

Appealing Patent Trial and Appeal Board Final Written Decisions

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This Practice Note discusses procedural and strategic considerations involved in appealing final written decisions of the Patent Trial and Appeal Board (PTAB) in *inter partes* review (IPR), post-grant review (PGR), and covered business method (CBM) patentability challenges under the Leahy-Smith America Invents Act (AIA). It discusses grounds, timelines, and practical considerations for requesting rehearing of a final written decision before the PTAB and appeal to the US Court of Appeals for the Federal Circuit.

Since the **Leahy-Smith America Invents Act** (AIA) became effective in pertinent part in 2012, post-issuance patentability challenges including *inter partes* review (IPR), post-grant review (PGR), and the transitional program for covered business method review (CBM) at the US Patent and Trademark Office (USPTO) before the Patent Trial and Appeal Board (PTAB) have become an integral part of patent litigation and patent disputes.

As these proceedings continue to progress to final written decisions on patentability of the challenged and instituted patent claims, practitioners and stakeholders face multiple options for challenging and appealing a ruling. This Note discusses:

- Options to challenge a final written decision by the PTAB in an IPR, PGR, or CBM proceeding, including:
 - requesting rehearing before the PTAB; and
 - appealing to the US Court of Appeals for the Federal Circuit.
- Grounds for Federal Circuit appeals challenging the PTAB's:
 - institution decision; and
 - final written decision.

For a discussion of typical timelines, milestones, and procedures in IPR, PGR, and CBM proceedings, see Practice Note, Understanding PTAB Trials: Key Milestones in IPR, PGR, and CBM Proceedings.

For a collection of additional resources concerning PTAB proceedings, see PTAB Proceedings Toolkit.

For a collection of representative PTAB decisions, see USPTO America Invents Act Trial Tracker (PTAB).

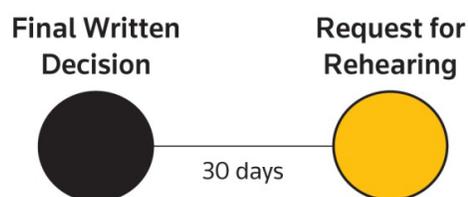
OPTIONS TO CHALLENGE A PTAB FINAL WRITTEN DECISION

After a PTAB final written decision, a party may either (or both):

- Request a rehearing at the PTAB (see Rehearing Requests).
- Appeal to the Federal Circuit (see Federal Circuit Appeals).

A party may only appeal PTAB decisions to the Federal Circuit. Under the AIA and unlike other USPTO proceedings, there is no option to file a civil action against the USPTO in district court (35 U.S.C. §§ 141 and 319).

REHEARING REQUESTS



A party dissatisfied with the PTAB's final written decision may request a panel rehearing of the decision within 30 days of entry of the decision (37 C.F.R. § 42.71(d)(2)). Unlike other motions before the PTAB, the PTAB does not require its prior authorization for a rehearing request. The challenging party has the burden of showing that the decision should be modified and must specifically identify:

- All matters the party believes the PTAB misapprehended or overlooked.
- The place where each matter was previously addressed in a motion, opposition, or reply.

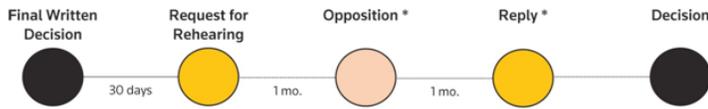
(37 C.F.R. § 42.71(d).)

The rehearing request is “not intended as a vehicle simply to disagree with [the] outcome or to provide new arguments” (*Captioncall, Inc. v. Ultratec, Inc.*, IPR2014-00780, Paper No. 40 (PTAB May 19, 2016)).

Unless leave is otherwise obtained, the rehearing request is limited to 15 pages (37 C.F.R. § 42.24(a)(1)(v)).

Except as noted below, a rehearing request generally does not toll the time for taking other action (37 C.F.R. § 42.71(d)).

Rehearing Request Timeline



Once a party files a request for rehearing, the PTAB does not permit a response (or reply) without authorization. Therefore, unless the PTAB requests a response, or the party opposing the rehearing request seeks (and obtains) permission to file a response, the PTAB rules do not allow for an opposition (or reply).

If authorized, the default time for filing an opposition is one month from service of the motion for rehearing (37 C.F.R. § 42.25(a)(1)). As with the motion, the opposition is limited to 15 pages (37 C.F.R. § 42.24(b)(3)).

