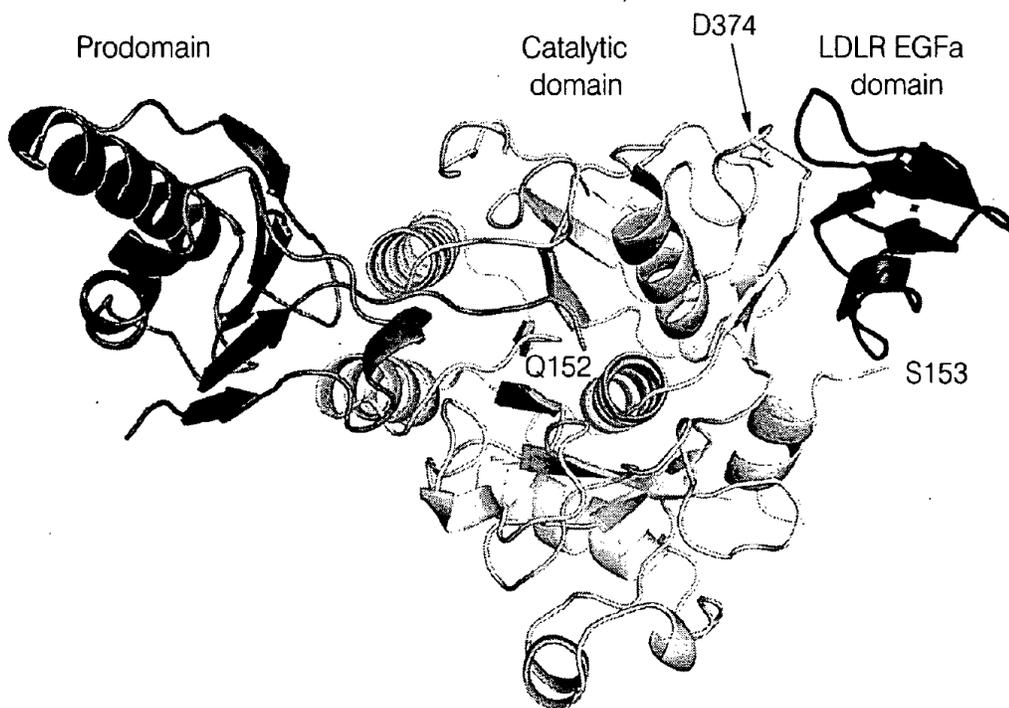


2023

Appellate Year in Review



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On the cover

Figure 17 of U.S. Patent No. 8,829,165 depicts the structure of proprotein convertase subtilisin kexin type 9 (PCSK9) bound to epidermal growth factor precursor homology domain A (EGF-A). EGF-A is a region of a low-density lipoprotein receptor (LDLR) that binds to low-density lipoproteins in the blood. The '165 patent claims a range of antibodies that bind to PCSK9 at the S153 residue (among others) depicted in Fig. 17. By binding to PCSK9, such antibodies interfere with the binding between PCSK9 and LDLR, thus leaving more LDLR available in a person's bloodstream to bind to low-density lipoproteins. That, in turn, reduces a person's cholesterol levels. In 2023, the Supreme Court addressed the breadth of the '165 patent's claims—and whether that breadth was sufficiently described in the patent's specification—in *Amgen Inc. v. Sanofi*, 598 U.S. 594 (2023).

From the Editor

Happy New Year!

Before we get too far into 2024, PTAB Bar Association's Appeals from the PTAB Committee invite you to join us on a brief review of the noteworthy Federal Circuit from 2023. Last year saw a number of important decisions on topics ranging from some core patent fundamentals familiar from the MPEP—like the written description requirement and the scope of analogous art—to more esoteric and specialized issues, like the Administrative Procedure Act and the scope of IPR estoppel.

All of these, and more, are covered by our volunteers authors this year. And in a first, we flag cases pending before the Federal Circuit and Supreme Court that could have a substantial impact on patent and PTAB practice soon. We hope this Appellate Year-in-Review helps to set you up for success all year long.

Wishing everyone a joyous and prosperous 2024,

A handwritten signature in blue ink, appearing to read 'Theo Foster', with a horizontal line underneath.

Theo Foster
Haynes and Boone, LLP

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About Appellate the Year in Review

This Appellate Year in Review, presented by the PTAB Bar Association’s Committee on Appeals from the PTAB, seeks to synthesize the most important appellate decisions of 2023 and put them into the context of PTAB practice. It also aims to preview important issues that are on the horizon for 2024.

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A Failure to Meet the Written Description or Enablement Requirements Takes Down Claims in Appeals Arising out of IPRs and PGRs

RACHEL ELSBY¹



ANTIBODY CLAIMS AT THE SUPREME COURT

Over the last year, questions regarding the application of the written description and enablement standards have played a prominent role in patent disputes. In what is undoubtedly the most notable § 112 case of the year, the Supreme Court's *Amgen v. Sanofi*² decision considered the enablement requirements for claims directed to a genus of antibodies that were defined by functional limitations. Although the *Amgen* decision did not change the law of enablement, it did provide some useful guidance for how these issues should be reviewed.

Pulling examples from cases that date back to the 1840s, the Court explained that “if a patent claims an entire class of processes, machines, manufacturers, or compositions of matter, the patent’s specification must enable a person skilled in the art to make and use the entire class.” Thus, the “more one claims, the more one must enable,” and here the Court found that *Amgen* claimed far more than the 26 exemplary antibodies it described, so its claims were invalid. This quid-pro-quo theme also played out in multiple Federal Circuit appeals arising from the PTAB.

PRIORITY CLAIM FAILS DUE TO “MAZE-LIKE PATH” OF EMBODIMENT OPTIONS

In *Regents of the University of Minnesota v. Gilead Sciences*,³ the Federal

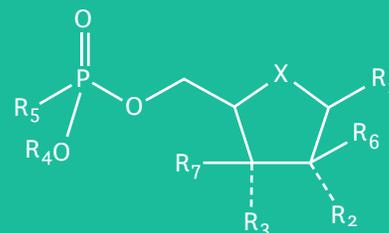
The more one claims, the more one must enable.

Circuit considered whether two priority documents provided adequate written description support for the challenged claims. The claims here were directed to a genus of chemical compounds, i.e., prodrugs of nucleoside derivatives, that prevent viruses from reproducing or cancerous tumors from growing. The written description issue arose at the PTAB in the context of a prior art challenge. Specifically, the petitioners asserted a published patent application, *Sofia*, as anticipatory art on the condition that the challenged patent was not entitled to an earlier priority date because the priority documents did not contain sufficient written description support for the challenged claims.

The PTAB agreed with the petitioner and found the challenged claims invalid as anticipated. As the Federal Circuit has explained, “[t]o receive ‘the benefit of the filing date of an earlier application under 35 U.S.C. § 120, each application in the chain leading back to the earlier application must comply with the written description requirement of 35 U.S.C. § 112.’”⁴ On appeal, the appellant argued that a combination of claims in the priority documents provided *ipsis verbis* disclosure of the challenged claims.

The Federal Circuit rejected this argument, holding “[f]ollowing a maze-like path, each step providing multiple alternative paths, is not a written description of what might have been described if

U.S. Patent No. 8,815,830, at issue in *Regents of the University of Minnesota v. Gilead Sciences*, claims a range of compounds that the Federal Circuit referred to as a “sub-genus.” Claim 1 is directed to the compound shown below and allows for a variety of moieties for most of the X and Rx components. For example, R5 is recited as being “an amino acid.”



