

THE PTAB REVIEW

This issue of *The PTAB Review* begins by summarizing a recent Patent Trial and Appeal Board (PTAB) decision strictly applying the public availability standard for prior art references as a basis for denying institution. Next, we examine a recent appellate decision addressing the ability of a joinder petitioner to oppose a motion to amend that the primary petitioner elects not to oppose. Third, we consider prohibitions against incorporation by reference at the Federal Circuit and at the PTAB. Finally, we summarize recent United States Patent and Trademark Office (USPTO) formal guidance regarding the legal standards for determining obviousness.

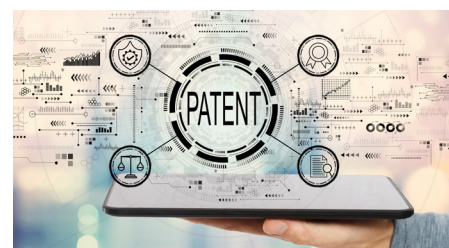
PTAB Strictly Applies Public-Accessibility Standard

A petition for *inter partes* review (IPR) must be based on a particular subset of prior art: patents or printed publications.¹ While patents are deemed self-authenticating, an IPR petitioner bears the burden of establishing a non-patent prior art reference was a publicly accessible printed publication. This issue is frequently raised by patent owners as an argument against institution and unpatentability. A recent PTAB decision demonstrates the risks of relying on evidence that falls short

of demonstrating a reference was reasonably accessible to the public.

In *OBM, Inc. v. Cholla Energy LLC*,² the PTAB denied institution of *inter partes* review (IPR) after determining that the petitioner had not sufficiently proven that a reference was a printed publication. Applying the PTAB’s precedential *Hulu* decision—which addresses the “public accessibility” requirement for proving that a document is a printed publication at the institution stage—the PTAB closely examined the petitioner’s evidence and explained several ways that it fell short of showing accessibility. The *OBM* decision emphasizes the risks of relying on references with atypical public-accessibility stories and demonstrates the importance of tailoring public-accessibility arguments and evidence to the established paths laid out in *Hulu* and other case law.

The *Hulu* decision discusses the standard for determining whether a petitioner has presented sufficient evidence that a reference was publicly accessible for purposes of institution.³



At the institution stage, the petition must identify evidence “sufficient to establish a reasonable likelihood that the reference was publicly accessible before the critical date of the challenged patent and therefore that there is a reasonable likelihood that it qualifies as a printed publication.”⁴ This standard is higher than the “notice pleading” standard but lower than the “preponderance” standard applied in a final written decision, though no presumption in favor of public accessibility applies at the institution stage.⁵ In *Hulu*, the PTAB declined to set forth per se rules about what types of evidence are sufficient but discussed several examples of evidence that had been deemed sufficient or insufficient in particular cases.⁶

In *OBM*, one of the applied references was a tariff document (“APC-Tariff”)

¹ 35 U.S.C. § 311(b).

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² IPR2023-01407, Paper 9.

³ *Hulu LLC v. Sound View Innovations, LLC*, IPR2018-01039, Paper 29 at 12-19 (precedential).

⁴ *Id.* at 13.

⁵ *Id.* at 13-17 (citing *Trivascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016)).

⁶ *Hulu*, IPR2018-01039, Paper 29 at 17-19.

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involved in a proceeding before a state commission, and the petitioner submitted numerous exhibits attempting to establish that the document was publicly available before the critical date of the challenged patent.⁷ For example, the petitioner submitted evidence purportedly showing that the commission informed the public of the proceeding beforehand and, after the hearing, issued an order requiring that APC-Tariff be filed with the commission and that this filing be made available for public inspection in person and on the commission's website.⁸ The petitioner further provided a document list from the proceeding indicating that APC-Tariff was filed with the commission about five and a half years before the challenged patent's priority date and a certification from the commission that APC-Tariff was a true copy of the filed document.⁹ The petitioner also submitted various articles citing the general record of the proceeding accessed at the commission's website.¹⁰