With PTAB authorization, the moving party may file a reply within one month from service of the opposition (37 C.F.R. § 42.25(a)(2)). Any reply is limited to five pages (37 C.F.R. § 42.24(c)(2)).

If a party wishes to deviate from these default times or page limits, it must request PTAB approval.

Rehearing Request Practical Considerations

It is unlikely, but possible, that a PTAB panel may change its decision in a motion for rehearing, as suggested by USPTO bulk data on rehearing decisions available on its website.

There have been few decisions in which the PTAB has granted any motion for rehearing let alone a motion for rehearing of a final written decision. In one of the rare instances where the PTAB granted rehearing of a final written decision, the panel acknowledged its failure to recognize that an argument made about a specific element in a dependent claim would also address the broader element in the claim from which it depends. Therefore, while the panel granted rehearing regarding the dependent claims, it did not grant rehearing on the non-instituted claims from which they depended under notions of fairness (*Square, Inc. v. REM Holdings 3, LLC*, IPR2014-00312 (Paper No. 68) (PTAB Nov. 20, 2015), *app. dismissed*, No. 16-1650 (Fed. Cir. June 30, 2016) and No. 16-1651 (Fed. Cir. Aug. 31, 2016)).

Another panel granted rehearing of a final written decision in a converse situation, where it found a dependent claim invalid but the claim from which it depended not invalid. The PTAB granted rehearing to correct this clear error of logic (*Valeo N. Am. v. Magna Elecs., Inc.*, IPR2014-00220 (Paper No. 61) (PTAB July 14, 2015), *app. dismissed*, Nos. 15-2004, 15-2005, 15-2006 and 16-1119 (Fed. Cir. Jan. 8, 2016)).

To the extent the PTAB has otherwise entertained rehearing requests earlier in a proceeding, it has granted requests for rehearing in the following exemplary situations:

- The petition included a typographical error in a heading misidentifying claims addressed in the asserted unpatentability grounds (*Milwaukee Elec. Tool Corp. v. Irwin Indus. Tool Corp.*, IPR2015-01462 (Paper No. 13) (PTAB Jan. 15, 2016)).
- The PTAB’s institution decision included obvious typographical errors, such as a misplaced decimal point (*Boston Sci. Corp. v. UAB Research Found.*, IPR2015-00918 (Paper No. 14), 2016 WL 1019300 (PTAB Mar. 7, 2016)).
- The PTAB’s institution decision included clear factual errors on what was stated in the petition, such as:
 - misanalyzing expert testimony referenced in the petition (*Genband US LLC v. Metaswitch Networks, Ltd.*, IPR2015-01457, Paper No. 17 (PTAB Feb. 22, 2016)); or
 - missing the significance of a portion of the prior art in the PTAB’s analysis (*Merial v. Virbac*, IPR2014-01279 (Paper No. 18) (PTAB Apr. 15, 2015)).
- The PTAB overlooked an argument under an alternative claim construction adopted by the Board, which was supported by the petition (*AVX Corp. v. Greatbatch*, IPR2015-00710 (Paper No. 13 (PTAB Jan. 13, 2016)).
- The PTAB’s rationale for declining institution misapprehended the significance of certain arguments and other information raised in the petition, and rehearing was necessary to address the deficiencies (*Daicel Corp. v. Celanese Int’l Corp.*, IPR2015-00173 (Paper No. 15), 2015 WL 3934090 (PTAB June 26, 2015)).

Counsel should therefore primarily consider requesting rehearing where either:

- The PTAB made an obvious error (such as a typographical error or clear factual mistake that would impact the opinion).
- A party to the proceeding may not have standing to challenge the decision on appeal to the Federal Circuit (see Article III Standing Requirement to Appeal to the Federal Circuit).

FEDERAL CIRCUIT APPEALS



Under 35 U.S.C. § 141(c), a party may only appeal a PTAB final written decision in an IPR, PGR, or CBM proceeding to the Federal Circuit (see also 35 U.S.C. §§ 319 (IPRs) and 329 (PGRs including CBMs)). Section 141(c) states that a party dissatisfied with a PTAB final written decision may appeal “only to” the Federal Circuit.

For more information on Federal Circuit appeal procedure, see Federal Circuit Civil Appeals Toolkit.