One compound within the scope of claim 1 is sofosbuvir, an FDA-approved drug marketed by Gilead for treating chronic hepatitis C infections¹. The drug is marketed under the brand name Sovaldi.

¹ 61 F.4th at 1354.

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² *Amgen Inc. v. Sanofi*, 598 U.S. 594 (2023).

³ *Regents of the University of Minnesota v. Gilead Sciences, Inc.*, 61 F.4th 1350 (Fed. Cir. 2023).

⁴ *Id.* at 1356 (citing *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1571 (Fed. Cir. 1997)).

each of the optional steps had been set forth as the only option.”

That did not end the court’s analysis. The court also considered whether the priority documents contain “blaze marks within the disclosure that guide attention to the claimed species or subgenus.” Here again, the appellant pointed to a claim in the priority document. But even as a blaze mark, the court found the claim insufficient—it did not direct a POSA to a particular species, nor did it teach the point at which that species should be pursued. Owing to the multiple dependencies of the priority document claim, the structures it covered were so extensive and varied that they had too little in common with the challenged claim to provide written description support.

WRITTEN DESCRIPTION NOT SATISFIED BY COMBINING DISCLOSED EMBODIMENTS

In *Parus Holdings v. Google*, the Federal Circuit was again confronted with the question of whether a set of challenged claims were precluded from claiming priority to an earlier application because the priority document failed to provide written description support for the challenged claims.

In an unusual twist, the priority document was itself part of the obviousness combination that the PTAB found to invalidate the challenged claims. Parus argued on appeal that the priority document met the written description requirement and was, therefore, not prior art to the challenged patent. The challenged patent in this case described

two embodiments—one related to networking websites and the other related to networking devices. Parus argued that expert testimony established that a POSA would have understood the teaching related to the networking devices embodiment would apply equally to the networking websites embodiment, and as a result, the networking websites embodiment was adequately described. The court disagreed and held that substantial evidence supported the PTAB’s finding that the teachings related to the two distinct embodiments may not be combined.

Parus also argued the PTAB exceeded its statutory authority under § 311(b) by considering written description in the first place because inter partes reviews are limited to grounds raised only under 35 U.S.C. § 102 and § 103. The court rejected this argument as meritless, explaining that prior case law establishes that § 311(b) “merely dictates the grounds on which an IPR petition may be based, not the issues that the PTAB may consider to resolve those grounds.”

ENABLEMENT REQUIRES ENABLING THE ENTIRE RANGE OF VALUES CLAIMED

The Federal Circuit also considered written description and enablement questions in the context of a post-grant proceeding in the past year. In *Medytox v. Galderma*, the court reviewed a decision by the PTAB denying a motion to amend because the proposed substitute claims failed to meet the written description and enablement requirements. The claims at issue related to methods

of treating patients by administering botulinum toxin compositions. One of the limitations added in the substitute claims required a patient responder rate after the first treatment of 50% or greater. The PTAB found this limitation not enabled.

On appeal, the Federal Circuit affirmed, holding that while the court’s case law does not require a disclosure of every possible working example of responder rates, the three provided in the patent did not suffice. That is, a POSA would not have been able to achieve responder rates higher than those in the examples (the highest of which was 62%) without undue experimentation. Because the range covered by the substitute claims extended up to 100%, the court affirmed the PTAB’s lack of enablement determination and declined to address the written description arguments.

CONCLUSION

The § 112 decisions over the past year, including in appeals arising from the PTAB, have largely favored patent challengers. Whether these cases are indicative of a growing animus towards broad patent claims or simply reflect the reality that parties should provide more detailed disclosures to support their broader claims remains to be seen. In either case, § 112 is likely to play a prominent role in cases in the near term as both patentees and patent challengers attempt to draw lines between what level of disclosure is sufficient for any given type of claim.

5 *Parus Holdings, Inc. v. Google LLC*, 70 F.4th 1365 (Fed. Cir. 2023).

6 *Id.* at 1373 (quoting *Arthrex Inc. v. Smith & Nephew, Inc.*, 35 F.4th 1328, 1344-45 (Fed. Cir. 2022)).

7 *Medytox, Inc. v. Galderma S.A.*, 71 F.4th 990 (Fed. Cir. 2023).

Not-So-Obvious Considerations When Addressing Analogous Art Issues

ARIEL BATISTE¹ AND BENJAMIN SAIDMAN²



Prior art references are applicable to the obviousness inquiry only when those references are analogous to the challenged patent. Art that is too far removed from the challenged patent cannot be treated as prior art. This past year, the Federal Circuit addressed both procedural and substantive aspects of proving that prior art is analogous to the challenged patent in an IPR. The Federal Circuit addressed: (1) whether it is sufficient to show that prior art is analogous to other prior art, rather than the challenged patent; (2) whether a patent challenger must use specific language in a petition to identify the field of endeavor; and (3) the limits (or lack thereof) on what a petitioner can argue in its reply to bolster its analogous art arguments.

ANALOGOUS ART: ANALOGOUS TO WHAT?

In *Regents of the University of Minnesota v. Mylan Pharmaceuticals*,³ the Federal Circuit held that the PTAB cannot base its decision on an analogous art argument that was not raised by the patent challenger. Mylan challenged the patentability of claims of Sanofi's patent in an IPR as obvious in view of three prior art references, including the *de Gennes* reference. According to Mylan, the *de Gennes* reference "addresses a problem analogous to that addressed in [another prior art reference]." Mylan did not expressly argue that

the *de Gennes* reference is analogous art to the challenged claims.

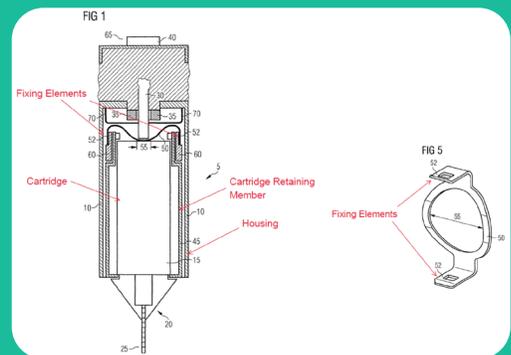
The PTAB found in favor of Mylan, agreeing that the challenged claims were unpatentable. The PTAB explained that it found the *de Gennes* reference analogous to the challenged patent because (1) they belonged to the same distinct field of endeavor, and (2) the *de Gennes* reference was "reasonably pertinent" to the problem faced by the inventors of the challenged patent. Sanofi timely appealed, arguing the PTAB "altered and extended" Mylan's deficient

arguments by analyzing whether the *de Gennes* reference is analogous art to the challenged patent, despite Mylan's failure to articulate such an argument.

On appeal, the Federal Circuit agreed with Sanofi and reversed the PTAB's decision. The Court found that Mylan did not meet its burden of proving that the *de Gennes* reference was analogous to the challenged patent and that the PTAB's decision was not supported by substantial evidence. Mylan argued that it properly asserted that the *de Gennes* reference was analogous to the problem

"Our precedent does not require the use of magic words."

At issue in *Sanofi-Aventis v. Mylan* was U.S. Patent No. RE47,614, which claims a "drug delivery device." The device's design employs a spring washer having two fixing elements. The patent describes how the force exerted by the spring washer against a drug-containing cartridge prevents the cartridge from moving within the device housing. With reduced movement of the cartridge, "dose accuracy can be increased."¹ The patent owner provided the annotated drawings above in its patent owner response filed in the underlying IPR2019-01657.



