal Circuit Holding: “ODP for a patent that has received PTA . . . must be based on the expiration date of the patent after PTA has been added.”

- *i.e.*, ODP expiration date includes PTA but does not include PTE



Takeaway: later-filed, but earlier-expiring patents can be used as an ODP reference against originally-filed parent patent with PTA

- Petitioners asserted challenged claims were obvious over various references, including one with priority date of January 4, 2000
- Patent Owner argued that reference was not prior art because invention antedates the priority date
- Patent Owner claimed the invention was conceived by July 12, 1999, and reduced to practice by December 31, 1999
 - 40 exhibits (1,300 pages)
 - Claim charts (> 100 pages)

- Board declined to consider antedating argument and evidence as a violation of **37 C.F.R. § 42.6(a)(3)** (“Arguments must not be incorporated by reference from one document into another document.”)
- Board concluded that reference qualified as prior art, and found the challenged claims unpatentable as obvious
- ***Question on appeal:*** whether the Board improperly declined to consider Patent Owner’s arguments and evidence regarding antedating prior art reference

- Under pre-AIA, patent owners can antedate §102(a) or §102(e) references by:
 1. actual reduction to practice before priority date
 2. conception before priority date + diligence to actual reduction
 3. conception before priority date + diligence to constructive reduction
- To antedate a reference, patent owners should consider submitting inventor testimony with corroborating evidence (e.g., non-inventor, fact witness declaration or expert declaration)

Federal Circuit Holding: The Board did not err in refusing to consider antedating arguments and evidence.

- When Patent Owner attempts to antedate asserted reference, they assume temporary burden of production
 - Burden cannot be met with unexplained mountain of evidence; brief must “***cit[e] the relevant record evidence with specificity and explain[] the significance*** of the produced material”

Takeaway: antedating a prior-art reference remains a viable option for pre-AIA inventions, but patent owners must affirmatively incorporate evidence into responses

Medtronic, Inc. v. Teleflex Innovations S.A.R.L., 68 F.4th 1298 (Fed. Cir. 2023)

- Petitioner challenged five patents over primary prior art reference with priority date of September 23, 2005
- Patent Owner argued that reference was not prior art because claimed invention was:
 - (1) conceived prior to September 2005, and
 - (2) actually reduced to practice before September 2005, or diligently pursued until constructive reduction
- Antedating evidence included inventor declarations, non-inventor declarations, and documentary exhibits including lab notebooks, internal memos and presentations, invoices, photos, CAD drawings, and patent counsel documents

Medtronic, Inc. v. Teleflex Innovations S.A.R.L., 68 F.4th 1298 (Fed. Cir. 2023)

- Board found inventions were (1) conceived before priority date, and (2) either actually reduced to practice for their intended purpose before priority date, or diligently pursued until constructive reduction on filing date
- Because invention antedates primary reference, reference is not prior art for all five challenged patents
- ***Question on appeal:*** whether the Board erred in finding reference did not qualify as prior art

Medtronic, Inc. v. Teleflex Innovations S.A.R.L., 68 F.4th 1298 (Fed. Cir. 2023)

- Actual reduction to practice requires:
 1. inventors constructed embodiment or performed process that met all claimed limitations
 2. inventors determined invention would work for intended purpose
- Under “rule of reason,” evidence must be corroborated:
 - Documentary evidence, noninventor testimony, or both
 - Can be circumstantial
 - Does not have to corroborate every individual aspect of reduction to practice

Federal Circuit Holding: The Board did not err in determining reference did not qualify as prior art.

- Evidence was sufficient and sufficiently corroborated to show invention worked for intended purpose
 - Intended purpose = improved support for guide catheter
 - Inventors built and tested prototype, as supported by noninventor testimony, reports, invoices, engineer drawings, document titles

Takeaway: While evidence of actual reduction to practice must be corroborated, the “rule of reason” does not require every aspect of reduction to practice be independently corroborated

Purdue Pharma v. Collegium

What happens when the Board misses a deadline?

Purdue Pharma L.P. v. Collegium Pharm., Inc., --- F.4th ---,
2023 WL 8043047 (Fed. Cir. Nov. 21, 2023)

Deadline for Final Written Decisions

35 U.S.C. § 326(a)(11)

The Director shall prescribe regulations— requiring that the **final determination in any post-grant review be issued not later than 1 year after** the date on which the Director notices the **institution** of a proceeding under this chapter, except that the **Director may**, for good cause shown, **extend the 1-year period by not more than 6 months**, and may adjust the time periods in this paragraph in the case of joinder under section 325(c)

- *See also* 37 C.F.R. § 42.200(c)
- IPR: 35 U.S.C. § 316(a)(11) and 37 C.F.R. § 42.100(c)

The PGR

- Full PGR trial of Purdue Pharma's patent
- **10 days before 1-year deadline:** Notice of Bankruptcy Filing and Imposition of Automatic Stay
- PGR stayed; good cause for 6 month extension
- **5 months after extended deadline:** Bankruptcy Court lifts stay.
- Purdue Pharma argues Board lost authority to issue FWD
- Board disagrees; FWD cancelling all claims

The Appeal

Purdue Pharma

Language of 326 deprives Board of authority to issue FWD after deadline:

- “shall” - “requiring”
- “not later than 1 year”
- 326(c) “in accordance with section 6”
- Limited circumstances for extension

*Purdue Pharma at *3-4*

The Appeal



“if a statute does not specify a consequence for non-compliance with statutory timing provisions, the **federal courts will not** in the ordinary course **impose their own coercive sanction.**”

United States v. James Daniel Good Real Prop.,
510 U.S. 43, 63, (1993)

The Appeal

§ 326(a)(11) does not prohibit late FWD



- “shall ..., standing alone,” does not prevent late FWD
- “not later than” is “at best precatory rather than mandatory”
- “‘in accordance’ ... does not rise to the level of a clear statement” of jurisdiction
- “exceptions to the deadline do not strip the Board of authority”

*Purdue Pharma at *3-4*

The Appeal

Other AIA sections support late FWD



- §328(a) mandates Board issue FWD
- §315(b) IPR “may not be instituted if...”
- §321(c) PGR petition “may only be filed not later than ...”

*Purdue Pharma at *5*

The Appeal

Denying authority for late FWD would be contrary to AIA



- Purpose of AIA was to make challenges more efficient
- Sending parties back to District Court after full trial would be duplicative

*Purdue Pharma at *5*

The Appeal

Purdue Pharma

“Board’s reading [of] 326(a)(11) would mean nothing more than the undefined timing for reexamination that Congress disliked and replaced.”



“The appropriate remedy is mandamus”

*Purdue Pharma at *5-6*

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