Article III Standing Requirement to Appeal to the Federal Circuit

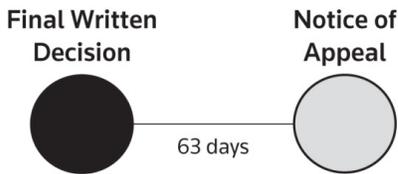
The Federal Circuit has decided that while Article III standing is not required to bring a post-grant challenge before the PTAB, it is required to appeal a PTAB decision to the Federal Circuit. For example, in *Consumer Watchdog v. Wisconsin Alumni*

Research Foundation, the Federal Circuit dismissed the third-party requester’s appeal from a PTAB decision on *inter partes* reexamination because it had only alleged a general grievance concerning the challenged patent (753 F.3d 1258, 1263 (Fed. Cir. 2014)). The court determined that the requester’s status as a non-profit consumer rights organization concerned about the challenged patent’s reach and burden on taxpayer-funded research was not enough to make the dispute justiciable. For more information, see Legal Update, Third Party Challengers Must Establish Injury in Fact to Appeal PTAB Decisions: Federal Circuit (7-570-4086).

The Federal Circuit has also found that Article III standing does not exist based on 35 U.S.C. § 141(c) alone, even though the petitioner had been permitted to file an appeal. The court determined that the petitioner did not face a risk of infringing the challenged patent, and there was no injury in fact based on the challenged patent’s alleged encumbrance of its licensing efforts (*Phigenix, Inc. v. ImmunoGen, Inc.*, 845 F.3d 1168, 1173-74 (Fed. Cir. 2017) and see Legal Update, Party Who Does Not Face Infringement Risk Lacks Standing to Appeal Adverse PTAB Decision: Federal Circuit (w-005-3044)).

Relatedly, the PTAB has held that state sovereign immunity applies to IPR proceedings (*Covidien LP v. Univ. of Florida Research Found.*, IPR2016-01274, -01275, -01276 (Paper 19) (PTAB Jan. 25, 2017)). There, the PTAB granted a motion to dismiss three petitions against the University of Florida Research Foundation’s (“UFRF”) patent claims because, as an arm of the State of Florida, the UFRF was entitled to a sovereign immunity defense against review of the challenged claims.

Federal Circuit Appeal Timeline



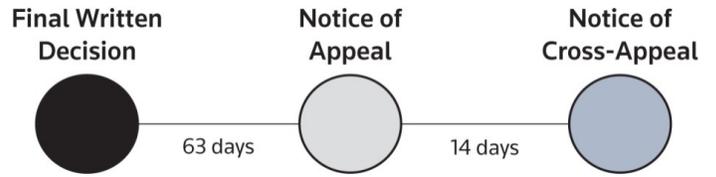
A party must file any notice of appeal with the Director of the USPTO within 63 days after the date of the final written decision (or a decision on a motion for rehearing of a final written decision) (35 U.S.C. § 142; 37 C.F.R. §§ 90.3(a)(1) and (b)(1) (resetting for timely rehearing request)).

The Director of the USPTO or the director’s designee may grant an extension of time to file a notice of appeal on a showing of either:

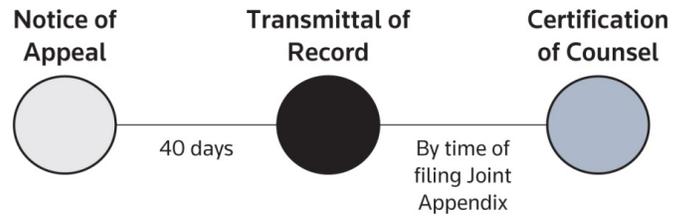
- Good cause, if made before time has expired.
- Excusable neglect for the failure to act, if made after time has expired.

(37 C.F.R. §§ 90.3(c)(1)(i) and (ii) and see also 37 C.F.R. § 104.2 (for rules governing filing of request)).

A late request for more time, however, has been fatal in other contexts (see, for example, *Two-Way Media LLC v. AT&T, Inc.*, 782 F.3d 1311, 1317 (Fed. Cir. 2011) (affirming the district court’s refusal to extend or reopen the appeal period due to counsel’s neglect in docketing and filing a timely notice of appeal)).



