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Year in Review

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Motivation to Combine: A Comparison of *Virtek Vision v. Assembly Guidance* and *Intel v. Pact XPP*

Scott B. Amankwatia

Motivation to Combine

Virtek Vision Int'l ULC v. Assembly Guidance Sys., Inc., 97 F.4th 885 (Fed. Cir. 2024).

Intel Corp. v. PACT XPP Schweiz AG, No. 2022-1038, 2023 WL 2198649 (Fed. Cir. Feb. 24, 2023).

- **Claim 1 of the '734 Patent**
 - Discloses a two-step method for aligning a laser projector.
 - Required “identifying a pattern of the reflective targets on the work surface in a three-dimensional coordinate system.”
- **Briggs Reference:**
 - Discloses two alternatives:
 - a 3D coordinate system (two cameras), and
 - an angular direction system (one camera).
 - Used to supplement the Keitler reference, which lacked 3D coordinate tracking.

Explanation of '734 Patent

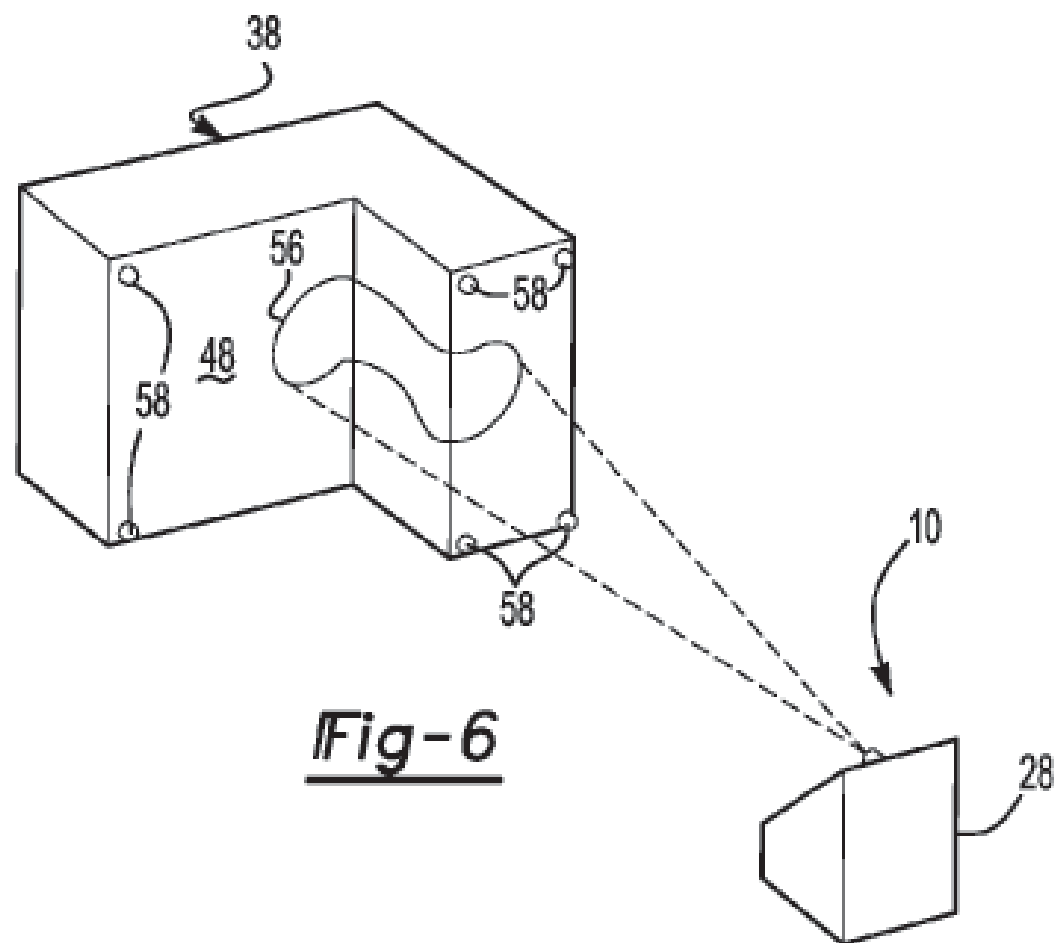


Figure 6 of U.S. Patent No. 10,052,734, at issue in Virtek Vision, depicts the claimed technology: a projector assembly (10) identifying targets (58) on a work piece (38) to project a laser template (56) onto the work piece. The key issue in the case pertained to a motivation to combine references to teach the limitation directed to identifying targets on the work piece "in a three-dimensional coordinate system."