¹ U.S. RE47,614, 2:1-15.

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³ *Sanofi-Aventis Deutschland GMBH v. Mylan Pharmaceuticals Inc.*, 66 F.4th 1373 (Fed. Cir. 2023).

considered in other prior art, and that that this is sufficient to meet its burden. The Court disagreed, stating that “[e]ven if a reference is analogous to one problem considered in another reference, it does not necessarily follow that the reference would be analogous to the problems of the challenged patent.” According to the Court, Mylan did not make the analogous art argument on which the PTAB’s obviousness finding relied, and as such it failed to carry its burden. Thus, the Court found the PTAB’s factual findings with respect to analogous art not supported by substantial evidence and reversed.

ANALOGOUS ART ARGUMENTS PRESENTED IN PETITIONER’S REPLY

In *Corephotronics v. Apple*,⁴ the Federal Circuit held in a consolidated appeal that a petitioner can include new analogous art arguments in its reply. In Apple’s IPR petition, Apple invoked the field-of-endeavor test to contend that the asserted prior art references were analogous to the challenged patents. In Apple’s reply, it invoked both the field-of-endeavor test and, for the first time, the reasonable-pertinence test. The PTAB then concluded that Apple’s prior art references were analogous art to the challenged patents. Corephotronics appealed, arguing that the PTAB erred in allowing Apple to expand its analogous art arguments in its reply.

The Federal Circuit disagreed, finding that “Apple was not required to anticipate in its petition that Corephotronics would argue [the prior art references] were not in the same field of endeavor as the Challenged Patents.” The Court further noted that petitioners may use the reply to respond to the patent owner response arguments—which Apple did. In

its reply, Apple bolstered the field-of-endeavor argument and properly responded to Corephotronics’ “broad” arguments by including a reasonable-pertinence argument as well. Although these two analogous art tests are different, they both relate to the same ground of invalidity. The Federal Circuit concluded that Corephotronics had sufficient notice of Apple’s arguments and had the opportunity to address them in its sur-reply. And finally, the Federal Circuit found that, although the PTAB found analogousness based on a different field of endeavor and different problem of the inventors than those expressly advocated for by Apple, such a finding was not in error because it was supported by substantial evidence.

REQUIREMENTS FOR IDENTIFYING THE FIELD OF ENDEAVOR

In *Netflix v. DivX*,⁵ the Federal Circuit held that there is no strict language requirement for identifying an analogous piece of art’s field of endeavor. Netflix filed an IPR petition challenging a DivX patent, and it presented a prior art reference that it claimed was analogous to the challenged patent. The PTAB determined that Netflix failed to meet its burden of showing that the art was analogous under either of the two analogous art tests: the field-of-endeavor test or the reasonable-pertinence test.⁶

According to the PTAB, Netflix failed to identify a field of endeavor because it failed to identify the field of endeavor for either the challenged patent or the prior art reference. Netflix appealed, arguing that it adequately identified two potential fields of endeavor for both the prior art reference and the challenged patent.

The Federal Circuit agreed with Netflix, expressing its confusion with the PTAB’s

decision and explaining “we have difficulty understanding how it could view Netflix’s brief as insufficient for failure to affirmatively identify a single field of endeavor.” According to the Court, the PTAB imposed an “unduly strict” burden on Netflix by requiring it to specifically use the exact words “field of endeavor” in its reply brief. The Federal Circuit rejected this heightened burden especially since the PTAB articulated its own identification of two potential fields of endeavor and failed to use any “magic words.” The Court thus found that the PTAB abused its discretion in determining that Netflix failed to articulate a field of endeavor and remanded the case for further consideration of the field of endeavor.

PULLING IT ALL TOGETHER

Following *Sanofi-Aventis, Corephotronics, and Netflix*, we now have a (somewhat) clearer picture of the procedural and substantive hurdles to proving analogous art. Sanofi-Aventis highlights that the petition must include an analysis under the analogous art framework comparing the prior art to the challenged patent—not to other prior art. Then, under *Corephotronics*, assuming the petitioner has sufficiently made an analogous art argument in the petition, that petitioner can properly rebut, and in some situations, expand on those arguments in the reply. And assuming the petitioner puts forth a proper analogous art argument in the petition, the PTAB may itself find analogousness based on a different field of endeavor and different problem of the inventors than those expressly advocated for by petitioner if that finding can be supported by substantial evidence. And finally, *Netflix* makes clear there are no magic words to use in the petition as long as the petition includes a substantive analogous art argument.

4 *Corephotronics, Ltd. v. Apple Inc.*, 84 F.4th 990 (Fed. Cir. 2023).

5 *Netflix, Inc. v. DivX, LLC*, 80 F.4th 1352 (Fed. Cir. 2023).

6 The Federal Circuit uses “[t]wo separate tests [to] define the scope of analogous art: ‘(1) whether the art is from the same field of endeavor, regardless of the problem addressed and (2) if the reference is not within the field of the inventor’s endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved.’” *Airbus S.A.S. v. Firepass Corp.*, 941 F.3d 1374, 1379 (Fed. Cir. 2019) (quoting *In re Bigio*, 381 F.3d 1320, 1325 (Fed. Cir. 2004)).

Decoding Motivation To Combine Principles In Key Rulings

SCOTT B. AMANKWATIA¹



In 2023, the Federal Circuit issued several opinions addressing motivation to combine in the context of inter partes review.

As we will see in *Axonics v. Medtronic* (No. 22-1451), *Elekta Limited v. Zap Surgical Systems* (No. 21-1985), *Intel Corporation v. Pact XPP Schweiz AG* (No. 22-1038), *Medtronic v. Teleflex Innovations S.A.R.L.* (No. 21-2359), and *Schwendimann v. Nee-nah* (No. 22-1333), the court provides guidance as to what Practitioners should take into consideration when conducting a motivation to combine analysis.

AXONICS V. MEDTRONIC²

The Board found that Axonics had not demonstrated a motivation to combine a medical/neurostimulation lead (Young reference) with a plurality of electrodes (Gerber reference) such that the plurality of electrodes are distal to portions of the leads. The court found that the Board narrowly focused on whether a motivation would exist to make the Young-Gerber combination for application of a neurostimulation technology specifically to a trigeminal nerve.

Application to the trigeminal nerve was not part of the Medtronic patents' claims because Medtronic patents' claims were directed to the sacral nerve. Thus, the court held that the Board made legal error by confining the motivation to combine analysis to the trigeminal nerve because only the sacral nerve was covered by the claims at issue.

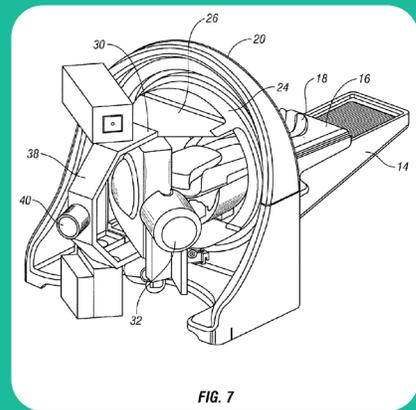
A motivation to combine analysis is not a mere check-box exercise.