The PTAB ultimately found the petitioner's showing insufficient in several ways. First, the PTAB noted that the petitioner never addressed the precedential *Hulu* decision.¹¹ Moreover, despite the petitioner's assertion that an ordinary artisan exercising reasonable diligence could have obtained the reference—language similar to the definition of “public accessibility” in *Hulu*¹²—the PTAB

faulted the petitioner for failing to “squarely address” whether the reference was publicly accessible.¹³ The PTAB also scrutinized the evidence itself and determined that, though it may show public *availability* (i.e., that the reference was technically obtainable), it fell short of demonstrating publicly *accessibility* as defined in the relevant case law (i.e., that the reference was obtainable via reasonable diligence).¹⁴ For example, focusing on the alleged online availability, the PTAB noted that there was no evidence showing how the reference was catalogued or indexed on the website, nor was there any other evidence showing how an interested member of the public would have located the document on the commission's website using standard search techniques.¹⁵ The PTAB was also unmoved by the various journal articles showing that the record of the relevant proceeding had been accessed, since none of the citations showed that APC-Tariff was specifically accessed.¹⁶ Even if it had been accessed, the PTAB concluded it still would have been unclear whether the authors merely found APC-Tariff because they were already aware of its existence, which would not be sufficient to prove public accessibility.¹⁷ The PTAB was skeptical even as to public availability, contrasting the petitioner's “scant” evidence with more persuasive types of evidence that were not submitted, such

as testimony from a person responsible for maintaining the commission's website or a contemporaneously archived webpage.¹⁸

The PTAB's strict application of the public-accessibility standard offers several lessons for PTAB practitioners. First, petitioners relying on references whose status as a printed publication might be called into question should expressly discuss *Hulu* in the petition and squarely address the relevant standard. In particular, they should explain why their evidence shows not just that the reference was technically available to public, but that an ordinary artisan would have located the reference by exercising reasonable diligence. When possible, petitioners should try to obtain the types of evidence that have previously been deemed sufficient in *Hulu* and other cases: e.g., testimony showing that entering common search terms into a search engine would have located the reference or testimony from someone who is familiar with how the reference was stored, catalogued, and accessed.

The panel's careful scrutiny of the evidence at the institution stage is also instructive. Petitioners should not expect to be given the benefit of the doubt pre-institution when a reference's public accessibility is questioned. Nor should petitioners expect the PTAB to connect the dots between their evidence

7 *OBM*, IPR2023-01407, Paper 1 at 8-9.

8 *Id.*

9 *Id.*; *OBM*, IPR2023-01407, EX1005 at 1, EX1025 at 2.

10 *OBM*, IPR2023-01407, Paper 1 at 8-9.

11 *OBM*, IPR2023-01407, Paper 9 at 23-24.

12 *Hulu*, IPR2018-01039, Paper 29 at 10-11 (citing *SRI Int'l, Inc. v. Internet Sec. Sys., Inc.*, 511 F.3d 1186, 1194 (Fed. Cir. 2008)).

13 *OBM*, IPR2023-01407, Paper 9 at 23-24.

14 *Id.* at 24.

15 *Id.* at 25-27.

16 *Id.* at 27-28.

17 *Id.*

18 *Id.* at 24-25.

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and the relevant standard; instead, petitioners should provide a clear explanation of any logical inferences needed to show that the reference was obtainable with reasonable diligence. Should a preliminary response make a colorable challenge to a reference's status as a printed publication, petitioners should strongly consider seeking leave

to file a reply and to address those arguments and submit responsive evidence.

OBM is also instructive for patent owners. It demonstrates that, even when a petition includes a wide array of public-accessibility evidence, challenging the sufficiency of that evidence may be a

viable pre-institution tactic despite the fact-intensive nature of the inquiry. This is particularly true when the reference at issue does not have typical indicia of public accessibility or when the petition focuses on public availability without separately addressing the public-accessibility standard as set forth in *Hulu*.

Federal Circuit Allows “Understudy” to Enjoy the Limelight

The IPR statute allows a party to join an instituted IPR filed by another, even if the joining party would otherwise be subject to the time bar prohibiting filing an IPR petition more than one year after service of an infringement complaint.¹⁹ The joinder can offer a party accused of infringement a relatively low cost way to ensure an instituted IPR will proceed to a final decision even if the original petitioner settles with the patent owner. To avoid schedule disruptions, the PTAB often conditions granting such joinder upon requiring the joining party to take a backseat, understudy role with limited participation in the IPR, allowing only the original petitioner to, e.g., file briefs and argue at hearings. However, a recent Federal Circuit case illustrates that these limitations on a joinder party may be loosened under certain circumstances.

