

# PTAB STRATEGIES AND INSIGHTS

NEWSLETTER | MAY 2018

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The *PTAB Strategies and Insights* newsletter is designed to increase return on investment for all stakeholders looking at the entire patent life cycle in a global portfolio.

This month, we are please to introduce our new format, and we wanted to highlight some unexpected changes that have occurred to the PTAB bar with the issuance of the *SAS* decision. Our firm and USPTO guidance on *SAS* and *Oil States* can be found [here](#), which includes articles, PowerPoints, and a flow chart.

We welcome feedback and suggestions about this newsletter to ensure we are meeting the needs and expectations of all our readers. So if you have issues you wish to see explored within an issue of the newsletter, please reach out to me.

To view our past issues, as well as other firm newsletters, please click [here](#).

Thank you.

Best regards,  
Jason

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## The SAS Decision



In summary, the [Supreme Court in SAS](#) held 5-4 that all claims must be instituted, and partial institution was not constitutional. The Board has gone a step further, and is considering this to cover all claims *and all grounds*. This has started a firestorm of Board orders and Board calls for cases as far along as days before final written decision, and some even after final written decision that have not been appealed. From a polling of PTAB practitioners, it appears the stage of the case dictates the Board's order.

If the case is instituted, but not at oral hearing, the Board is generally posting a supplemental institution decision sweeping in all claims and grounds. Then the parties need to decide if additional briefing is desired, and if so, what on timeline and format. A Board call is expected to take place no more than a week from the supplemental institution decision.

If the case is post oral hearing, the Board is requesting the parties jointly agree whether the non instituted issues should be brought back in or withdrawn. And if brought back in and briefing is desired, what timeline and format is requested. One note here, if the patent owner waives further briefing, petitioner can file a quasi-rehearing request as to non-instituted grounds for the Board's consideration. So far, the Board has extended the FWD date for six proceedings, all authorized by the Chief Judge.

Most of the FWDs issued since SAS were already SAS compliant. Ones that were not received Orders suggesting a rehearing if they wanted to brief the newly instituted claims/grounds, or noted that the SAS arguments were waived at oral hearing.

In most cases, even if the non instituted issues are swept into the trial, the Board is not reopening discovery, but rather just allowing further briefing. But again, even that is somewhat inconsistent based on the issues in each case.

Finally, it appears the Federal Circuit is also polling the parties and determining if they might want a remand to have non instituted issues swept into the proceeding.

## Patent Trial and Appeal Board - Request for Comment Notice

Not to be outdone by the Supreme Court, the Board proposed a claim construction standard change. This week the Board issued a [request for comments](#) on notice of proposed rulemaking suggesting a change in claim construction from broadest reasonable interpretation to *Phillips* in PTAB AIA proceedings.

## Patent Owner Brings Class Action against PTAB for "Taking" Their Patent under Breach of Contract Claim



In the wake of the Supreme Court upholding the constitutionality of AIA review in *Oil States*, Christy Inc. [filed a class action](#) in the Court of Federal Claims against the US accusing the PTAB of taking their patent rights under the Fifth Amendment taking clause and the due process clause. The proposed class in all patent owners who lost at the PTAB. The suit is based on breach of express/implied contract – the USPTO issues patents for a certain period of time in exchange for issue and maintenance fees.

### “Addendum – Lack of Motivation to Combine – Avoid Declarant Weaknesses”

As follow up to last month’s article on [lack of motivation to combine](#), another just released Board decision in IPR2016-00972 (Paper 18) again found for patent owner because the petition failed to provide a proper motivation to combine. Here, the Board directed their analysis to the expert declaration and deposition. The Board, relying on *ActiveVideo Networks, Inc. v. Verizon Commc’ns, Inc.*, 694 F.3d 1312, 1327–28 (Fed. Cir. 2012), held that the petition’s expert declaration lacked how the references would actual be combined and work together – rather it merely stated they both taught aspects of the claims (Pap. 18, 14-18). And the Board held that the petitioner’s expert’s deposition testimony demonstrated the complexity of the choices a POSA would need to make before being able to make the combination, which was also discussed by patent owner’s expert. (*Id.* 14-20).

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In the end, the Board held “[t]o paraphrase, Petitioner is attempting to bypass its evidentiary burden of having to proffer particular evidence of a specific combination, which would teach the ‘faster than’ limitation recited in claims 1 and 24 by instead repeating that ‘model[ing], simulat[ion], and test[ing]’ leads to a reasonable expectation of success (Pet. 34); whereas, in this proceeding, the number of permutations and variables are ‘unlimited’ and ‘impossible’ to address, as acknowledged by Dr. Creusere [at deposition] (Ex. 2015, 81:21–83:24, 84:13–24, 143:20–144:3). That is, Petitioner attempts to craft a theory of obviousness using non-specific teachings from Franaszek and Osterlund that allegedly demonstrate a reasonable expectation of success; this attempt, however, falls significantly short of the Federal Circuit’s requirements.” (*Id.* 18-19.) “Accordingly, we find that Petitioner failed to meet its burden of proof in showing: (1) how specific references could be combined, which combination(s) of elements in specific references would yield a predictable result, or how any specific combination would operate or read on the asserted claims; which is closely related to point number (2), namely, whether a person having ordinary skill in the art on this record could have had a reasonable expectation of success in attempting to combine the teachings of Franaszek with Osterlund. (*Id.* 20.)

This decision demonstrates patent owners and petitioners alike need to be cognizant of which experts to hire. Words used in the declaration and an expert’s answers to questions during deposition can make or break a case, as the board is laser focused on evidence in the record and not attorney argument.

Note: In June’s PTAB Strategies and Insights Newsletter, Richard Collier and Jason

Fitzsimmons will do a deep dive into deposition strategy.

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