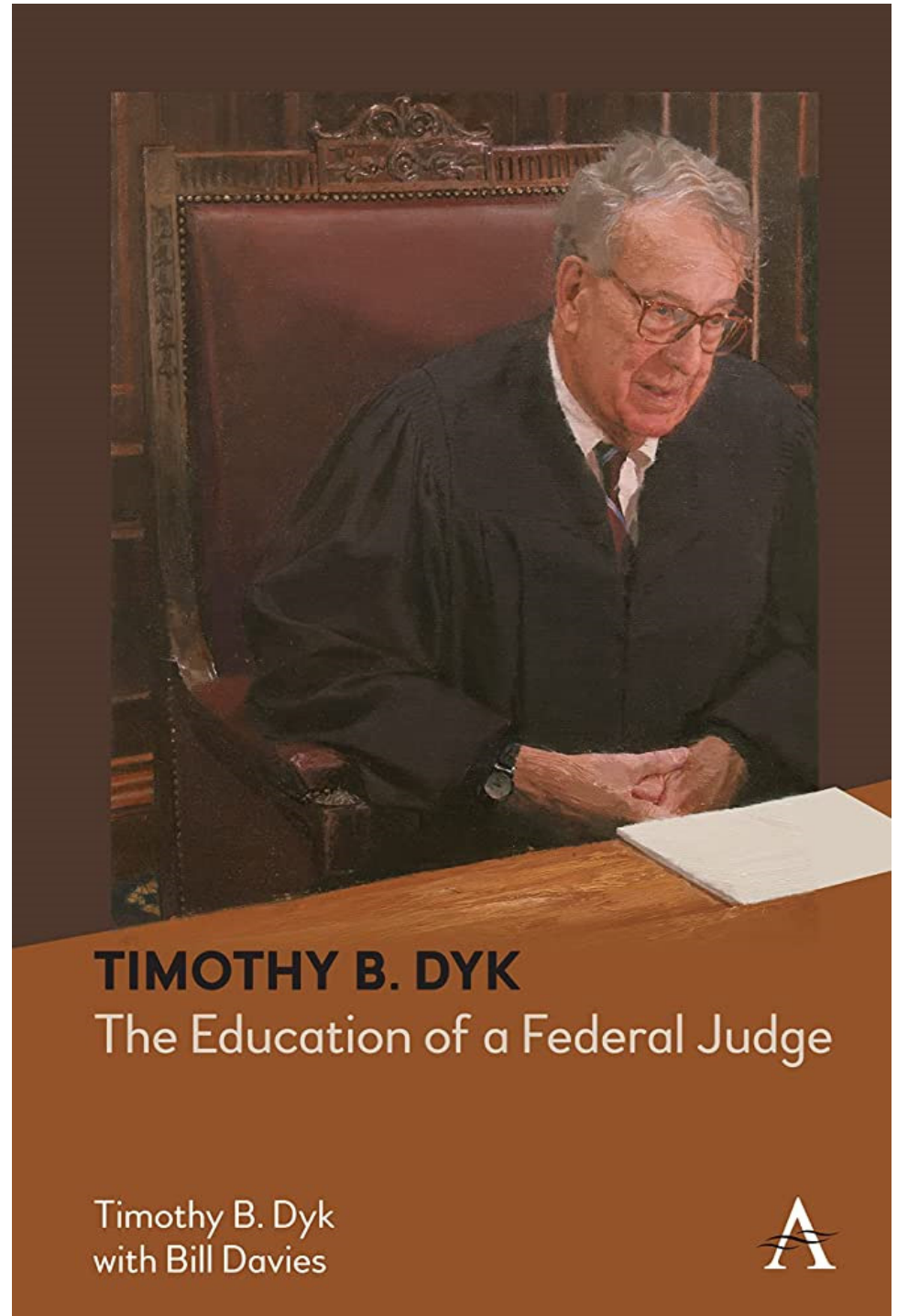


Preservation of Appellate Arguments and Considerations for Appellate Review of PTAB Decisions

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TIMOTHY B. DYK

The Education of a Federal Judge

Timothy B. Dyk
with Bill Davies



Appellate Standards of Review: *De novo*

- The Federal Circuit considers legal issues *de novo*, without any deference to the PTO
- Issues such as claim construction – including for means-plus-function claim terms, determining the function and the corresponding structure, statutory construction are subject to *de novo* review
- The Federal Circuit reviews legal issues on a clean slate, so how the issues are framed can heavily influence the outcome

Appellate Standards of Review: Substantial Evidence

- The Federal Circuit reviews factual issues for the PTAB under the substantial evidence standard
 - Evidence is substantial “if a reasonable mind might accept it as adequate to support the finding”⁴
 - Includes anticipation
 - Includes the underlying factual issues related to Obviousness such as:
 - the scope and content of the prior art,
 - the differences between the prior art and the claims at issue,
 - the level of ordinary skill in the pertinent art, and
 - any objective indicia of non-obviousness.

