



2021 PTAB Bar Association Annual Conference

Appeals from the PTAB

Speakers

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Moderator

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Agenda: Issues on Appeal

- Considerations for Appealing from PTAB
- Appealing Evidentiary Issues
- Appealing APA Issues
- Appealing Substantive Issues

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Considerations for Appeal

- Preserving Your Arguments at the PTAB
- Standing
- Solicitor Involvement
- Procedural Issues at the Federal Circuit
- Issues That “Appeal” to the Federal Circuit
(or: How to Select Issues/Decisions the Court is Willing to Reverse)

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Hot Issues

- Constitutional Issues
- Evidentiary Issues
- APA Issues / Notice and Opportunity to Respond
- Waiver Issues
- Substantive Issues Where the Board Made the Wrong Decision (e.g., Claim Construction, Objective Indicia of Nonobviousness)

Evidentiary Issues

- *Valve Corp. v. Ironburg Inventions Ltd.*, 8 F.4th 1364 (Fed. Cir. 2021)
 - Valve submitted an article as an exhibit to its IPR Petition (“the Burns Exhibit”) that was a printout of the same article cited in an IDS during prosecution of the challenged patent (“the Burns Article”).
 - The Board ruled that the Burns Exhibit did not qualify as prior art because Valve did not provide testimony to show that the Burns Exhibit was the same as the Burns Article—and the Board refused to make the comparison on its own.
 - The Federal Circuit reversed that decision because the Board was obligated to make the comparison under FRE 901(b)(3), and evidence supported authentication of the Burns Exhibit.

APA Issues

- *Qualcomm Inc. v. Intel Corp.*, 6 F.4th 1256 (Fed. Cir. 2021)
 - Both parties agreed that the term “a plurality of carrier aggregated transmit signals” required an increased bandwidth.
 - In its Final Written Decision, the Board omitted the increased bandwidth requirement in its construction. There was no dispute about the increased bandwidth requirement, nor was it discussed with Qualcomm at the hearing.
 - The Federal Circuit held that Qualcomm was not provided an opportunity to respond to the Board’s construction that omitted the agreed-upon bandwidth requirement, and thus violated Qualcomm’s procedural rights under the APA.

Substantive Issues

- *Chemours Co. FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370 (Fed. Cir. 2021)
 - Patent Owner challenged Board's obviousness determination for lack of sufficient evidence of motivation to modify the prior art (Kaulbach).
 - The Board found that polymers having claimed melt flow rate of 30 ± 3 g/10 min were obvious in view of (1) the prior art's (Kaulbach) disclosure of melt flow rates of ≥ 15 g/10 min and (2) motivation to increase Kaulbach's specific example of 24 g/10 min to be within the claimed range because the evidence taught such speeds were "possible"—even though that would have required broadening the molecular weight distribution of the polymer beyond the "narrow molecular weight distribution" as warned by Kaulbach.
 - The Federal Circuit held that the Board erred by ignoring express disclosure in Kaulbach that teaches away from broadening molecular weight distribution and the known methods for increasing melt flow rate.

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Special Thanks To:

- Panelists

- Heidi Keefe (Cooley)
- Nate Kelley (Perkins Coie)
- Will Milliken (Sterne Kessler)
- Karen Robinson (Adobe)

- CLE Materials

- Lara Dueppen (Perkins Coie)
- Katherine Nesler (Wilmer Hale)
- Akkad Moussa (Wilmer Hale)
- Graham Phero (Sterne Kessler)

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Additional Reference Materials

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Preserving Arguments

- Waiver and forfeiture
 - Merits arguments not raised below are waived
 - *Bradium Techs. LLC v. Iancu*, 923 F.3d 1032, 1048 (Fed. Cir. 2019) (“We need not reach the merits of these arguments because Bradium waived them by failing to present them to the Board.”)
 - The same generally applies to procedural challenges
 - *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1082 (Fed. Cir. 2015) (“With no Board denial of concrete, focused requests before us, we are not prepared to find that Belden was denied [due process]”)
 - *Acoustic Tech., Inc. v. Itron Networked Sols., Inc.*, 949 F.3d 1366 (Fed. Cir. 2020)
 - *Game & Tech. Co., Ltd. v. Wargaming Grp. Ltd.*, 942 F.3d 1343 (Fed. Cir. 2019)
 - Forfeiture and “exceptional circumstances”
 - *Celgene Corp. v. Peter*, 931 F.3d 1342, 1356 (Fed. Cir. 2019) (“We have indeed seen a growing number of retroactivity challenges following the Supreme Court’s decision in *Oil States*”)
 - *Arthrex, Inc. v. Smith & Nephew, Inc.*, 941 F.3d 1320, 1327 (Fed. Cir. 2019) (“The issue presented today has a wide-ranging effect on property rights and the nation’s economy.”)