A party may file a notice of cross-appeal within 14 days of the notice of appeal or within the time to appeal, whichever is later (Federal Rules of Appellate Procedure (FRAP) 4(a)(3); 37 C.F.R. § 90.3(a)(1)).



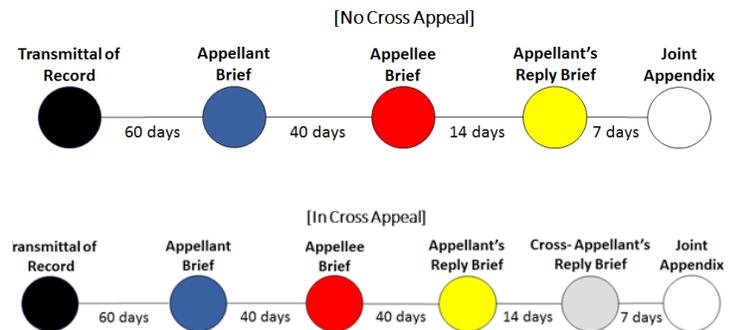
The USPTO Director must send “a certified list and a copy of the decision or order appealed” to the Federal Circuit within 40 days after receiving the notice of appeal (Fed. Cir. Rule 17(b)(1)). The USPTO Director may send a second certified list based on the cross-appeal.

By the time the parties file the Joint Appendix, each party must:

- File a certificate of compliance confirming that they have reviewed the record to determine if any portion of it previously sealed under a protective order can be unsealed.
- Seek the other side’s agreement to that effect.

(Fed. Cir. Rules 11(d) and 17(f).)

Appeal Briefing



Federal Circuit Rule 31(a) sets the following briefing schedule:

- **Appellant Brief Due (Blue Brief):** 60 days after service of the certified list (Federal Circuit Rule 31(a)(1)(B)). This brief has a 14,000 word maximum (Federal Circuit Rule 32(a)).
- **Appellee Brief Due (Red Brief):**
 - if there is no cross-appeal, 40 days after service of the appellant’s brief (Federal Circuit Rule 31(a)(2)). This brief has a 14,000 word maximum (Federal Circuit Rule 32(a)); or
 - in a cross-appeal, 40 days after service of the appellant’s brief (Federal Circuit Rule 31(a)(2)). The appellee’s principal and response brief has a 16,500 word maximum (Federal Circuit Rule 28.1(b)(2)(A)).

■ **Appellant’s Rely Brief Due (Yellow Brief):**

- if there is no cross-appeal, 14 days after service of the appellee’s brief and at least seven days before oral argument (FRAP 31(a)(1)). This brief has a 7,000 word maximum (Federal Circuit Rule 32(a)); and
- in a cross-appeal, 40 days after service of cross-appellant’s brief (Federal Circuit Rule 31(a)(3)(A)). The appellant’s response and reply brief has a 14,000 word maximum (Federal Circuit Rule 28.1(b)(1)(A)).

■ **Cross-Appellant’s Reply Brief Due (Gray Brief):** 14 days after service of the appellant’s reply brief (Federal Circuit Rule 31(a)(3)(B)). This brief has a 7,000 word maximum (Federal Circuit Rule 28.1(b)(3)).

■ **Joint Appendix Due (White Filing):** Seven days after the last reply is served and filed. If there is no cross-appeal and the appellant does not file a reply brief, the appendix is due within the time for filing the reply brief. In a cross-appeal, if the cross-appellant does not file a reply brief, the appendix is due within seven days after the time for filing the cross-appellant’s reply brief has expired. (Federal Circuit Rule 30(a)(4).)

Oral Argument At the Federal Circuit

The Federal Circuit generally sits for oral argument the first week of each month. Court session dates are published at the Federal Circuit website. The court sometimes sets special hearings on non-court session dates, but this is unusual.

The Federal Circuit’s Practice Notes for Federal Circuit Rule 34 (“Fed. Cir. Practice Note 34”) appear after the text of the rule and address oral argument and explain that the court:

- Usually calendars appeals for oral argument or submission without argument within two months after the parties file their briefs and joint appendix.
- Advises counsel of the firm hearing date approximately 30 days before the session. (Fed. Cir. Practice Note 34.)

Once the case has been fully briefed, the clerk typically issues a Notice of Docket Activity (NDA). Within seven days of the NDA, counsel must identify any scheduling conflicts for at least the next three court weeks. Once oral argument is scheduled, the court does not postpone it except on a showing of compelling reasons (Fed. Cir. Practice Note 34).