Federal Circuit Reversal

- “It does not suffice to meet the motivation to combine requirement to recognize that two alternative arrangements were both known in the art.”
- “The mere fact that these possible arrangements existed in the prior art does not provide a reason that a skilled artisan would have substituted one-camera angular direction for two-camera 3D coordinate tracking.”
- “[w]hen there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 421 (2007).

- **Claim 4 of the '631 Patent:**
 - Describes a system where cache cores (memory units) connect to a bus such that some cores form a large cache.
- **King Reference:**
 - Describes a bus system that reduces contention between processors and memory.
- **Arimilli Reference:**
 - Describes cache structures where cache cores can be combined.

Federal Circuit Reversal

- Federal Circuit found that the Board placed too much emphasis on “bodily incorporation”.
 - “The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference[.]” *Allied Erecting & Dismantling Co. v. Genesis Attachments, LLC*, 825 F.3d 1373, 1381 (Fed. Cir. 2016)
- “Combining references addressing the same problem with finite, predictable solutions can establish obviousness, provided the evidence clearly supports a rationale for the combination.”
- “The ’631 patent, Arimilli, and King are all concerned with improving the processing speed of multiprocessor systems. And King, while not using caching in its multiprocessor systems, specifically teaches that caching was an alternative method for improving processing speed.”

Takeaway for Practitioners

- When prior art references address the same problem with finite, predictable solutions, a combination may be obvious—but only if substantial evidence supports a clear rationale for why a skilled artisan would pursue that combination. Courts will not assume motivation to combine merely because alternatives exist.
- *Virtek Vision*:
 - The Board failed to articulate why a skilled artisan would choose one system over another.
- *Intel*:
 - The Board improperly dismissed motivation to combine by focusing on feasibility rather than rationale.

Is It Prior Art?

Laura Vu

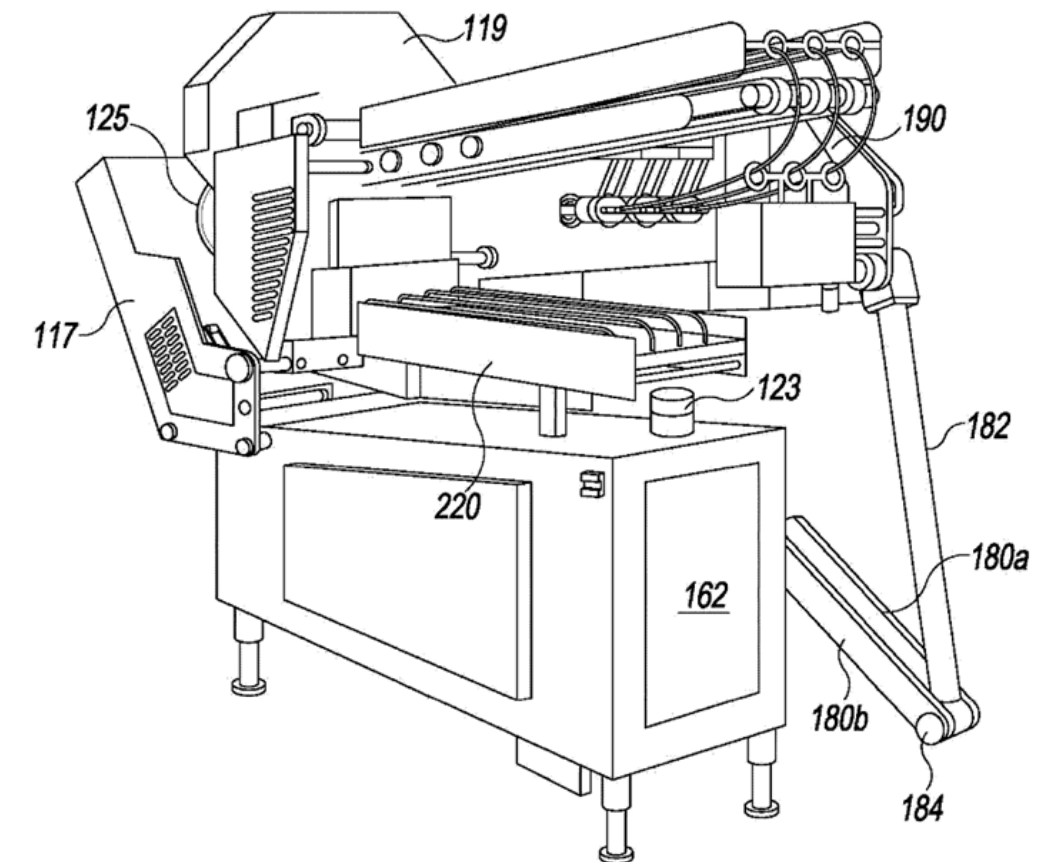
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- *Weber, Inc. v. Provisur Techs., Inc.*, 92 F.4th 1059 (Fed. Cir. 2024)
- *Sanho Corp. v. Kaijet Tech. Int'l Ltd.*, 108 F.4th 1376 (Fed. Cir. 2024)