Preserving Arguments: Practice Tips

- Timely raising arguments before the PTAB
 - Patent Owner Response (37 C.F.R. § 42.120(a))
 - Reply/Sur-Reply limited to responsive arguments (37 C.F.R. § 42.23(b))
 - Demonstratives/Oral Hearing (37 C.F.R. § 42.70(a))
 - Objections to evidence (37 C.F.R. § 42.64(b))
 - Moving or seeking authorization to move (37 C.F.R. § 42.20(b))
 - Request for Rehearing (37 C.F.R. § 42.71(d))
 - Not necessary if issue was squarely presented below, but can be used to solidify record

Voluntary Cessation Doctrine

- A party's failure to appeal a parallel district court judgment may render moot an appeal from the PTAB under the voluntary cessation doctrine
 - *ABS Global, Inc. v. Cytonome/ST, LLC*, 984 F.3d 1017 (Fed. Cir. 2021) (holding that Cytonome's disavowal of the right to appeal the district court's judgment that ABS did not infringe Cytonome's patent mooted ABS's appeal of a parallel IPR determination of validity)
 - In view of the district court's finding non-infringement, ABS did not produce evidence to support an ongoing case or controversy and therefore lacked standing to appeal the PTAB's decision

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Appealable Issues

- What exactly is appealed and when must it be appealed
 - Appeal from the “final written decision” (35 U.S.C. §§ 318, 319) or any decision on request for rehearing thereon (37 C.F.R. § 90.3(b)(1)), notice due within 63 days
 - No interlocutory “appeal” and no mandamus petitions have been granted to date
- Aspects of the administrative record that are appealable
 - Findings of fact and conclusions of law in the final written decision
 - Decision-making with respect to patentability, including claim construction
 - Other rulings (*e.g.*, argument beyond scope, grant/denial of a motion to exclude)
 - Any “preliminary, procedural, or intermediate agency action” (5 U.S.C. § 704)
 - *E.g.*, intermediate decisions on (or denials of authorization to file) motions to strike, for additional discovery, to file supplemental information, to terminate, etc.

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Non-Appealable Issues

- Issues “closely related” or “tied” to the PTAB’s institution decision are not appealable
 - *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (2016) (not appealable: the PTAB’s decision to institute on an obviousness ground not expressly identified in petition as committed to the agency’s discretion)
 - *Thryv, Inc. v. Click-To-Call Techs., LP*, 140 S. Ct. 1367 (2020) (not appealable: the PTAB’s time-bar determinations)
 - Fed. Circuit has consistently held that, under *Thryv*, real party-in-interest determinations are not appealable. See *ESIP Series 2, LLC v. Puzhen Life USA, LLC*, 958 F.3d 1378 (Fed. Cir. 2020); *CyWee Grp. Ltd. v. Google LLC*, 847 F. App’x 910 (Fed. Cir. 2021)
- But there have been exceptions to the bar against review of institution decisions . . .
 - *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306 (Fed. Cir. 2015) (appealable: the PTAB’s determination that the challenged patent is eligible for CBM review because that limits the PTAB’s authority to conduct review)
 - *Husky Injection Molding Sys. Ltd. v. Athena Automation Ltd.*, 838 F.3d 1236 (Fed. Cir. 2016) (appealable: determination regarding application of assignor estoppel because that limits those who can petition).
 - *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1332 (Fed. Cir. 2020) (distinguishing joinder decisions from institution decisions)
- Non-final decisions are not appealable
 - *Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 825 F. App’x 773 (Fed. Cir. 2020) (denying review of the PTAB’s decision to grant sanctions where sanctions had not been quantified)

Consolidation Practice

- Consolidation of related appeals
 - It has become very common for multiple post-grant proceeding appeals to be briefed as a unit, subject to the word limits that would ordinarily apply to a single appeal
 - Sometimes the briefing is not consolidated, but oral argument is (*i.e.*, same panel)
 - Criteria: similar timeline, same or related patents, same prior art, same parties, common issues; Rationale: judicial economy, avoid inconsistent results
 - Consolidation is typically performed *sua sponte* by clerk's office, but it can also be requested or modified (*e.g.*, increase word limit, sever) on a motion
 - Where timelines do not exactly overlap, consider filing a motion to stay the briefing schedule in the earliest appeal until later appeals "catch-up" to the first