Where, due to scheduling conflicts, oral argument is delayed by more than three months, the court may require additional supplemental letters from counsel regarding conflicting dates. The court’s Practice Notes emphasize that the parties should report any potential conflicts as soon as they are known and should not wait until actual conflicts arise.

If both parties elect to submit the case on the briefs and therefore waive oral argument, the case may be presented earlier to a panel for disposition.

Post-Scheduling Oral Argument Procedure

Usually around the 20th to 22nd of each month, the Federal Circuit publishes the scheduled oral arguments for the corresponding court week two months later. The parties typically receive an ECF notice of the oral argument schedule, listing the first argument scheduled in the subject line. Counsel should not ignore this notice because, at first glance, it may appear not to relate to counsel’s case.

When oral argument is scheduled, each party is asked to submit a form identifying:

- Counsel who will make the oral argument.
- The time requested to be reserved for each party.

If counsel or a party needs the courtroom to be accessible to the disabled for oral argument, counsel should notify the clerk when filing the entry of appearance.

The Federal Circuit typically schedules 15 minutes of oral argument per side (not per party or attorney) even in consolidated cases, although this time may vary depending on the nature of the cases (Fed. Cir. Practice Note 34). At times, when there are appeals or cross-appeals from related but distinct PTAB proceedings, the court may consolidate the appeals by issue and have oral argument scheduled before the same panel on the same day for each appeal.

It is not uncommon for the court to grant more time during oral argument to counsel to answer the court’s questions or to finish a point raised. The extra time is typically also provided to the other side. The court may also terminate an oral argument early in its discretion, although this is not a common practice.

In the typical oral argument, the appellant argues first and reserves a portion of its time for rebuttal. The respondent, assuming there is no cross-appeal, then makes its argument, without the option of reserving time for rebuttal. The appellant is then allowed to use its remaining time in rebuttal.

While the rules allow for the use of visual aids at oral argument (Fed. Cir. Practice Note 34(c)), it is not commonly done and tends to be an inefficient use of oral argument time. The more typical practice is instead to direct the panel to pages of a parties’ brief or the joint

appendix. Therefore, when briefing the appeal, counsel should consider what demonstrative evidence to reference at oral argument to ensure it is readily available to the court.

On the day of the oral argument, the court posts the panel sitting in each courtroom, which is the earliest the parties can know the specific judges deciding the appeal. Counsel making the oral argument must check in with the clerk's office at least 30 minutes before the scheduled session and before proceeding to the courtroom (Fed. Cir. Practice Note 34).

The Federal Circuit typically issues a decision within 90 days of oral argument. However, the court may issue a summary disposition under Fed. Cir. Rule 36 as quickly as the day after oral argument or within two weeks after oral argument.

For more information, see Practice Note, Federal Circuit Appeals: Oral Argument, Disposition, and Rehearing ([8-531-6439](tel:85316439)).

Confidentiality Considerations

Unless held in camera, oral arguments are open to the public. Recordings of each oral argument are available on the court's website, free of charge. Counsel should listen to oral argument raising similar issues before making their own oral argument. Since oral argument is public, the Federal Circuit discourages parties from unnecessarily designating material in the briefs and appendix as confidential because this may hinder the court's preparation and issuance of opinions. Where necessary, however, counsel must be prepared to justify at oral argument any claim of confidentiality (Fed. Cir. Practice Note 34).

USPTO Intervention

The USPTO has the right to intervene in the appeal of an IPR, PGR, or CBM proceeding (35 U.S.C. § 143). In particular, the USPTO will exercise this right when a successful petitioner has settled with a patent-owner appellant such that no dispute remains between the parties in the proceeding. For example, this is what happened in *Cuozzo v. Lee* (*In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268 (Fed. Cir. 2015), *aff'd*, 136 S. Ct. 2131 (2016) and Legal Update, Supreme Court Affirms Federal Circuit in *Cuozzo*, Upholding USPTO Procedure in IPR Proceedings ([w-002-6919](https://www.uspto.gov/patent/ipo/2016/02/16/cuozzo))).

When the USPTO elects to participate or the Federal Circuit requests the USPTO's participation, it typically receives its own allotment of 15 minutes for oral argument. In contrast, amicus curiae generally are not allowed to participate in oral argument, although in some rare cases, the Federal Circuit has invited such arguments.