4. In re Adler, 723 F.3d 1322, 1325 (Fed. Cir. 2013).

Formulating Arguments: Appellate Review

- Parties should litigate IPRs with an eye towards appeal.
 - For petitioners drafting an IPR Petition, formulate invalidity positions with respect to every possible claim construction.
 - Make sure asserted prior art can address the claims regardless of how claim construction issues are decided.
 - For Patent holders, argue a claim construction position not addressed in the petition.
 - Nuanced terms or defined terms are typically fertile areas to build an appeal around.
 - May not be fully considered below.

How to “Appeal-Proof” an IPR

- Back-up references for every claim construction.
- Intrinsic evidence: claim language, specification, prosecution history.
- Extrinsic evidence: expert testimony, relevant art, journal articles, dictionary definitions.
- Intrinsic evidence is given primacy and extrinsic evidence should only be used to construe claims if it is consistent with the intrinsic evidence.

Appellate Standards of Review: Abuse of Discretion

- Federal Circuit reviews the PTAB's evidentiary rulings and the PTAB's administration of its own rules under Abuse of Discretion.
- An abuse of discretion is found when:
 - (1) the court's decision is clearly unreasonable, arbitrary, or fanciful;
 - (2) the decision is based on erroneous conclusions of law;
 - (3) rests on clearly erroneous fact finding; or
 - (4) follows from a record that contains no evidence on which the Board could rationally base its decision.⁵
- There is a need to point to a harmful error - something that can undo and undermine the decision.

5. Shu-Hui Chen v. Bouchard, 347 F.3d 1299, 1307 (Fed. Cir. 2003).

Fed. Cir. Practice Tips

- Exclusion of evidence arguments are very difficult to win at the PTAB
- Exclusion of evidence arguments are also very difficult to win on appeal
- The PTAB rarely excludes evidence
- Appealing these decisions is very difficult

Formulating Arguments: Appellate Review

- Focusing on fewer, more thoroughly argued positions is generally better for successful appeals.
- The time for providing evidence which will be cited during the appeal is when the case is before the PTAB.
 - Declarations matter and are not limited by word count. If evidence on an issue on appeal may be needed later, include it in the declaration.
 - On appeal, Petitioners should provide ample citations to the record (e.g., declaration evidence) and explicitly describe the connection from the evidence to the argued points.

Federal Circuit Affirmance Rates

- Through February 2023, the Federal Circuit reviewed over 1,000 IPR Appeals and affirmed the board on every issue 73.24% of the time.⁶
- The affirmance rate remains about the same as 2022 (72.97% affirmance rate on every issue).⁷
- Thus, a party seeking to reverse an outcome at the PTAB faces an uphill battle.

6. Klodowski, D. et al., “Federal Circuit PTAB Appeal Statistics for February 2023,” March 31, 2023, <https://www.finnegan.com/en/insights/blogs/at-the-ptab-blog/federal-circuit-ptab-appeal-statistics-for-february-2023.html>

7. Klodowski, D. et al., “Federal Circuit PTAB Appeal Statistics for December 2022,” February 1, 2023, <https://www.finnegan.com/en/insights/blogs/at-the-ptab-blog/federal-circuit-ptab-appeal-statistics-for-december-2022.html>

Substantial Evidence is an important Key to “Rule 36” Affirmations

- Federal Circuit Rule 36 specifies that “[t]he court may enter a judgement of affirmance without opinion . . . when it determines that any of the following conditions exist and an opinion would have no precedential value:
 - (1) the judgement, decision, or order of the trial court appealed from is based on findings that are not clearly erroneous;
 - (2) the evidence supporting the jury’s verdict is sufficient;
 - (3) the record supports summary judgement, directed verdicts, or judgement on the pleadings;
 - (4) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or
 - (5) a judgement or decision has been entered without an error of law.”
- Out of the 1,116 appeals of post-grant proceedings since 2012, 43% involved Rule 36 orders.⁸

8. Karpan, A., “Fed. Cir. Affirms Over 74% Of PTAB Decisions,” April 4, 2023, <https://www.law360.com/articles/1593055>

Fed. Cir. Practice Tips

- Present only the strongest arguments
- Do not dilute strong arguments with weak arguments
- Give careful thoughts to which claims you chose to argue independently below and on appeal
- If the same arguments are being made for a group of claims, group the claims together
- If there good arguments for dependent claims, make those arguments below to preserve them for appeal
- Set out the facts and the legal theory and standard of review that is applied to the facts