Solicitor Involvement

- Director has a statutory right to intervene in an appeal
 - “The Director shall have the right to intervene in an appeal from a decision entered by the Patent Trial and Appeal Board . . .” 35 U.S.C. § 143
- Historically, the Solicitor’s Office has intervened when:
 - The petitioner has withdrawn or declines to participate in the appeal
 - The case presents an issue of importance or that impacts Office policy
 - The Federal Circuit requests the views of the Solicitor’s Office
 - The appeal raises a constitutional question and must be certified

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Nuts and Bolts

- Clerk of court has ability to grant procedural or unopposed nonprocedural motions
- Assigned to “motions panel” before appeal is assigned to merits panel
- Each month, three-judge motions panel is assigned
- Motions panel generally decides procedural non-substantive issues; defers substantive issue to merits panel

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Nuts and Bolts

- Fed. R. App. P. 27 & Fed. Cir. R. 27
- Motion, Response, Reply
 - Timing
 - 10 days for response, 7 for reply, but . . .
 - Watch out for clerk orders regarding deadline
 - File reply ASAP
 - Word Limit
 - Works out to about 20 pages/20 pages/10 pages

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Standing

- If Petitioner in the PTAB is appealing loss below, consider whether Petitioner has standing.
- A motion to dismiss should be made as soon after docketing as the grounds for the motion are known. Once principal brief is filed, the argument should be made in the brief of the appellee or respondent.
- To establish this Court’s jurisdiction, a party has an “obligation to establish an injury-in-fact,” “even though it need not ‘meet all the normal standards for redressability and immediacy’ when, as here, a statute provides that appellant with a right to appeal [here, 35 U.S.C. § 311(a)].” *JTEKT Corp. v. GKN Auto. LTD.*, 898 F.3d 1217, 1219–20 (Fed. Cir. 2018) (quoting *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1172 n.2 (Fed. Cir. 2017) and citing 35 U.S.C. § 141(c)).
- A party must “‘supply the requisite proof of an injury-in-fact . . .’ by creating a necessary record in this court, if the record before the Board does not establish standing.” *Id.* at 1220 (quoting *Phigenix*, 845 F.3d at 1171–72).

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Standing

- Court has found it has “an *independent* obligation to satisfy ourselves that we have jurisdiction.” *Knowles Elecs. LLC v. Iancu*, 886 F.3d 1369, 1372 n.2 (Fed. Cir. 2018) (emphasis added) (citing *Bender v. Williamsport Area Sch. Dist.*, 475 U.S. 534, 541 (1986)).
- Appellant has an “obligation to establish an injury-in-fact,” “even though it need not ‘meet all the normal standards for redressability and immediacy’ when, as here, a statute provides that appellant with a right to appeal [here, 35 U.S.C. § 311(a)].” *JTEKT Corp. v. GKN Auto. LTD.*, 898 F.3d 1217, 1219–20 (Fed. Cir. 2018) (quoting *Phigenix, Inc. v. Immunogen, Inc.*, 845 F.3d 1168, 1172 n.2 (Fed. Cir. 2017) and citing 35 U.S.C. § 141(c)).
- Appellant must “‘supply the requisite proof of an injury-in-fact. . .’ by creating a necessary record in this court, if the record before the Board does not establish standing.” *Id.* at 1220 (quoting *Phigenix*, 845 F.3d at 1171–72).
- “[A]ppellant must identify the relevant evidence demonstrating its standing ‘at the first appropriate’ time, whether in response to a motion to dismiss *or in the opening brief. . .*” *Phigenix*, 845 F.3d at 1173 (quoting *Sierra Club*, 292 F.3d at 900) (emphasis added).

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Standing

- That parties are competitors, by itself, is insufficient.
- That Petitioner faces estoppel is insufficient.
- Appellant must provide sufficient “detail regarding features of its future products to enable [the Court] to determine that its activities create a substantial risk of future infringement of the [patent-in-suit]”). *Fisher & Paykel Healthcare Ltd. v. ResMed Ltd.*, 789 F. App’x 877, 878 (Fed. Cir. 2019).
- Court may consider whether activity would give rise to possible infringement suit. *Phigenix*, 845 F.3d at 1173–76.