AMICUS BRIEFS (GREEN BRIEFS)

FRAP 29 and Federal Circuit Rule 29 govern amicus briefs, which may be filed either on consent of all parties or by leave of the court.

Attorneys representing amici must file Notices of Appearance and may participate in oral argument only by leave of the court.

Amicus briefs on the merits are due seven calendar days after the principal brief of the party supported. If the amicus brief is in support of no party, then it is due seven calendar days after the appellant's

principal brief. These amicus briefs may be up to 7,000 words long (about 14 pages).

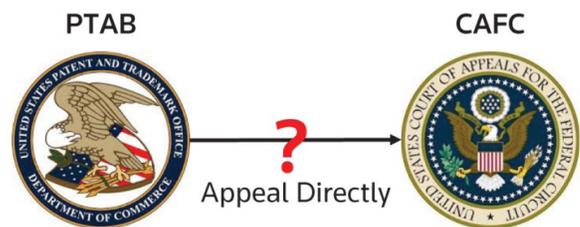
Amicus briefs supporting petitions for rehearing or rehearing *en banc* must be:

- Accompanied by a motion for leave to file.
- Filed within seven calendar days of the petition.
- No more than 2,600 words long (about five pages).

Amicus briefs must contain various disclosures, including:

- A FRAP 26.1 disclosure statement (if amicus is a corporation).
- A certificate of interest under Federal Circuit Rule 47.4.
- A general statement of interest of the amicus and affirmative statements clarifying whether any parties other than the amicus helped to draft or fund the preparation and filing of the brief.

GROUND FOR FEDERAL CIRCUIT REVIEW



Not every PTAB decision is appealable. For example, PTAB institution decisions generally are not reviewable (see Generally No Review of Institution Decisions).

The Federal Circuit has, however, held several categories of PTAB rulings to be appealable, including the PTAB's:

- Claim construction (see Reviewability of Wrong Claim Construction).
- Obviousness determinations (see Reviewability of Obviousness Determination).
- Consideration of a new ground raised by the petitioner in its reply (see Reviewability of New Patentability Challenge Ground).
- Ruling on whether a challenged patent meets the definition of "covered business method" under 37 C.F.R. § 42.304(a) and AIA Section 18(d)(1) in a CBM review (see Reviewability of CBM Analysis).

The Federal Circuit has also held several categories to PTAB rulings not to be appealable, including the PTAB's:

- Decision not to institute on certain grounds asserted in the petition (see Reviewability of Non-Instituted Grounds).
- Application of the one-year bar to an IPR petition under 35 U.S.C. 315(b) (see Reviewability of One-Year Bar).
- Decision on institution regarding assignor estoppel (see Reviewability of Wrong Decision on Assignor Estoppel).

STANDARD OF REVIEW

The Federal Circuit reviews the PTAB's factual determinations for substantial evidence and its legal determinations *de novo*. Substantial

evidence is something less than the weight of the evidence but more than a mere scintilla of evidence. It is “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion” (*In re Nuvasive, Inc.*, 842 F.3d 1376, 1380 (Fed. Cir. 2016)).

Therefore, counsel should focus appeal points on issues that can meet these highly deferential standards.

GENERALLY NO REVIEW OF INSTITUTION DECISIONS

PTAB institution decisions generally are not appealable to the Federal Circuit. In *Cuozzo Speed Technologies LLC v. Lee*, the US Supreme Court held that 35 U.S.C. § 314(d) barred Cuozzo’s challenge to the USPTO’s decision to institute an IPR (136 S. Ct. 2131, 2142 (2016)). In particular, the court noted that Section 314(d)’s text expressly states that the USPTO’s IPR institution decisions “shall be final and nonappealable” and that construing it otherwise would undercut Congress’s intent to give the USPTO significant power to revisit earlier patent grants.

Specifically, the court held that there is no ground for appeal where the patent holder:

- Merely challenges the USPTO’s determination that the information presented in the petition satisfies the standard for instituting an IPR.
- Grounds its claim in a statute closely related to the decision to institute an IPR, such as 35 U.S.C. § 312(a)(3), which requires that the petition is pleaded “with particularity.”

