

3 Fights The Fed. Circ. Picked With The PTAB In 2018

By **Matthew Bultman**

Law360 (March 28, 2019, 8:56 PM EDT) -- More often than not, the Federal Circuit has agreed with Patent Trial and Appeal Board decisions in America Invents Act reviews. But there were a few issues that seemed to catch the court's attention in 2018.

Last year, the Federal Circuit decided more than 225 appeals involving PTAB decisions, the bulk of which arose from inter partes review and other AIA proceedings. The board was upheld in 75 percent of AIA appeals, an affirmance rate consistent with recent years.

A review of the instances where the Federal Circuit either reversed, vacated or issued a mixed ruling on a PTAB decision reveals a handful of key issues where the board and the court weren't necessarily in sync.

The most common source of disagreement: claim construction. Roughly a quarter of the cases that were sent back to the PTAB or outright reversed involved a situation where the appeals court took issue with the board's interpretation of a term in the patent.

This is to be expected, attorneys say, given the standard of review associated with claim construction.

"Claim construction gets a fresh de novo review, whereas other things get deferential review," said Fish & Richardson PC senior principal John Dragseth.

Here is a look at three other issues the Federal Circuit zeroed in on last year.

Interested Parties

The standard for determining all the parties that have an interest in an inter partes review proceeding hadn't gotten much attention from the Federal Circuit — until 2018.

In a July ruling, the court told the PTAB to reconsider whether Salesforce.com should have been named an interested party in inter partes reviews requested by defensive patent group RPX. Salesforce is an RPX member and had been accused of infringing the challenged patents.

"The board made several critical errors in this case," the court wrote, which included failing "to adhere to the expansive formulation of 'real party in interest' that is dictated by the language, structure, purpose, and legislative history of [the AIA]."

Instructing the PTAB to take a more holistic approach when looking for interested parties, the court said the analysis should focus on whether the entity “is a clear beneficiary” that has an established relationship with the challenger.

Weeks later, in a case involving challenges to Worlds Inc. patents on virtual world technology, the court clarified that the ultimate burden is on the challenger to show that all the real parties-in-interest were identified in the petition.

“It’s no surprise,” Kenneth Weatherwax, a founding partner at Lowenstein & Weatherwax LLP, said of the Federal Circuit’s interest in the RPI standards. “Until last year, those issues were thought to be largely immune from judicial review.”

What changed? In January 2018, the full Federal Circuit ruled in *Wi-Fi One v. Broadcom* that decisions involving the AIA’s time-bar provision, which requires that petitions challenging a patent be filed within a year of an infringement complaint, are appealable.

The RPX and Worlds cases each involved time-bar determinations.

Since *Wi-Fi One*, the court has also ruled that voluntarily dismissed patent suits trigger the IPR time-bar, overturning a long-standing rule at the PTAB. Suits that are involuntarily dismissed also start the one-year clock, the court has since said.

“When the Federal Circuit has touched the time-bar, which it now can do following *Wi-Fi One*, it’s generally been to tighten it up and make it more difficult for the petitioner to argue that the time-bar is not applicable,” said Venable LLP partner Christopher Loh.

Printed Publications

The Federal Circuit didn’t hesitate to step in when it believed something was amiss in how the PTAB decided whether materials such as academic articles or trade show catalogs were “printed publications” that can be used as evidence in a patent challenge.

The court, in particular, came down on the PTAB more than once for taking too rigid an approach when determining if a reference was publicly available, which is a requirement for it to be considered a printed publication.

GoPro benefited from one such ruling in July, when the Federal Circuit ordered the PTAB to consider a catalog the company used in challenges to patents on action sports video cameras. The board previously said the catalog, which had been distributed at a trade show, wasn’t publicly accessible.

“The case law regarding accessibility is not as narrow as the board interprets it,” the court wrote.

The Federal Circuit also threw a flag at a challenge Medtronic brought against a spine-straightening patent, saying the PTAB didn’t consider all the relevant factors when it determined a particular video and a slide presentation were not accessible to the public.

“For the most part, the court wants the PTAB to use a flexible approach when it comes to these types of issues and not be too rigid,” said Naveen Modi, head of the patent office practice at Paul Hastings LLP. “I think that’s what we’re seeing where the court is handing back cases.”

Printed publications can be an intense battleground in IPRs, which may help explain the amount of attention this area of the law has received in recent months. It is also more difficult to get discovery at the PTAB than in district court, allowing disputes over issues like public accessibility to linger.

“I’m not surprised at all that IPRs have brought to the forefront again this issue of whether a nonpatent publication qualifies as prior art,” said Jon Wright, a director at Sterne Kessler Goldstein & Fox PLLC.

Arguments and Evidence

The Federal Circuit also did not shy away from letting the PTAB know when it thought the board wrongly brushed aside arguments or evidence.

In one example, the court threw out a decision that upheld an Intellectual Ventures patent on wireless communications technology that had been challenged by Ericsson Inc. The August ruling found the PTAB made a mistake when it ignored arguments Ericsson made in a reply brief.

This came after the Federal Circuit months earlier ordered the PTAB to take another look at Altaire Pharmaceuticals Inc.’s challenge to an eye solution patent after finding the board abused its discretion by not considering certain evidence, including testimony from an Altaire executive.

“Although the PTAB ‘has broad discretion to regulate the presentation of evidence,’ that discretion is not without limits,” the court wrote.

Trying to make sure the PTAB follows the correct procedure and gives each side a fair chance in a review is not necessarily new for the Federal Circuit. The court in the past has come down on the board for matters like changing theories midstream.

“You do see the Federal Circuit still policing notice and fairness issues,” said Paul Weiss Rifkind Wharton & Garrison LLP partner Steve Baughman.

The U.S. Supreme Court’s recent ruling in SAS Institute v. Iancu, which forced the PTAB to sweep arguments and patent claims it previously said it would not consider into reviews, could provide even more opportunities for these sorts of fairness issues to be raised, attorneys said.

Polsinelli PC principal Darren Donnelly also noted changes to the PTAB’s Trial Practice Guide that gave patent owners the ability to file a “sur-reply” brief as a matter of right, without seeking the board’s permission.

“Given the change in procedures with the new trial practice guide and the transitional practice from SAS, those are issues that will be percolating at the Federal Circuit for a while,” he said.

--Editing by Jill Coffey.