In *CyWee Group Ltd., v. ZTE*,²⁰ the Federal

Circuit affirmed the PTAB's decision to permit a joinder petitioner to separately oppose a motion to amend where the original petitioner elected not to do so. Though LG Electronics (LG) was time-barred from directly challenging the subject patent, it was permitted to become a joinder petitioner in an IPR proceeding initiated by ZTE.²¹ As is customary, LG premised its joinder request on, among other things, “act[ing] as a passive understudy” and not taking an active role unless ZTE “cease[d] to participate in the instituted IPR.”²² While LG's motion for joinder was pending, CyWee filed—and ZTE opposed—a motion to amend the challenged claims.²³ CyWee later filed a revised motion to amend, which ZTE did *not* oppose.²⁴ After joining the proceeding, LG opposed the revised motion to amend, arguing that ZTE was no longer actively

participating at least regarding the amendment.²⁵ After the PTAB denied CyWee's revised motion to amend, CyWee appealed.²⁶

CyWee argued the PTAB erred by allowing LG to “oppose CyWee's motion to amend in a manner that allegedly violated the terms of LG's joinder.”²⁷ The Federal Circuit held that LG was relegated to understudy status only insofar as ZTE “remain[ed] active in the [IPR].”²⁸ The Federal Circuit agreed with the PTAB that the trial was no longer adversarial on this issue, highlighting the fact that ZTE had withdrawn all objections to the revised proposed amended claims.²⁹ This decision illustrates in a concrete way that the statutory joinder provision is a powerful mechanism that can be used by the PTAB to permit otherwise time-barred entities to sway ongoing PTAB proceedings.

¹⁹ 35 U.S.C. §315(b)-(c).

²⁰ *CyWee Grp. Ltd. v. ZTE (USA), Inc.*, 90 F.4th 1358 (Fed. Cir. 2024).

²¹ *Id.* at 1362.

²² *Id.*

²³ *Id.*

²⁴ *Id.* LG's request to oppose was initially denied. On rehearing, the PTAB found “the trial no longer appear[ed] to be meaningfully adversarial” as to CyWee's revised motion to amend and therefore granted LG's request for opposition to the revised motion to amend. *Id.* at 1364.

²⁵ *Id.* at 1362.

²⁶ *Id.* at 1361.

²⁷ *Id.* at 1363.

²⁸ *Id.* at 1364.

²⁹ *Id.* at 1364.

Practicing Before the Federal Circuit and the PTAB: Incorporation by Reference

Like most tribunals, briefs before the Federal Circuit and the PTAB are capped at word or paper limits. Because space is limited, it can be tempting to direct the court or the PTAB to arguments or materials that support the merits case without adding more words than necessary. However, depending on the type and extent of material that is cited in support of an argument, the court or the PTAB may find the citation to be an improper incorporation-by-reference.

In *Promptu Systems Corporation v. Comcast Cable Communications, LLC*,³⁰ the Federal Circuit recently admonished counsel in a *sua sponte* order. Counsel for Comcast was asked at oral argument “to show cause why Counsel/Appellee should not be sanctioned for attempting to incorporate by reference multiple pages of argument from the brief in one case to another.”³¹ The Federal Circuit explained that it has “repeatedly held that incorporating argument by reference ‘cannot be used to exceed word count.’”³² In the case before it, the court found that the appellee had attempted to incorporate almost 2,000 words from a brief in a separate case, which would result in its response brief exceeding the word count limit by more than 1,300 words.³³



The court rejected any proposed justifications for the practice. First, counsel argued that the “intent behind the incorporation by reference was to ‘enhance efficiency,’ ‘streamline the briefing,’ and ‘save the time and resources of the Court.’”³⁴ The court rejected this argument, explaining that “cross-referenc[ing] arguments from multiple briefs in multiple separate cases does not increase efficiency nor does exceeding the word count.”³⁵ Counsel next argued they had been unaware of the Federal Circuit’s precedential decision addressing incorporation by reference.³⁶ The court observed, however, that the precedent was “not only a precedential decision of this Court, but a precedential decision of this Court that admonished the exact same law firm before us now for the exact same

behavior.”³⁷ The court then admonished counsel for failing to withdraw its arguments once it was apprised of the precedential decision in reply briefing.³⁸ Although the court ultimately abstained from issuing formal sanctions, the Federal Circuit warned that “violating these provisions in the future will likely result in sanctions.”³⁹

Like the Federal Circuit, the PTAB also has rules against incorporation by reference. Parties are expressly prohibited from “incorporat[ing] by reference [arguments] from one document into another document.”⁴⁰ But parties have run afoul of this rule in various ways. For instance, the PTAB prohibits incorporating arguments from briefs in related cases,⁴¹ but permits incorporating arguments between

³⁰ No. 2022-1093.

³¹ Dkt. No. 86 at 2 (Feb. 16, 2024).

³² *Id.* (quoting *Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 910 (Fed. Cir. 2014)); *see also Medtronic, Inc. v. Teleflex Life Sciences Ltd.*, 86 F.4th 902, 906-07 (Fed. Cir. 2023) (argument raised in related case and only referenced in brief waived the issue); Fed. R. App. P. 28 (outlining requirements for briefs).