ELEKTA V. ZAP SURGICAL³

The Board found that a POSITA would have been motivated to combine a known medical imaging device (Grady reference) with a known radiation treatment device (Ruchala reference). The court affirmed the Board by determining the motivation to combine was supported by substantial evidence, and that substantial evidence included: the patent's prosecution history, teachings of the references, and expert testimonies. Elekta contended that the Board erred in not explicitly articulating findings on reasonable expectation of success. The court held that such a finding can

be implicit. The court emphasized that obviousness determinations require a finding that a POSITA would have a reasonable expectation of success in combining references. The court noted that the Board had implicitly addressed this by considering intertwined arguments, including the motivation to combine. The court determined that the Board reasonably inferred a POSITA would have reasonable expectation of success based on the advantages of the device of Grady and despite the challenges in accommodating the Ruchala radiation device (which was heavy and required precise positioning).

At issue in Elekta was U.S. Patent No. 7,295,648, which describes a device for treating a patient by ionizing radiation. A linear accelerator, or linac, is preferably used as the radiation source. The Federal Circuit explained that the "apparatus allows the linac to be manipulated such that it can move closer to and further from the patient and approach the patient at various angles. [U.S. 7,295,648] at 7:31–34. This movement allows for the delivery of ionizing radiation to different target areas from different angles on the patient, as well as in differing intensities. See *id.* at 7:41–49."



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² *Axonics, Inc. v. Medtronic, Inc.*, 73 F.4th 950 (Fed. Cir. 2023).

³ *Elekta Limited v. Zap Surgical Systems, Inc.*, 81 F.4th 1368 (Fed. Cir. 2023).

INTEL V. PACT XPP⁴

The Board determined that Intel did not sufficiently explain how a POSITA would modify the King reference to incorporate a shared communication bus from the Arimilli reference. Intel argued that the Board erroneously required Intel to prove that Arimilli's caching mechanism, including its specific bus structure, could be physically or "bodily incorporated" into King's communication bus system. PACT's expert's declaration asserted that combining the systems of King and Arimilli would increase latency and reduce the speed of the system.

The court indicated that latency/ speed cost alone cannot render a motivation to combine obsolete. Rather, the motivation analysis requires a determination as to "whether the benefits of the implementation outweigh the cost." As a result, the court found compelling evidence that a POSITA would have been motivated to combine Arimilli and King because the references, like the challenged patent, focused on improving the processing speed of multiprocessor systems.

MEDTRONIC V. TELEFLEX⁵

The Board found that a POSITA would not have been motivated to combine a medical device (evacuation sheath to reduce blockage in blood vessels) of Ressemann with the medical device (support catheter) of Kontos. Medtronic argued that the Board legally erred

by focusing on the detrimental effects of the proposed modification to one of Ressemann's intended purposes because, as a result, the Board neglected Ressemann's other purpose of delivering interventional cardiological devices. According to Medtronic, the Board's reasoning conflicts with the court's decision in *Intel Corp. v. Qualcomm Inc.* In *Intel*, the Court held that the "intended purpose of [a reference] does not control."

The court affirmed the Board by clarifying the *Intel* holding: a proposed modification's destruction of a device's primary purpose is not legally irrelevant to an obviousness determination. The court had held in *Polaris v. Arctic Cat*⁶ that legal error occurs if the Board ignores evidence that a proposed modification would interfere with a reference's stated purpose. In this case, the court asserted that the destruction of Ressemann's entire purpose (removing sealing balloons, which help reduce blockage) is probative because that is a shared purpose with the challenged claims. Thus, destruction of a primary purpose can be probative if that purpose is shared with the challenged claims.

SCHWENDIMANN V. NEENAH⁷

The Board had found that the combination of the Kronzer and Oez references teach or suggest all the limitations recited in the challenged claims. The Board concluded that both Kronzer and Oez were directed towards improving the image transfer quality of multi-laye-

red transfer sheets. The Board agreed with Neenah's argument that express teachings from both references supported that a POSITA would be motivated to combine Kronzer and Oez. On appeal, Ms. Schwendimann argued that Neenah and the Board were required to explain why a POSITA would have chosen Kronzer (and not Oez) as the primary reference for the proposed combination. The court affirmed the Board.

The court found that the phrase "Kronzer in view of Oez" means that Kroner is the primary reference. The court asserted that "where the relevant factual inquiries underlying an obviousness determination are otherwise clear," characterizing references "as 'primary' and 'secondary' is merely a matter of presentation with no legal significance."

CONCLUSION

These rulings can be decoded as to emphasizing a holistic approach for a motivation to combine analysis. The technical feasibility and broader context and intent behind the references is important for the motivation to combine analysis. Practitioners should be cognizant that a motivation to combine analysis is not a mere check-box exercise, but a nuanced evaluation of how different pieces of prior art can logically and feasibly be combined in light of the requirements and purpose of the claimed invention.

4 *Intel Corp. v. PACT XPP Schweiz AG*, 61 F.4th 1373 (Fed. Cir. 2023).

5 *Medtronic, Inc. v. Teleflex Innovations S.A.R.L.*, 69 F.4th 1341 (Fed. Cir. 2023).

6 *Polaris Indus. V. Arctic Cat, Inc.*, 882 F.3d 1056, 1061, 1067-69 (Fed. Cir. 2018).

7 *Jodi A. Schwendimann v. Neenah, Inc.*, 82 F.4th 1371 (Fed. Cir. 2023).

The Federal Circuit Reconsiders PTAB Decisions on Secondary Considerations

PATRICK MALONEY¹



The critical finding of a “nexus” in secondary considerations of nonobviousness was hotly contested at the Federal Circuit in 2023, resulting

in three precedential decisions. Each of these decisions came to a different conclusion on whether there was a nexus between the evidence of secondary considerations and the patents-at-issue. Practitioners will want to closely review these cases before considering an argument on secondary considerations.

An otherwise obvious patent can be deemed valid based on objective evidence that is referred to as “secondary considerations” of nonobviousness, such as “commercial success, long felt but unsolved needs, failure of others, etc.”² In order for this objective evidence to be relevant, there must be a “nexus” connecting the evidence and the claimed invention.³ Finding a nexus is a threshold step in an obviousness analysis based on secondary considerations.

MEDTRONIC V. TELEFLEX

In *Medtronic*,⁴ the Patent Trial and Appeal Board determined Medtronic failed to prove that Teleflex’s guide catheter patents were obvious, relying on evidence of secondary considerations.

During the IPRs, Teleflex argued that the challenged claims were “embodiments” of its “GuideLiner products,” and introduced evidence that these products were “commercially successful, solved long-felt but unsolved needs, garnered

Objective evidence of nonobviousness lacks a nexus if it exclusively relates to a feature that was known in the prior art.

industry praise, and w[ere] copied by competitors, including Medtronic.” The Board found that while Medtronic presented a “close prima facie case” for obviousness, Teleflex’s “strong objective evidence of nonobviousness” was enough to overcome Medtronic’s challenges. It determined there was a nexus between Teleflex’s evidence and the GuideLiner products based on a combination of claimed features, including “the presence of a side opening” with “coaxial lumens.”

On appeal, the Federal Circuit affirmed the Board’s findings. First, the appeals court noted that there was “a presumption of nexus” because the objective evidence was tied to Teleflex’s GuideLiner, and that product was the invention disclosed and claimed by the patents. Then the court explained that this presumption could be overcome by showing that the “objective evidence resulted from features that were known, as a combination, in the prior art.” The court found that while each claimed element “was individually known in the prior art,” the Board “correctly concluded this did not preclude nexus where the evidence was ‘tied to the combination of features as a whole’ and the combination was not previously known.”

