

Best Medical Int'l, Inc. v. Elekta Inc., 46 F.4th 1346 (Fed. Cir. 2022) (Hughes, Linn, and Stoll)

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Varian filed two petitions for IPR of BMI's '096 patent, which the Board instituted. Elekta filed copycat petitions and successfully joined Varian's two instituted IPRs. A previously filed, parallel ex parte reexamination on the '096 patent, initiated by Varian, was also ongoing during the IPRs. The reexamination challenged, among others, claims 1 and 18 of the '096 patent. After the two IPRs were instituted, but before the Board's final written decisions, the examiner in the reexamination rejected claim 1 based on statutory and obviousness-type double patenting. Rather than challenging the merits of that rejection, BMI chose to cancel claim 1 "without prejudice or disclaimer." BMI did not file a statutory disclaimer or take any other action to finally revoke claim 1.

The IPRs reached their conclusion before the reexamination. In the first IPR of the '096 patent, which challenged claims 1 and 18, the Board acknowledged BMI's cancellation of claim 1. But since the claim was still pending, it considered the merits of the patentability challenge and determined that the petitioners had proven unpatentability as to claim 1, but not as to claim 18. In the second IPR on the '096 patent, the Board determined that petitioners had proven unpatentability for claims 43, 44, and 46.

After the final IPR decisions, BMI appealed the reexamination to the Board. It did not challenge the merits of the examiner's determination that claim 1 was unpatentable. BMI then appealed both IPR decisions to the Federal Circuit.

On appeal, BMI argued that the Board lacked jurisdiction to decide the patentability of claim 1 because BMI had cancelled claim 1 during the parallel reexamination. On that basis, it asked the Federal Circuit for a "*Munsingwear* vacatur" of the Board's decision in the first IPR. The court declined BMI's request. It found (1) that the Board did not err in ruling on the patentability of claim 1; (2) that *Munsingwear* vacatur was not

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appropriate on the facts; and (3) that it did not have jurisdiction to review the Board's decision on claim 1 for lack of Article III standing.

As to the Board's authority to rule on claim 1, the court noted that BMI's cancellation was "without prejudice or disclaimer," and that claim 1 had not been finally cancelled at that point in the reexamination. The Board thus "reasonably concluded that it was required to address patentability of claim 1 absent any final cancellation." As to the requested *Munsingwear* vacatur, the court explained that the Supreme Court's *Munsingwear* decision "directs courts to vacate the underlying decision in certain appeals that have become moot during their pendency," thereby clearing the way for future relitigation. The court held that *Munsingwear* was "inapplicable here because this appeal did not become moot during the pendency of the appeal." Rather, the 'mooting' event—claim 1 being finally canceled—occurred when BMI noticed its reexamination appeal to the Board without challenging the merits of the Examiner's final rejection of claim 1. And that notice occurred *before* BMI filed its notice of appeal to the Federal Circuit. Finally, as to Article III standing, the court found that BMI lacked standing to appeal the Board's patentability decision as to claim 1. Article III standing requires a "case or controversy" between the parties. BMI's effective cancellation of claim 1 in the reexamination, by noticing an appeal to the Board without challenging the merits of the examiner's final rejection, effectively removed any case or controversy over the patentability of claim 1. BMI's allegation of injury based on collateral estoppel effects in reexamination of a

related patent resulting from the Board's unpatentability determination of claim 1 in the '096 patent was legally unsupported.

A key takeaway on the jurisdictional issues presented here is that patent owners should proceed with care when there are parallel PTO proceedings. Here, BMI's strategic decisions, including the timing of its actions, resulted in an unchallengeable and negative patentability determination on the '096 patent. While not legally sufficient to sustain an Article III jurisdictional challenge, that negative decision could impact further proceedings on related patents.

For claims 43, 44 and 46 in the second IPR, the Federal Circuit proceeded to the merits of the Board's decision. BMI challenged, among other things, a key Board finding regarding the level of skill in the art. Varian argued that the skilled artisan would have had "formal computer programming experience, i.e., designing and writing underlying computer code," and the Board agreed. Because BMI's expert did not have the requisite programming experience, the Board gave their testimony less weight. The Federal Circuit saw no reversible error in the Board's treatment of expert testimony in this case.

While the level of skill in the art is rarely dispositive of patentability, parties nonetheless should pay attention where it could negatively impact the persuasiveness of expert testimony. When possible, the testifying expert should have at least the same level of skill as the proposed person of ordinary skill in the art.