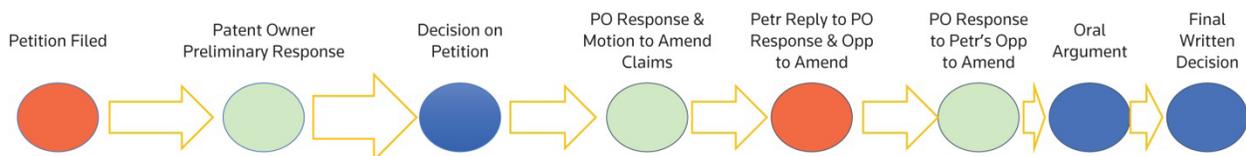
However, the *Cuozzo* court also noted that there may be other grounds for appealing PTAB decisions, including appeals that:

- Implicate constitutional questions.
- Depend on other less closely related statutes.
- Present other questions of interpretation that reach, in terms of scope and impact, well beyond Section 314(d).
- Stem from:
 - a petition failing to give sufficient notice such that there is a due process issue with the entire proceeding; or
 - the USPTO acting outside its statutory limit by, for example, canceling a patent claim for indefiniteness under 35 U.S.C. § 112 in an IPR.

In this regard the court noted that the Administrative Procedure Act (APA) enables reviewing courts to “set aside agency action” that is “contrary to constitutional right,” “in excess of statutory jurisdiction,” or “arbitrary [and] capricious.”

For more information on this decision, see Legal Update, Supreme Court Affirms Federal Circuit in *Cuozzo*, Upholding USPTO Procedure in IPR Proceedings.

GROUNDS FOR FINAL WRITTEN DECISION REVIEW



Reviewability of Wrong Claim Construction

While the Federal Circuit has held that institution decisions generally are not reviewable, statements the PTAB makes in its institution decision and later relies on in its final written decision are reviewable on appeal (*In re Magnum Oil Tools, Int’l, Ltd.*, 829 F.3d 1364, 1374 (Fed. Cir. 2016)). The court has held that the PTAB cannot adopt a new claim construction in the final written decision that is different from the one in the institution decision without providing the parties an opportunity to present argument under the new claim construction, even if the new claim construction is correct (*SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1350-52 (Fed. Cir. 2016) and see Legal Update, PTAB Can’t Adopt New Claim Construction Mid-Stream: Federal Circuit ([w-002-6125](#))).

Reviewability of Obviousness Determination

The Federal Circuit has given the PTAB’s factual findings substantial deference in reviewing obviousness determinations, which makes the PTAB’s obviousness determinations based on factual queries generally difficult to overturn on appeal. However, the Federal Circuit has noted that the PTAB still “must provide some reasoned basis for finding the claims obvious in order to permit meaningful review by this court.” (*Securus Techs., Inc. v. Global Tel*Link Corp.*, 2017 WL 1458867 (Fed. Cir. Apr. 25, 2017) (nonprecedential)). In *Securus*, the Federal Circuit vacated in part and remanded the PTAB’s obviousness decision, holding that when determining obviousness the PTAB must:

- First, make the necessary findings and have an adequate evidentiary basis for its findings.
- Second, examine the relevant data and articulate a satisfactory explanation for its action, including a rational connection between the facts found and the choice made.

(*Securus Techs.*, 2017 WL 1458867, at *6.)

There, the PTAB found certain dependent claims obvious and merely provided the following generic sentence as its reasoning: “After consideration of the language recited in [the claims], the Petition, the Patent Owner Response, and the Petitioner’s Reply, as well as the relevant evidence discussed in those papers, we find that one of ordinary skill in the art would have considered these dependent claims obvious over [the asserted art].” The Federal Circuit agreed with the patent owner that “the Board failed to articulate any reasoning for reaching its [obviousness] decision” and remanded for further proceeding.

Reviewability of New Patentability Challenge Ground

The Federal Circuit has held that the PTAB violated the APA by not permitting the patent owner to file a sur-reply or provide oral argument at the hearing to address the petitioner’s new factual assertion raised for the first time in the reply (*In re Nuvasive, Inc.*, 841

F.3d 966 (Fed. Cir. 2016) and see Legal Update, PTAB Must Give Patent Owner an Opportunity to Respond to New Assertions Raised in Petitioner's Reply: Federal Circuit ([w-004-2020](#)).