Medtronic argued that each of the features relied upon for the nexus were disclosed in the Ressemann prior art. However, the appeals court disagreed,

noting that because the Board never found that Ressemann disclosed the “coaxial lumen” limitation, Ressemann did not preclude the finding of a nexus. The court then rejected Medtronic’s other arguments on the weight of the secondary considerations and the Board’s obviousness analysis, and affirmed.

YITA V. MACNEIL

Yita challenged MacNeil’s patent on a vehicle floormat that “closely conform[ed]” to the vehicle footwell in IPR proceedings. As in *Medtronic*, the Board concluded that the claims were not obvious due to secondary considerations evidence. However, the Federal Circuit rejected the Board’s finding of a nexus in *Yita*.⁵

The Board determined that each of the claimed limitations were present in the prior art, including the “close conformance limitation,” and there was a sufficient motivation to combine and reasonable expectation of success. But the Board held that MacNeil’s evidence of secondary considerations, including commercial success, long-felt but unsolved need, and industry praise, was “persuasive of non-obviousness.” It found a nexus between the claims and the evidence of secondary considerations touting MacNeil’s closely conforming floormats. The prior art’s disclosure of the “close conformance” limitation did not undercut the finding of a nexus, the

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² *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 399 (2007).

³ *Fox Factory, Inc. v. SRAM, LLC*, 944 F.3d 1366, 1373 (Fed. Cir. 2019).

⁴ *Medtronic, Inc. v. Teleflex Innovations S.a.r.l.*, 70 F.4th 1331 (Fed. Cir. 2023).

⁵ *Yita LLC v. MacNeil IP LLC*, 69 F.4th 1356 (Fed. Cir. 2023).

Board reasoned, because (1) it “does not establish that close conformance was well-known,” and (2) the “claimed combination as a whole” can serve as a nexus, not just the “supposedly ‘new’ feature(s).”

On appeal, the Federal Circuit rejected the Board’s findings as legally incorrect. It explained that “objective evidence of nonobviousness lacks a nexus if it exclusively relates to a feature that was known in the prior art—not necessarily well-known.” The appeals court also rejected the Board’s reliance on the “claimed combination as a whole” to support a nexus, explaining that the “secondary-consideration evidence related entirely to the close-confirmation limitation disclosed in the prior art.” Based on its determination that “MacNeil’s secondary-consideration evidence is of no relevance to the obviousness inquiry in this case,” the Federal Circuit reversed the Board’s decision and held the claims obvious.

VOLVO PENTA V. BRUNSWICK

A few months after Medtronic and Yita, the Federal Circuit again revisited secondary considerations in Volvo Penta v. Brunswick.⁶ In the underlying IPR, Volvo Penta argued that its patent on a steerable, tractor-type boat engine was not obvious due to secondary considerations. The Board disagreed, finding that Volvo Penta failed to demonstrate a nexus between its patent and the evidence of secondary considerations “because it failed to identify the ‘unique characteristics’ or ‘merits’ of the claimed invention.”

On appeal, the court rejected the Board’s findings, noting that Volvo Penta expressly cited its “steerable tractor-type drive” as “driv[ing] the success” of its commercial product, and that the “inventive combination of propeller

That every claimed element “was individually known in the prior art... [does] not preclude nexus where the evidence was ‘tied to the combination of features as a whole.’”

arrangement and steering axis location provided certain benefits praised in the industry and not achieved by drives in the prior art.”

As in Yita and Medtronic, it was argued that each of the claim elements forming the nexus were already known in the art. However, in Volvo Penta, the Federal Circuit held that the “Board did not rely on this argument in reaching its decision,” and thus it could not “adopt it as a basis to affirm.” It further held that “a nexus analysis need not be limited to a discussion of only novel features” and that the Board could have considered “the invention as a whole.”

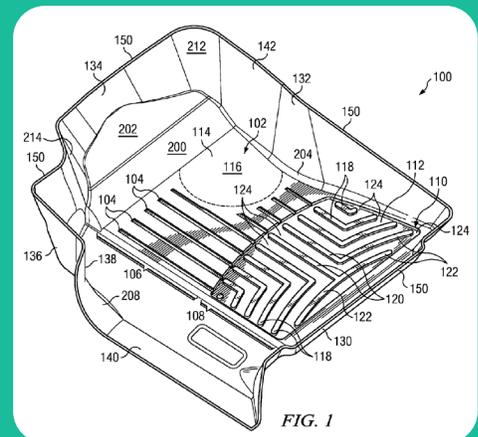
While the Board had, in the alternative, rejected Volvo Penta’s evidence of

secondary considerations on the merits, the appeals court found the Board’s assessment to be “overly vague and ambiguous.” Accordingly, the court vacated the Board’s decision and remanded for reconsideration of the secondary considerations evidence.

CONCLUSION

Medtronic, Yita, and Volvo Penta provide a lot of guidance on secondary considerations of nonobviousness. These cases may not be the last word on nexus, however, because as of the time of writing Yita has a pending petition for certiorari seeking Supreme Court review.

In *Yita v. McNeil*, one of the patent owner’s real-parties-in-interest was WeatherTech Direct, LLP. Patent Owner’s preliminary response in IPR2020-01139 stated that “WeatherTech’s incredible commercial success is largely due to one product – its custom vehicle floor tray, which is the subject of U.S. Patent No. 8,382,186 (the ‘186 Patent’) at issue in this Petition.”



The ‘186 patent illustrates a floor tray 100 in Fig. 1 and explains that “The vehicle floor tray or cover 100 is meant to protect both the floor and at least the lower sides of a vehicle foot well, and thus takes on a much more three-dimensional shape than is typical of prior art floor mats.”

⁶ Volvo Penta of the Ams., LLC v. Brunswick Corp., 81 F.4th 1202 (Fed. Cir. 2023).

Everyone, Including the PTAB, Must Stick to the Rules

JON BOWSER AND EUGENE GORYUNOV¹



The Administrative Procedure Act (APA) governs the PTAB's authority in post grant review proceedings. The APA prohibits the PTAB from changing or adopting a new theory mid-stream without providing notice to the parties and giving them an adequate opportunity to respond. The PTAB is therefore very strict with the application of its own regulations. Application of the PTAB's regulations, however, is not without the occasional controversy. This is where the U.S. Court of Appeals for the Federal Circuit steps in to clarify the state of the law. This year, the Federal Circuit issued four notable decisions that clarify how the PTAB should govern its proceedings.

AXONICS V. MEDTRONIC

The Federal Circuit reiterated that it is procedurally proper for a party to introduce new arguments and evidence in response to a new argument. In *Axonics v. Medtronic*,² Patent Owner proposed the construction of certain claim terms and argued that the asserted prior art did not render the challenged claims obvious under its proposed constructions. Petitioner responded by explaining how the prior art renders obvious the challenged claims even under Patent Owner's proposed constructions and supported its arguments with new evidence. In its final written decision, the PTAB adopted Patent Owner's proposed construction

and concluded that Petitioner's new arguments and evidence were improper because they were not presented in the original petition.

The Federal Circuit held this to be procedural error. When a new claim construction is advanced by Patent Owner or the PTAB itself after institution, Petitioner "must be afforded a reasonable opportunity in reply to present argument and evidence under that new construction."