Standard of Review

De Novo

- Questions of law
- Statutory interpretation
- Claim construction (other than extrinsic evidence)
- Ultimate question of obviousness

Substantial Evidence

- Questions of fact
- Expert credibility
- Extrinsic evidence in a claim construction analysis
- Anticipation
- *Graham* factors underlying obviousness

Abuse of Discretion

- Anything the Board “may” (as opposed to “shall” or “must”) do
- Compliance with the Board’s procedures
- Finding arguments waived

Deference

- *Chevron* deference?
 - Yes – Claim construction standard. *Cuozzo Speed Techs. v. Lee* (2016).
 - No – Instituting review on some (but not all) challenged claims. *SAS Institute Inc. v. Iancu* (2018).
- *Skidmore* deference?
 - Deference proportional to agency’s care, consistency of its interpretation over time, relative expertness, and persuasiveness of agency’s position.
- *Auer / Seminole Rock*?
 - Genuinely ambiguous regulations, interpreted by the agency reasonably and authoritatively, implicating the agency’s substantive expertise, reflecting the agency’s fair and considered judgment.
- POP Panel decisions? Not according to *Facebook, Inc. v. Windy City Innovations* (Fed. Cir. Sept. 4, 2020) (“additional views” of Prost, C.J., Plager, O’Malley, JJ.).

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Administrative Procedure Act (APA) Issues

- *Genzyme Therapeutic Prod. Ltd. P'ship v. Biomarin Pharm. Inc.*, 825 F.3d 1360 (Fed. Cir. 2016) (holding the PTAB did not violate the APA by rely on new evidence where the opposing party received notice of the evidence and an opportunity to respond to it).
- *Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293 (Fed. Cir. 2016) (holding the PTAB violated the APA by relying upon a ground raised for the first time by the Petitioner during oral argument).
- *Apple Inc. v. Voip-Pal.com, Inc.*, 976 F.3d 1316 (Fed. Cir. 2020) (holding the PTAB did not violate the APA by issuing sanctions not explicitly listed in 37 C.F.R. § 42.12(b)).
- *Daikin Indus., Ltd. v. Chemours Co. FC, LLC*, 846 F. App'x 907 (Fed. Cir. 2021) (finding the PTAB did not violate the APA by relying on a party's substitution theory because the party's petition had provided adequate notice of this theory).
- *Fanduel, Inc. v. Interactive Games LLC*, 966 F.3d 1334 (Fed. Cir. 2020) (holding the PTAB did not violate the APA by basing an obviousness finding on issues not raised by patent owner).

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Substantive Issues to Consider

- Because it is reviewed *de novo*, the Fed. Circuit has more frequently reversed the PTAB on issues of claim construction.
- The Fed. Circuit has often taken issue with the PTAB's approach to secondary considerations in its obviousness analysis.
 - *Liqwd, Inc. v. L'Oreal USA, Inc.*, 941 F.3d 1133, 1135 (Fed. Cir. 2019) (vacating and remanding the PTAB's obviousness determination for failing to consider evidence of actual copying efforts).
 - *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1374–75 (Fed. Cir. 2019) (vacating the PTAB's patentability finding for inappropriately presuming a nexus between claimed features and commercial success where the product had "critical" unclaimed features and remanding to allow patentee to demonstrate a nexus).

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Next Steps After the Opinion Issues

- **Petition for Panel Rehearing / Petition for *En Banc* Review** (Fed. Cir. R. 40, 35)
 - 30 days, 45 days if the U.S. is a party
 - Invited response – 14 days
 - Amicus involvement
- **Bill of Costs** (Fed. Cir. R. 39)
 - 14 days after entry of judgment
- **Mandate** (Fed. Cir. R. 41)
 - 7 days from denial of rehearing or 37/52 if no rehearing is filed
 - Motion to stay pending filing of writ of certiorari
- **Petitions for Writ of Certiorari to the Supreme Court** (s. ct. R. 13)
 - 90 days after entry of the judgment, not mandate, or date of denial of request for rehearing (if rehearing is granted, then subsequent entry of judgment)
- **Remand back to the PTAB**
 - PTAB Standard Operating Procedure (SOP) 9

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Tips & Takeaways

- Keep an eye out for how the PTO implements *Arthrex*
- When preparing for an appeal, maintain a holistic view of all pending litigations to avoid voluntary cessation issues
- Be mindful of what issues are and aren't appealable
- Substantive issues particularly good for appeal:
 - Procedural law pursuant to APA
 - Claim construction
 - Secondary considerations