³³ *Promptu*, No. 2022-1093, Dkt. No. 86 at 2.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.* at 3.

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.* at 3-4.

⁴⁰ 37 C.F.R. §42.6(a)(3).

⁴¹ *Taiwan Semiconductor Mfg. Co., Ltd. v. Zond, Inc.*, IPR2014-00781, Paper 21 at 4 (P.T.A.B. Oct. 29, 2014) (explaining “briefing papers may cross-reference between different *inter partes* reviews, but incorporation by reference is still prohibited” and “[e]ach briefing paper must stand on its own, with appropriate supporting evidence”).

Practicing Before the Federal Circuit and the PTAB: Incorporation by Reference (continued from page 4)

grounds within a single brief.⁴² Even within an individual case, it is improper to incorporate by reference large portions of an expert's declaration⁴³ or

essential material in an exhibit⁴⁴ without including sufficient explanation of the evidence in the paper. In sum, both the Federal Circuit and the PTAB are vigilant

against using incorporation by reference as a workaround for word or page limits.

⁴² *MAXStick Prods. Ltd. v. Iconex LLC*, IPR2019-01542, Paper 11 at 8 (P.T.A.B. Mar. 9, 2020) ([R]eferring back to a previous analysis for similar claim limitations within the Petition is not impermissible incorporation by reference.”); *see also CRFD Res., Inc. v. Matal*, 876 F.3d 1330, 1346 (Fed. Cir. 2017) (finding incorporation of argument from different ground preserved argument for appeal).

⁴³ *Cisco Sys., Inc. v. C-Cation Techs., LLC*, IPR2014-00454, Paper 12 at 7-10 (P.T.A.B. Aug. 29, 2014) (informative).

⁴⁴ *Shenzhen Huiding Tech. Co., Ltd. v. Synaptics Inc.*, IPR2015-01739, Paper 8 at 20-21 (P.T.A.B. Feb. 16, 2016).

Summary of Recent USPTO Guidance on Obviousness

The USPTO issued formal guidance on the legal standards for determining obviousness on February 27, 2024.⁴⁵ The USPTO Guidance affirms that U.S. Supreme Court precedent requires the USPTO to take a flexible approach to determining obviousness but also that the USPTO must provide a reasoned explanation for reaching a conclusion of obviousness. The Guidance states that it makes no substantive change to the law but also that it replaces any contrary guidance in the Manual of Patent Examining Procedure.

First, the Guidance concludes that the obviousness principles outlined by the Supreme Court in *KSR*⁴⁶ and *Graham*⁴⁷ apply to patent applications governed by the America Invents Act first-to-file system. Second, the Guidance affirms that a person of ordinary skill in the art is also a person of ordinary creativity and common sense, not an automaton, whose understanding of the prior art extends to all that the

art reasonably suggested and is not limited to the art's articulated teaching regarding how to solve the particular technological problem with which the art was primarily concerned.⁴⁸ Instead, motivation to combine or modify the cited references to arrive at the claimed invention may be found in background information available to a skilled artisan even if not stated in the references being combined or modified.⁴⁹ The Guidance further explains that background information known to a skilled artisan may inform the analysis of what references are considered analogous art for purposes of the obviousness analysis.⁵⁰ The Guidance affirms that a modification may be obvious even when the reason to modify applies broadly or generically or even when the problem addressed by the combination might have been more advantageously addressed in another way.⁵¹ Finally, the Guidance affirms that any objective evidence of nonobviousness presented must be considered by the factfinder as



part of the overall obviousness analysis.⁵²

Although the Guidance purports to summarize existing law, it will be interesting to evaluate in the future whether the timing of the Guidance issuance will correlate with any change in patent issuance or cancellation success rates. Despite not being law itself, the Guidance reflects an authoritative view of how the USPTO expects its officers and employees to determine obviousness, and thus could serve as a helpful tool in swaying a USPTO obviousness analysis in one's favor.

⁴⁵ 89 Fed. Reg. 14449 (Feb. 27, 2024).

⁴⁶ *KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 397 (2007).

⁴⁷ *Graham v. John Deere Co.*, 383 U.S. 1, 86 (1966).

⁴⁸ 89 Fed. Reg. 14450-14451 (Feb. 27, 2024).

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ 89 Fed. Reg. 14451 (Feb. 27, 2024).

⁵² 89 Fed. Reg. 14452-14453 (Feb. 27, 2024).

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