The Court cautioned, however, that Petitioner may not "rely on new prior art in response to a new claim construction presented in the patent owner response." Because Petitioner relied on the "same embodiments" of the asserted prior art, the new arguments and evidence did not impermissibly exceed the scope of Petitioner's original

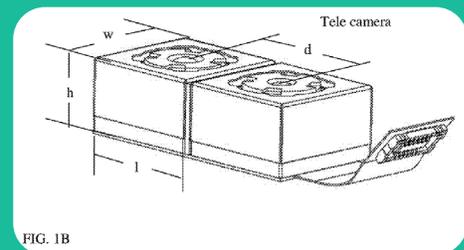
challenge. The Court remanded the case to the PTAB.

APPLE V. COREPHOTONICS

The Federal Circuit reminded the PTAB that it may not issue a final written decision based on an argument that neither party advanced. In *Apple v. Corephotonics*,³ the PTAB concluded that Petitioner failed to meet its burden to show a reasonable expectation of success in the proposed combination, relying on a typographical error in Petitioner's expert's declaration.

The Federal Circuit vacated and remanded, holding that the PTAB's "determination that the typographical error in [the expert]'s declaration was essentially dispositive of the issues in the case does not comport with the notice requirements of the APA."

The patent in *Apple v. Corephotonics* was U.S. 10225479, which illustrates in Fig. 1B a "dual-aperture zoom imaging system." The patent describes creating a "fused" image that incorporates image information captured through both a Wide sub-camera and a Tele sub-camera. For example, Tele sub-camera can be focused on a subject, and the Wide sub-camera can be focused closer than the subject so that objects behind the subject appear very blurry. Combining the in-focus subject from the Tele sub-camera with the out-of-focus background from the Wide sub-camera creates a photo with a shallower depth-of-field.¹



¹ See, e.g., U.S. 10225479, 4:18-38.

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² *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374 (Fed. Cir. 2023).

³ *Apple Inc. v. Corephotonics, Ltd.*, 81 F.4th 1353 (Fed. Cir. 2023).

Patent Owner mentioned the error only “in passing” in the background section of its response and did not “rely on this error in any of its arguments on the merits.” For the PTAB to issue a final written decision based on this error alone failed to comport with the APA’s notice requirements. Petitioner “had no reason to anticipate that the typographical error would be the basis for the Board’s decision, given that the parties did not brief, argue, or even suggest this error was dispositive or would impact the claimed lens parameters.”

PARUS HOLDINGS V. GOOGLE

The Federal Circuit highlighted the importance of the PTAB’s prohibition on incorporation by reference of arguments. In *Parus Holdings v. Google*,⁴ Patent Owner challenged the prior art status of an asserted reference and filed voluminous evidence that allegedly showed antedating. Patent Owner, however, did not sufficiently explain its antedating arguments and instead incorporated by reference arguments set forth in the accompanying evidence itself. The PTAB disregarded the Patent Owner’s arguments as being in violation of its incorporation by reference rules.

On appeal, the Federal Circuit affirmed, holding that Patent Owners in IPRs are subject to the same requirements as Petitioners to “point[] to and explain[] the

relevant record evidence.” While Petitioner did bear the burden of persuasion to show unpatentability, the Patent Owner “chose to submit a response” contending “that it was the first to make the claimed inventions.” In doing so, Patent Owner “chose to take on an affirmative burden” that required “submitting a response that complied with the rules and regulations of the USPTO,” including providing “a detailed explanation of the significance of the evidence including material facts” without incorporating material by reference.

PURDUE PHARMA V. COLLEGIUM PHARMACEUTICAL

While the America Invents Act states that the PTAB must issue a final written decision within one year, it permits the PTAB to extend this deadline up to six months for good cause. In *Purdue Pharma v. Collegium Pharmaceutical*,⁵ the Federal Circuit explained that the PTAB does not lose jurisdiction to decide a case even outside this 18-month window. There, the PTAB stayed an instituted PGR trial when Patent Owner filed for bankruptcy protection.

Before the one-year deadline for issuing a final written decision, the PTAB’s Chief APJ found good cause to extend the proceeding for six months so that the bankruptcy court could assess whether the PGR could be stayed in view of the bankruptcy proceeding. The 18-month

deadline then passed, and Patent Owner moved to terminate the PGR. The PTAB denied the motion and issued its final written decision outside the 18-month window.

The Federal Circuit affirmed, finding that there was no procedural violation. The AIA does not define the consequences for the PTAB failing to issue a final written decision within 18 months. On this basis, the Court relied on Supreme Court precedent to hold that “if a statute does not specify a consequence for non-compliance with statutory timing provisions, the federal courts will not in the ordinary course impose their own coercive sanction.”⁶

Even where a statute specifies a specific timing directive, “when a statute does not specify the consequences of non-compliance, courts should not assume that Congress intended that the agency lose its power to act.”⁷ Indeed, especially in this case, preventing the PTAB from issuing a final written decision outside 18 month statutory window would be contrary to the intent of the AIA.

CONCLUSION

These cases are a reminder that everyone, including the PTAB, must comply with the notice and opportunity to respond requirements of the APA.

4 *Parus Holdings, Inc. v. Google LLC*, 70 F.4th 1365 (Fed. Cir. 2023).

5 *Purdue Pharma L.P. v. Collegium Pharmaceutical, Inc.*, 86 F.4th 1338 (Fed. Cir. 2023).

6 *Id.* at 1342 (quoting *United States v. James Daniel Good Real Prop.*, 510 U.S. 43, 63 (1993)).

7 *Id.* (quoting *Hitachi Home Elecs. (Am.) Inc. v. United States*, 661 F.3d 1343, 1347 (Fed. Cir. 2011)).

Untangling the Latest on Collateral Estoppel

WILLIAM G. JENKS¹



PTAB practitioners should stay abreast of the developing law governing collateral estoppel and AIA proceedings. There are essentially

two types of estoppel: statutory and non-statutory. Statutory estoppel applies specific limits on petitioners who fail to meet their burden when challenging claims before the Office.² Non-statutory estoppel—better known as common law estoppel—is a general principle of litigation that is meant to save time and resources by precluding relitigation of decided issues without treading on due process.³

NON-STATUTORY ESTOPPEL: GOOGLE V. HAMMOND

In *Google v. Hammond*,⁴ the Federal Circuit applied non-statutory estoppel between two IPRs. Google had challenged two of Hammond's patents that disclosed a communication system that allows a communication device to remotely execute one or more applications. The patents were related and shared the same specification. The claims at issue were very similar but not identical. In the first IPR, the PTAB determined that all the claims in the first patent (the '483 patent) were unpatentable. Hammond did not appeal that decision.

In the second IPR, the PTAB held most of the claims of the second patent (the '816 patent) unpatentable, but one independent and several dependent claims of the second patent survived. Google appealed.

GOOGLE'S APPEAL

On appeal, Google argued that the final decision regarding the '483 patent rendered one of the remaining dependent claims of the '816 patent unpatentable. The Federal Circuit first considered whether Google had forfeited its collateral estoppel argument by raising it for the first time on appeal. The court concluded there was no forfeit because the decision on the '483 patent issued and became final "well after Google filed its petition in the '816 IPR. Thus, Google could not have raised its collateral estoppel argument in its petition because the preclusive judgment did not yet exist."

