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How To Make Patent Office Guidance Work For You At PTAB

By **Ryan Davis**

Law360 (March 16, 2018, 8:32 PM EDT) -- The Patent Trial and Appeal Board has said it is not bound by guidance memos issued to examiners who also work at the U.S. Patent and Trademark Office, but attorneys said that guidance can still help litigants bolster their cases when arguing before the board.

The board, which is part of the USPTO, has said in some recent cases that guidance the office issues to examiners on thorny issues like patent eligibility is not binding on PTAB judges. That has raised some eyebrows and spurred questions about why judges who work at the USPTO wouldn't need to follow what the office tells employees who work in another part of the building.

Attorneys and former PTAB judges say that the differing roles and experience levels between examiners and the board mean it's likely true that the judges don't need to follow the guidelines laid out for the examining corps, since the judges must support their decisions with legal precedent.

"The guidelines do provide a framework for thinking about an issue, but the board is careful to cite the case law as the basis for decisions, not the guidelines," said Scott Kamholz of Covington & Burling LLP, a PTAB judge from 2012 to 2015. "Parties get in trouble when the argue that the guidelines are the source of law."

Nevertheless, the guidance can still inform the arguments litigants make at the PTAB and can influence the board's decisions, even if it doesn't tie the hands of judges, experts say.

"It might be disconcerting that the guidelines may not provide a slam dunk on appeal," said Aaron Morrow of K&L Gates LLP. "But 'guidance' is the word to key in on. It's not a rule. It's not a statute. But it's helpful to the extent that you can see how other cases have been treated."

The USPTO has issued numerous memos to examiners about how to apply important decisions from the U.S. Supreme Court and the Federal Circuit, most notably in the area of patent eligibility, which has seen numerous contentious and often murky rulings over the past several years.

The guidance often includes a summary of the decision alongside the office's views of what types of

inventions may be patent-eligible, sometimes with examples that describe hypothetical patents drawn in part from the court decisions.

The guidance is a key tool for examiners when they decide whether to issue patents, but the PTAB has rebuffed litigants who have argued that the memos compel the board to reach a certain outcome in appeals from examination or in post-grant proceedings.

In one decision last year known as Ex Parte Lukyanov, the board told a litigant who based an argument on examples from examiner guidance that "we are not persuaded. As an initial matter, we are not bound by the interim guidance." The board went on to write that the patent claims at issue were different from the invention in the guidance.

In another case last year known as Ex Parte Yadav in which the appellant made similar arguments, the board wrote that "reliance on examples in USPTO guidance is problematic at best."

"The board decides cases in accordance with the law, not in accordance with hypothetical 'examples intended to be illustrative only,'" it added, quoting from one of the guidance memos.

Given that the judges and the examiners work for the same agency, those statements could sound startling, but PTAB and the examining corps operate separately, attorneys say. They each have different skills and are supervised by different USPTO officials, so it makes sense that they treat the guidance differently.

The examiners are experts in technology and most are not lawyers, while PTAB judges are lawyers tasked with applying the law in accordance with legal precedent. The question of whether the guidance is legally binding on the board may not yet have been reviewed by a court, but litigants should take heed of these decisions showing the board doesn't feel bound.

But while it is not controlling, PTAB judges regularly consult the guidance and use it to shape their decision-making, Kamholz said, adding that saying the guidance is not binding doesn't mean the board thinks it can make up its own law and ignore what anyone else says.

Instead, what it is saying is, "We have an obligation to interpret the law and apply it and we don't want to filter it through another level of interpretation for fear something will be lost," he said.

Since the USPTO's guidance is mostly a summarization of the legal precedent that the PTAB needs to base its decisions on, litigants at the board can put it to use to underline their points about why the case law should lead to a result in their favor.

"It would behoove you to use the guidance to the extent it makes sense to advocate your client's position," even with the board's view that it's not binding, said Kevin Kabler of Fenwick & West LLP.

The most effective argument would likely be one that is based primarily on case law, with the guidance

cited to illustrate how the court's rulings have been interpreted, particularly in areas like patent eligibility, where it can be difficult to predict outcomes, he said.

"It would probably be better to start with, this is the Federal Circuit case law that's relevant here, and by the way, this is the guidance from the patent office that supports the argument," he said.

But if litigants do cite the guidance, it's important to emphasize that you are making an argument that is driven by a court's legal conclusions, Morrow said.

"There should be more discussion of how the court's analysis applies to your specific claims, rather than about how your claims are similar to other claims that have been adjudicated," he said.

Arguments comparing a litigant's patent to those described in USPTO guidance may have been what have what irked the board and led to its seemingly sweeping statements that it is not bound by the guidance, attorneys say.

"Every patent is different, and it's hard to find an identical set of facts," Kamholz said.

The PTAB seems to have a negative reaction to arguments that what the USPTO put in a guidance memo about possibly very different patent should drive the board's decision.

"I think the mistake a lot of people make is holding up the guidance as the official position of the patent office and trying to pin it on the board: 'You said this, so you're stuck with it,'" said Erika Arner of Finnegan Henderson Farabow Garrett & Dunner LLP.

She said she wouldn't advise citing the guidance explicitly to the board, but noted that it can be very helpful in identifying relevant case law that can support the litigant's argument.

Patent eligibility in particular "is such a cloudy area where there's just not certainty," she said. "It's understandable that parties are looking for certainty and thinking, this is the guidance of the patent office, it must be certain. But that's not what the guidance is. There's no magic bullet."

There can be situations where pointing the board directly to the USPTO's guidance if the attorney thinks it is useful for the judges to know that the office has spoken on an issue, said Jeremiah Frueauf of Sterne Kessler Goldstein & Fox PLLC.

That could involve cases where the USPTO's guidance is in tension with more recent court rulings in a fast-moving area of the law like patent eligibility, he said. If the new decisions are more in line with your argument, it could be bolstered by calling attention to the discrepancy.

"I think it comes down to distilling it down to the facts or policy reasons why the guidelines are not consistent with evolving law," he said.

However the USPTO guidance memos are used at the board, attorneys should recognize that it is not set in stone, and the judges will ultimately base their conclusion on legal precedent.

"They are useful, they are informative, but they are not precedential and practitioners shouldn't forget that," Frueauf said.

--Editing by Katherine Rautenberg.