Fed. Cir. Practice Tips

- Should demonstrative slides before the PTAB be part of the record?
- Are demonstratives evidence?
 - Summary Evidence Rule
- Rule 1006. Summaries to Prove Content
 - The proponent may use a summary, chart, or calculation to prove the content of voluminous writings, recordings, or photographs that cannot be conveniently examined in court. The proponent must make the originals or duplicates available for examination or copying, or both, by other parties at a reasonable time and place. And the court may order the proponent to produce them in court.

Webinar Speakers

- **Timothy B. Dyk**, Circuit Judge, United States Court of Appeals for the Federal Circuit
- **Jordan M. Rossen**, Senior Patent Counsel, Unified Patents, LLC
- **Oliver Richards**, Principal, Fish & Richardson, P.C.
- Moderator: **Frederic M. Meeker**, Principal Shareholder at Banner & Witcoff, Ltd.



Timothy B. Dyk

Circuit Judge, United States Court of Appeals for the Federal Circuit

Timothy B. Dyk was appointed as a Circuit Judge for the United States Court of Appeals for the Federal Circuit by President Bill Clinton in June 2000. Prior to his appointment, Judge Dyk was Partner and Chair, Issues and Appeals Practice Area, at Jones, Day, Reavis & Pogue from 1990 to 2000. He was Adjunct Professor at Yale Law School, at the University of Virginia Law School, and at the Georgetown University Law Center throughout his career. Judge Dyk was Associate and Partner, Wilmer Cutler & Pickering from 1964 to 1990.

Judge Dyk served as Special Assistant to Assistant Attorney General Louis F. Oberdorfer. He also served as law clerk to Chief Justice Warren and before that to Justices Reed and Burton. Judge Dyk received a B.A. from Harvard College in 1958 and an LL.B. from Harvard Law School in 1961. He was First President of the Edward Coke Appellate Inn of Court from 2000 to 2001 and President of the Giles Sutherland Rich Inn of Court from 2006 to 2007. Judge Dyk is co-author of the Chapter on Patents in the Fifth Edition of the treatise, *Business and Commercial Litigation in Federal Courts*. He was the recipient of the 2012 American Inns of Court Professionalism Award for the Federal Circuit and the 2016 Honorable William C. Conner Inn of Court Excellence Award. He is a member of the American Law Institute.



Jordan M. Rossen

Senior Patent Counsel,
Unified Patents, LLC

Jordan M. Rossen is Senior Patent Counsel for Unified Patents, where his practice focuses on challenging patents in post-grant proceedings before the United States Patent and Trademark Office. His work covers a broad range of technology zones, including cloud technology, internet-of-things, video coding and streaming, transaction software, telecommunications, and additional computer and software-oriented technology. Before joining Unified, Jordan was a patent litigator representing clients in district court, at the International Trade Commission, and at the PTAB.

Jordan attended the University of Virginia School of Law after graduating from the University Texas with a degree in chemical engineering.



Oliver Richards

Principal, Fish &
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Oliver Richards is a principal with Fish & Richardson, P.C. in San Diego, California. Mr. Richards has experiences litigating patent matters before a variety of tribunals, including the Patent Trial and Appeal Board, the United States District Courts, and the United States Court of Appeals for the Federal Circuit. Mr. Richards prides himself in his ability to efficiently draft effective briefs on complex legal issues.

Prior to joining Fish, Oliver served as a law clerk for the Honorable Timothy B. Dyk of the U.S. Court of Appeals for the Federal Circuit. During law school, Oliver co-founded the Patent Law Reading Group — a group dedicated to keeping up with recent developments in patent law from the Federal Circuit and Supreme Court — and Oliver has continued this in his practice, keeping Fish's clients up to date with alerts on important patent law developments.

Oliver formerly worked as a high school math and science teacher. A classically trained musician, he enjoys unwinding at the piano.



Frederic M. Meeker

Principal Shareholder
Banner Witcoff, Ltd.

Moderator

Fred has more than 25 years of experience handling intellectual property matters in primarily the cable, telephony, solar, satellite, Internet, electronic program guide, LTE, and automotive industries. Fred has served as lead counsel in a large number of patent litigations and over 140 IPRs.

Fred has a significant post-issuance practice including IPRs, interferences, and reexaminations. He also has handled a number of large Section 337 investigations at the United States International Trade Commission.