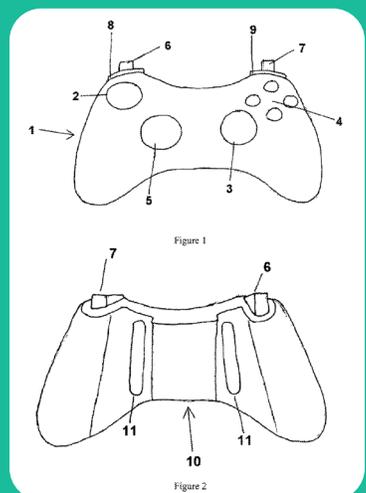
The Federal Circuit then set forth the general requirements for collateral estoppel, but the parties only disputed the condition that the issue in the present case be identical to one decided in the first action. In the patent context, the court reminded us that the patent claims need not be identical for collateral estoppel to apply. "Rather, [non-statutory] collateral estoppel requires that the issues of patentability be identical."⁵

Google argued that the dependent claim at issue in the appeal presented identical issues of patentability as decided against one of Hammond's dependent claims in the first IPR.

The court agreed, but only after carefully parsing the language between the claim on appeal and the claim held unpatentable in the first IPR. Though the claim on appeal was certainly different from the earlier claim, the

court held that in the circumstances of the appeal, the differences in language did not "materially alter the question of patentability." Those circumstances

Ironburg v. Valve dealt with U.S. Patent No. 8,641,525, which describes a video game controller, shown in Figs. 1 and 2 below. The controller includes various controls on the front of the controller (to be operated by the user's thumbs), controls located on the top edge (to be operated by the user's index fingers), and one or more additional controls on the back to be operated by the user's other fingers.¹



¹ See, e.g., U.S. 8,641,525, 1:49-58.

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² See, e.g., 35 U.S.C. § 315(e)(2).

³ See *Allen v. McCurry*, 449 U.S. 90, 94 (1980).

⁴ *Google LLC v. Hammond Dev. Int'l*, 54 F.4th 1377 (Fed. Cir. 2022).

⁵ 54 F.4th at 1381 (emphasis in original).

included additional factual findings by the Board that were not challenged on appeal.

STATUTORY ESTOPPEL: IRONBURG INVENTIONS V. VALVE CORP.

In *Ironburg*,⁶ the Federal Circuit applied statutory estoppel to district court litigation following an IPR. In doing so, the court gave us new guidance on what the IPR estoppel standard “reasonably could have raised” means in practice.⁷

Ironburg sued Valve Corp. for infringement of its hand-held video game controller patent. Valve raised four grounds of patent invalidity based on prior art purportedly rendering the claims anticipated or obvious. Some of the grounds Valve sought to present were in Valve’s prior unsuccessful IPR petition, but the IPR was pre-SAS, and the PTAB did not institute on those grounds.⁸ Valve’s other grounds were unique to the litigation.

The district court held that Valve was estopped from asserting both the “Non-Instituted Grounds” and the “Non-Petitioned Grounds.” After a finding of infringement, Valve appealed.

VALVE’S APPEAL

The Federal Circuit treated the Non-Instituted Grounds and the Non-Petitioned Grounds separately. In both cases, the court looked to 35 U.S.C. § 315(e)(2) bar on presenting in district court “any

ground that the petitioner raised or reasonably could have raised during [the] inter partes review.”

As to the Non-Instituted Grounds, the court held Valve was estopped from asserting them in the district court. These grounds were “raised” during the IPR. Relying on SAS, the court held that grounds in a petition are grounds raised during the inter partes review, regardless of partial institution. Further, Valve’s IPR was still active and apparently on appeal when SAS issued, but Valve did not seek to undo the Board’s partial institution decision. Thus, Valve’s choice to leave the Board’s mistake (partial institution) unremedied could not shield Valve from estoppel.

The Non-Petitioned Grounds were another matter. The Federal Circuit affirmed the district court’s use of a “skilled searcher” standard to define what art a petitioner reasonably could have raised. Thus, the court held that “provided the other conditions of the statute are satisfied, § 315(e)(2) estops a petitioner as to invalidity grounds a skilled searcher conducting a diligent search reasonably could have been expected to discover.”

The Federal Circuit, however, rejected the idea that Valve would have the burden of proving that a skilled search would not have been reasonably expected to find the art supporting the Non-Petitioned Grounds. Collateral estoppel is an affirmative defense, and the court saw no reason to depart from the

general rule that affirmative defenses are to be proved by the party asserting the defense.

Combining the two points, the Federal Circuit held that “the burden of proving, by a preponderance of the evidence, that a skilled searcher exercising reasonable diligence would have identified an invalidity ground rests on the patent holder, as the party asserting and seeking to benefit from the affirmative defense of IPR estoppel.”

The Federal Circuit then vacated and remanded the case for the district court to determine whether *Ironburg* could meet its burden.

CONCLUSION

Going forward, practitioners handling multiple IPRs across a patent family should be aware that failing to appeal one case can lead to collateral estoppel in future cases, even when the circumstances appear different. The court is likely to look past differences unless the patent owner links them directly and materially to the question of patentability.

Practitioners should also expect that district courts will require patent owners invoking collateral estoppel to prove that a skilled searcher would have been expected to discover any new art presented by petitioners.

6 *Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274 (Fed. Cir. 2023).

7 See 35 U.S.C. § 315(e)(2).

8 See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1353 (2018).

PTAB Bar Association 2024 Year-in-Preview

MALLIKA DARGAN & THEO FOSTER¹



What big cases will we be talking about this time next year? We'll leave the crystal ball gazing to the fortune tellers, but below are cases with an aura of importance about them.

LKQ V. GM: DESIGN PATENTS ARE GOING EN BANC

Does the Supreme Court's 2007 decision in *KSR v. Teleflex*² apply to design patents? The whole Federal Circuit is now evaluating that question in *LKQ v. GM*.³

In 2020, LKQ filed an IPR challenging U.S. Patent D797,625 held by GM. Applying the two-step Durling test, the PTAB held that LKQ failed at the first step by failing to identify an appropriate primary reference—also called a Rosen reference—that is, something in existence whose design characteristics are “basically the same” as the claimed design.⁴ As a result, the PTAB did not even reach the second step, which would inquire whether other references may be used to modify it to create a design that has the same overall visual appearance as the claimed design.

LKQ appealed, arguing that the Rosen and Durling tests were implicitly overruled by *KSR v. Teleflex*. The Federal Circuit declined to adopt that view, writing in a nonprecedential panel opinion that it would not “overrule

Rosen or Durling without a clear directive from the Supreme Court.” The court later granted a rare en banc rehearing to address several questions, including (1) whether *KSR* overrules the Rosen and Durling tests, (2) and even if it does not, whether and how *KSR*'s “expansive and flexible approach” to obviousness should be applied to design patents.

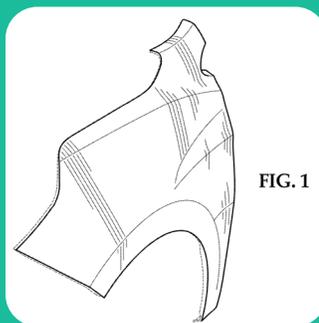
Some Federal Circuit judges have already begun previewing their perspectives on some of the issues—perhaps unintentionally. For example, in decisions issued on the same day in October, Judge Chen and Judge Clevenger appeared to endorse opposing viewpoints on the importance of identifying a “primary” reference.⁵ If nothing else, these previews may foreshadow that the LKQ en banc opinion may affect obviousness analysis

for not just design patents, but for utility patents, too.

