

New Informative PTAB Rulings Could Help Defeat AIA Reviews

By Ryan Davis

Law360, New York (October 27, 2017, 9:50 PM EDT) -- A trio of decisions recently designated as “informative” by the Patent Trial and Appeal Board highlight the difficulty of challenging patents using arguments that were considered when the patent was examined, and may aid patent owners in getting inter partes review petitions denied, attorneys say.

In each of the three decisions that the PTAB flagged on Tuesday as providing guidance for litigants, the board refused to institute review of a patent because the same or similar invalidity arguments were looked at and rejected during prosecution of the patent.

By designating the decisions as “informative,” one step below precedential, the board is indicating that it will be taking a hard look at whether America Invents Act review petitions recycle arguments, and that highlighting such similarities can help patent owners defeat challenges.

“What this means for practitioners is that if you’re using the same art, you really need to distinguish it from the arguments made during prosecution or present some new evidence. Otherwise, you can expect it will be denied,” said Jennifer Bush of Fenwick & West LLP.

Along with a recent decision that put limits on the number of times the same patent can be challenged, the new informative decisions “seem to be another thing the board is doing that possibly works to the patent owner’s advantage,” said Sarah Guske of Baker Botts LLP.

All three decisions deal with Section 325(d) of the Patent Act, which states that when deciding whether to institute an AIA review, the board “may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented” to the U.S. Patent and Trademark Office.

The decisions highlight situations in which the board did that. One of them notes that such cases involve “a balance between several competing interests,” including the sound reasons petitioners may have for raising arguments similar to those the examiner previously considered and the interest of patent owners in avoiding harassment and enjoying quiet title.

In one case, the board denied an inter partes review petition by Unified Patents Inc. challenging inventor John Berman's patent for superimposing images over television scenes. The petition argued that the claims were obvious in view of a combination of an earlier patent and a graphics processor's user

manual.

The board found that the examiner considered the earlier patent during prosecution because the challenged claims were added as amendments after the examiner rejected earlier claims in view of the patent, and that the user manual described largely the same technology as the earlier patent.

The PTAB denied the petition and said Unified Patents failed to “provide a compelling reason why we should readjudicate substantially the same prior art and arguments” that the examiner looked at.

The other two decisions involved slightly different scenarios, but they all make clear that the board is paying attention to the arguments considered during prosecution and preventing petitioners from raising them again in inter partes reviews.

“These decisions indicate that this is an additional procedural argument that patent owners can make to terminate these proceedings early,” Guske said.

The decision to highlight these rejections as informative, meaning they provide the PTAB’s general consensus on a recurring issue, should be welcome news for patent owners, who can consider making similar arguments in their preliminary response to petitions.

“Based on these decisions, it sounds like these arguments are getting greater traction these days at the board,” said Robert Pluta of Mayer Brown LLP.

The PTAB's rejection of petitions for using arguments previously considered by examiners appears to be a fairly recent development, Bush said. The board was previously seen as being more open to considering such arguments, but an influx of petitions and criticism that inter partes reviews are unfair to patent owners may have caused the board to think twice, she said.

“In the early days of IPRs, I feel like this wasn’t an issue,” she said. “Everyone thought it was fair game on art that was addressed in prosecution.”

In each of the three decisions, the PTAB went into a fairly detailed analysis of the prosecution history and exactly what the examiner considered, Jon Wright of Sterne Kessler Goldstein & Fox PLLC noted.

That means patent owners who maintain that a petition should be rejected for reusing material that was before the examiner need to present a similarly detailed explanation of why the petitioner's argument is exactly the same, he said. Likewise, petitioners need to be prepared to show why their argument is new and distinct.

“You have to do your homework and explain it sufficiently,” Wright said.

Just because the examiner looked at a piece of prior art during prosecution doesn't mean the petitioner can't raise it in an inter partes review, but they need to carefully distinguish the argument they are making.

“It’s important to explain to the board in the petition why this really wasn’t considered by the office on the merits, or to craft grounds that are arguably demonstrably different from what was considered in prosecution,” Pluta said.

For instance, petitioners could argue that the examiner made a serious legal error in allowing the patent to issue over the art, or allege that the challenged patent is obvious in view of a combination of the previously considered art and a reference that was not before the examiner.

However, the informative decisions show that successful arguments along those lines are “going to be a pretty rare event,” Bush said.

The informative decisions “give a range of examples, none of which worked, to show that it will be pretty difficult to come up with an argument that is distinguished enough from examination that the board is going to take a second look,” she said.

That is illustrated by the Unified Patents case, where the petitioner relied on a combination of a reference that was before the examiner and the user manual, which was not, but the PTAB found that the user manual was “substantially the same” as the reference and denied review.

Such efforts to “dress up” arguments that the examiner considered are unlikely to succeed, since the board is “really looking under the hood,” said Dan Callaway of Farella Braun & Martel LLP.

“They really want to see if what petitioners are doing in substance is presenting arguments that the examiner already dealt with below,” he said.

The issues in these cases may not arise all that frequently, since petitions often rely on prior art that was not before the examiner at all, but when they do, petitioners and patent owners need to analyze it carefully, Guske said.

Petitioners should either think about how to explain why their argument is different from what the examiner considered, or just elect to make a different argument to the board. And patentees should go back and look at the prosecution history to make sure the petitioner's argument wasn't already before the examiner, which “may not have been something every patent owner thought to do in the past,” she said.

Preventing petitioners from using arguments that were considered in prosecution “is a matter of both efficiency and fairness,” Wright said.

“If the patent owner already overcame a challenge when it was made the first time around, it’s not fair to make them retread the same ground,” he said.

The cases are Unified Patents Inc. v. John L. Berman, case number IPR2016-01571, Hospira Inc. v. Genentech Inc., case number IPR2017-00739, and Cultec Inc. v. StormTech LLC, case number IPR2017-00777, before the Patent Trial and Appeal Board.

--Editing by Mark Lebetkin and Aaron Pelc.