

***Henny Penny Corp. v. Frymaster LLC***, 938 F.3d 1324 (Fed. Cir. 2019)

Henny Penny petitioned for *inter partes* review (IPR) of Frymaster's U.S. Patent 8,497,691. The '691 patent relates to deep fryers and describes a system for measuring the state of cooking oil degradation with a "total polar material" (TPM) sensor. The Patent Trial and Appeal Board (PTAB) determined that the challenged claims were not unpatentable. Henny Penny appealed.

In affirming the PTAB's decision, the Federal Circuit relied heavily on 35 U.S.C. § 312(a)(3) which states that the petition must identify "with particularity[] each claim challenged [and] the grounds on which the challenge to each claim is based. . . ." The court reasoned that the PTAB properly held Henny Penny to the obviousness theory articulated in its petition and properly disregarded petitioner's new obviousness theory first advanced in its reply.

In its petition, Henny Penny articulated a straightforward obviousness theory: "to modify the system of [reference A] to include the processor and/or sensor as taught by [reference B]." The PTAB then instituted the IPR stating that Henny Penny had articulated sufficient reasons that an artisans would have "modified the teachings of [reference A] by replacing its analyzer with the sensor of [reference B]." *Id.* (emphasis added). In its patent owner's response, however, Frymaster provided technical reasons why such a replacement would have yielded unpredictable and otherwise problematic results.

Faced with these challenging technical reasons for why its petition's "replacement" theory would not have worked, Henny Penny shifted gears in its reply and argued that replacement was unnecessary. Instead, Henny Penny argued that the existing sensor in reference A could have been modified to achieve the claimed limitation. *Id.*

Frymaster objected to Henny Penny's new theory of obviousness. In the IPR's oral hearing, Henny Penny's counsel conceded that its petition only advanced an obviousness theory based on swapping the sensors from the two references, not modifying the existing sensor in reference A. The PTAB thus disregarded the new obviousness theory in its final written decision and found the claims not unpatentable.

On appeal, the Federal Circuit upheld the PTAB's decision to disregard Henny Penny's reply theory of obviousness. The court stated, "an IPR petitioner may not raise in reply 'an entirely new rationale' for why a claim would have been obvious."

The Federal Circuit also went on to agree with the Board that under the petition's original theory of obviousness, substantial evidence supports the PTAB's finding of no unpatentability, largely crediting Frymaster's technical arguments from its patent owner response.

This case is also noteworthy because the PTAB found (and Federal Circuit upheld) Frymaster's objective indicia of non-obviousness for industry praise as supporting the patentability of the claims.

Henny Penny adds to a growing body of law that cautions petitioners to fully pressure test their obviousness rationale before they file an IPR petition. They will not be allowed to argue different obviousness theories later in the proceeding.

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