As we go to press, en banc briefing is ongoing.

INGENICO V. IOENGINE: NO STOPPING NOVEL ESTOPPEL ISSUES

As William Jenks covered on p.11, this year saw several notable estoppel decisions. We can expect more of them in 2024, including perhaps *Ingenico v. IOENGINE*.⁶ There, the district court allowed a defendant to present an invalidity defense that the patent owner alleges should have been prohibited by IPR estoppel. The case is notable because it was heard in Delaware by Circuit Judge Bryson, sitting by designation. He penned a published opinion that may be the most



U.S. Design Patent No. D797,625 claims the “ornamental design for a vehicle front fender” shown in Figure 1. The assignee asserted in litigation that the patent covers the front fender of the 2018–2022 Chevrolet Equinox.

¹ Mallika Dargan and Theo Foster are attorneys in the Patent Trials practice group at Haynes and Boone, LLP.

² *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007).

³ *LKQ Corp. v. GM Glob. Tech. Operations LLC*, 71 F.4th 1383 (Fed. Cir. 2023).

⁴ See *Durling v. Spectrum Furniture Co.*, 101 F.3d 100 (Fed. Cir. 1996); *In re Rosen*, 673 F.2d 388 (C.C.P.A. 1982).

⁵ Compare *Sisvel Int'l S.A. v. Sierra Wireless, Inc.*, 82 F.4th 1355, 1364 (Fed. Cir. 2023) (Chen, J.) (“the Petition does not explain what reference is the primary versus secondary reference”), with *Schwendemann v. Neenah, Inc.*, 82 F.4th 1371, 1384 (Fed. Cir. 2023) (Clevenger, J.) (“characterizing references as ‘primary’ and ‘secondary’ is merely a matter of presentation with no legal significance”) (cleaned up).

⁶ *Ingenico Inc. v. IOENGINE, LLC*, No. 2023-1367 (Fed. Cir.).

comprehensive survey and discussion of IPR estoppel by any district court.⁷ Judge Bryson also ruled that whether a defendant was an IPR real party in interest, and thus subject to any IPR estoppel, was a mixed question of fact and law to be decided by the court.

Appellate briefing is nearing completion, so his Federal Circuit colleagues will likely decide whether he got it right this year.

APPLE V. VIDAL: FINTIV DISPUTES STILL HAVE STAYING POWER

Although there has been a decline in discretionary denials, challenges against Fintiv and the Director’s discretionary denial guidance continue to percolate through the legal system. The Federal Circuit confirmed this year that the Director’s guidance (provided via memo and designation of precedential decisions) is substantively unreviewable, based on the bar against appellate review of institution decisions in 35 U.S.C. § 314(d).⁸

The companies challenging the Fintiv rule have invited Supreme Court review. A petition for certiorari filed by Intel argues that the § 314(d) bar does not apply to the case because there is no specific institution decision at issue. Briefing for the cert petition completed in November,⁹ and the case has been distributed for consideration in the Court’s first conference in 2024. With the Supreme Court seeming to take an increasing interest in administrative law

questions, the Office’s expansive view of the Director’s discretionary power (including the ability to adopt unreviewable rules without providing notice or seeking comment) may raise eyebrows and the Court’s attention.

IS THE FUTURE POINTING UP OR DOWN FOR CHEVRON?

This past fall, the Supreme Court heard arguments in two cases, *Loper* and *Raimondo*,¹⁰ that could upend the longstanding *Chevron*¹¹ doctrine giving deferential review to agencies’ interpretation of statutes within their purview. The cases relate to commercial fishing regulations, but by taking aim at *Chevron* deference, they could fundamentally shift the balance of power between regulatory agencies and Article III courts. Briefing is complete, and oral arguments are scheduled for January 17, 2024.

SEC V. JARKEYS: ADMINISTRATIVE COURTS IN THE SUPREME COURT HOTSEAT

Similar to *Loper* and *Raimondo*, the Supreme Court is considering in *SEC v. Jarkeys*¹² issues that are shared across administrative tribunals in many agencies. Here, the Fifth Circuit held that the SEC’s administrative law court violated multiple Constitutional provisions in penalizing a hedge fund manager for securities fraud. In particular, the Fifth Circuit held that (1) the SEC’s prosecution of securities fraud was not a vindication of a “public right,” so (2) the

SEC’s use of an administrative law court deprived the defendant of his Seventh Amendment right to a jury trial, and (3) the employment protections afforded to the SEC’s administrative law judges were contrary to their status as inferior officers.¹³

For PTAB practitioners, these issues have strong echo of recent Supreme Court cases like *Oil States*¹⁴ and *Arthrex*.¹⁵ The *Oil States* decision—which affirmed classifying patents as a “public right” that did not entitle assignees to a jury trial to invalidate—seems safe, as that was a 7-2 decision penned by Justice Thomas. *Arthrex*, on the other hand, was a somewhat fractured decision composed of multiple concurrences-in-part and dissents-in-part. But the *Arthrex* decision also had 7 justices agreeing to remedy any Constitutional concerns about PTAB judge appointments by creating the now-familiar “Director Review” process. So while *Jarkeys* seems unlikely to upend practice before the PTAB, it is one to watch because of that possibility. The Court heard argument in November 2023, so a decision is expected before the Court’s term ends in June 2024.

CONCLUSION

If any of these cases make waves in 2024, we’ll ask our panelists about them in the next edition of the Appellate Year-in-Review. Until then, we wish everyone a happy and prosperous 2024!

7 *IOENGINE, LLC v. PayPal Holdings, Inc.*, 607 F. Supp. 3d 464 (D. Del. 2022).

8 *Apple Inc. v. Vidal*, 63 F.4th 1, 13 (Fed. Cir. 2023).

9 The government briefly referenced the April 2023 Advance Notice of Proposed Rulemaking (88 Fed. Reg. 24503), but it gave no indication that any actual rulemaking action—which could moot the case—was expected anytime soon.

10 *Loper Bright Enters. v. Raimondo*, No. 22-451, 2023 U.S. LEXIS 1847 (U.S., May 1, 2023); *Relentless, Inc. v. Dept. of Com.*, No. 22-1219, 2023 U.S. LEXIS 4607 (U.S., Nov. 20, 2023).

11 *Chevron, U.S.A., Inc. v. Nat. Res. Def. Council, Inc.*, 467 U.S. 837 (1984).

12 *Sec. & Exch. Comm’n v. Jarkeys*, No. 22-859.

13 *Jarkeys v. Sec. & Exch. Comm’n*, 34 F.4th 446 (5th Cir. 2022).

14 *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 138 S. Ct. 1365 (2018).

15 *United States v. Arthrex, Inc.*, 141 S. Ct. 1970 (2021).

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The PTAB Bar Association seeks to preserve and promote the highest professional and ethical standards among lawyers and stakeholders who appear before the PTAB. The Association is dedicated to helping secure the just, speedy, and inexpensive resolution of every PTAB proceeding, and to maintaining or improving the reputation and stature of the legal profession and community associated with the PTAB. The Association fulfills its vision through education, outreach, collaboration, and advocacy. It serves as an avenue for constructive dialogue between the bar community, the PTAB, and other stakeholders. The PTAB Bar Association is open to all those interested in PTAB practice and offers different types of memberships.

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