Reviewability of Non-Instituted Grounds

The Federal Circuit has held that the PTAB's decision not to institute certain asserted grounds as redundant is not reviewable (*Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1297-99 (Fed. Cir. 2016) and Legal Update, No Jurisdiction to Review PTAB Decision That Some IPR Grounds Are Redundant: Fed. Cir ([w-001-7776](#)). Notably, the court held that 35 U.S.C. § 315(e) did not estop the petitioner from bringing its non-instituted arguments in either the USPTO or the district courts.

Reviewability of CBM Analysis

Under 37 C.F.R. § 42.304(a), a petition for CBM review must demonstrate that the challenged patent meets the definition of a "covered business method." Section 18(d)(1) of the AIA defines a covered business method as one "that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions." The USPTO has defined a "covered business method" to encompass patents claiming activities that are financial in nature, incidental to a financial activity, or complementary to a financial activity (77 Fed. Reg. 48734, 48735 (Aug. 14, 2012) and see *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015)).

On appeal of a final written decision in a CBM proceeding, the *Versata* court found reviewable the question of whether the PTAB

- Correctly took jurisdiction over the patent at issue as a covered business method patent.
- Was authorized to rely on 35 U.S.C. § 101 in CBM cases.

(*Versata Dev. Grp., Inc.*, 793 F.3d at 1318-19, 1329 and see Legal Update, Federal Circuit Affirms *Versata's* Claims are Unpatentable in Substantial Review of PTAB's First CBM Decision ([0-617-2486](#)).

In *Unwired Planet, LLC v. Google Inc.*, the Federal Circuit reversed the PTAB's CBM determination, holding that "the Board's reliance on whether the patent claims activities 'incidental to' or 'complementary to' a financial activity as the legal standard to determine whether a patent is a CBM patent was not in accordance with the law." (841 F.3d 1376, 1379 (Fed. Cir. 2016) and see Legal Update, PTAB Must Use Only Statutory Definition to Classify Covered Business Method Patents: Federal Circuit ([w-004-6546](#)). The court noted that the statute's definition of covered business method is paramount, and "the Board's application of the 'incidental to' and 'complementary to' language from the USPTO policy statement instead of the statutory definition renders superfluous the limits Congress placed on the definition of a CBM patent."

In *Secure Access, LLC v. PNC Bank National Association*, the Federal Circuit again reversed the PTAB's CBM determination, holding that the focus of the CBM eligibility analysis should be on the *claimed* invention rather than on potential uses of the invention: "[T]he statutory definition of a CBM patent requires that the patent have a claim that contains, however phrased, a financial activity element."

(848 F.3d 1370, 1381 (Fed. Cir. 2017)). "[J]ust because an invention could be used by various institutions that include a financial institution, among others, does not mean a patent on the invention qualifies under the proper definition of a CBM patent" (*Secure Access*, 848 F.3d at 1382).

Reviewability of One-Year Bar

The one-year time bar under 35 U.S.C. 315(b) is not reviewable on appeal because it is merely a procedural limit on when certain parties must file for review and does not relate to the PTAB's ultimate authority to invalidate a patent (*Achates Reference Publ'g, Inc. v. Apple Inc.*, 803 F.3d 652, 657-58 (Fed. Cir. 2015) and see Legal Update, Federal Circuit Lacks Jurisdiction to Review PTAB Decisions Concerning IPR Petition Time-Bar ([7-619-1815](#)).

The Federal Circuit affirmed the position in *Wi-Fi One, LLC v. Broadcom Corp.*, holding that *Achates* remains good law in light of the Supreme Court's decision in *Cuozzo II*, specifically concluding that 35 U.S.C. § 315 is a statute closely related to the decision and therefore not reviewable on appeal (837 F.3d 1329, 1334 (Fed. Cir. 2016)).

The Federal Circuit is currently reconsidering this decision in the pending *Wi-Fi One, LLC v. Broadcom Corp.* en banc proceeding.

Reviewability of Wrong Decision on Assignor Estoppel

In *Husky Injection Molding System v. Athena Automation Ltd.*, the Federal Circuit dismissed appeal from the PTAB for lack of jurisdiction, finding that under 35 U.S.C. § 314(d) it could not review the question of whether assignor estoppel prevented the appellee from seeking an IPR (838 F.3d 1236, 1246-47 (Fed. Cir. 2016) and see Legal Update, Assignor Estoppel Question in PTAB Decision to Institute Is Not Reviewable: Fed. Cir. ([w-003-5935](#)).

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