Weber v. Provisur

- Issue: Are operating manuals publicly accessible to be considered prior art?
- Background:
 - Weber filed a petition presenting obviousness theories based on operating manuals for its own commercial food slicer in combination with other prior art references
 - PTAB determined that Weber's operating manuals were not prior art



Weber v. Provisur

- Holding: The operating manuals were sufficiently publicly accessible to be considered prior art
- Operating manuals were “created for dissemination to the interested public” on how to assemble, use, and maintain the food slicers
- Operating manuals were accessible to interested members of the relevant public through reasonable diligence
- Copyright notice and intellectual property rights clause in the terms and conditions underlying the sale had no bearing on Weber’s public dissemination of the operating manuals

- Issue: Is a private sale a “public disclosure” under 35 U.S.C. §102(b)(2)(B)?
- Background:
 - Kaijet filed a petition based on obviousness over prior art reference Kuo
 - The inventor argued that it “publicly disclosed” the subject matter of the patent through a private sale of the product before Kuo’s effective filing date, disqualifying Kuo as prior art
 - PTAB determined that the private sale was not a public disclosure under 35 U.S.C. §102(b)(2)(B)

Sanho v. Kaijet

- Holding: A private sale is not a “public disclosure” under 35 U.S.C. §102(b)(2)(B)
- The term “publicly disclosed” in §102(b)(2)(B) was not the same as the term “disclosed” used elsewhere in the statute
- Section 102(b)(2)(B) was intended to protect an inventor that made their invention available to the public as part of the “patent bargain” in an unambiguous manner
- “Public use” under § 102(a)(1) is different than “publicly disclosed” under §102(b)(2)(B)

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Director Vidal’s Rulings on “Significant Relationships” in Serial IPR Petitions
Spring 2024 Decisions and Their Implications

Lawrence Kass, Counsel at Steptoe LLP

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Background on Serial Petitions

- *General Plastic* framework addresses potential harassment through repeated challenges
- Seven non-exclusive factors for evaluating follow-on petitions
- *Valve Corp.* extended the framework to petitioners having a “significant relationship”
- Key concerns: Balance between protecting patent owners and allowing legitimate challenges
- Political Transition Impact: New administration may redefine what constitutes “harassment” versus “legitimate” challenges

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Key *Ford* and *Videndum* Decisions

- *Ford Motor Co. v. Neo Wireless LLC* (March 2024)
 - Court-ordered MDL coordination is insufficient for “significant relationship”
 - Distinguished from *Valve Corp.* case where petitioners shared products
 - Vacated PTAB’s decision that found a significant relationship based on MDL
- *Videndum Production Solutions v. Rotolight Ltd.* (April 2024)
 - Factor one (petitioner relationship) necessarily outweighs other factors when no significant relationship exists
 - Rejected Board’s attempt to use other factors to deny institution
- Shifting Policy Landscape: Pro-patent stance could expand the definition of “significant relationship”

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Standard for “Significant Relationship”

- Must be substantive connection regarding the challenged patent itself
- Shared accused products or licensing arrangements carry weight
- Mere procedural coordination through MDL proceedings is insufficient
- Bright-line rule prioritizing factor one over other *General Plastic* factors
- Creates stronger presumption favoring challenges from separate entities
- Administrative Shift Considerations: New leadership may broaden what qualifies as a patent-specific relationship, making petition denials easier

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Implications for Practitioners

- Under Director Vidal's Rulings:
 - Different companies can more easily file their own IPR challenges
 - MDL defendants have greater freedom to file separate petitions
 - Multiple, independent challenges to the same patent are harder to block
 - September 2024 final rule codified director review procedures
- Under New Leadership: USPTO priorities may shift toward streamlined proceedings and simpler standards for denying follow-on petitions

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Conclusions and Outlook

- Recent director review decisions established specific standards for “significant relationship” analysis
- Director Vidal’s approach requires:
 - Detailed case-by-case analysis of petitioner relationships
 - Substantive patent-specific connections
 - Higher bar for finding relationships that justify denial
- Future Policy Considerations:
 - Potential shift toward different interpretation of “significant relationship”
 - Possible changes in discretionary denial practices
 - IPR invalidation rates may fluctuate under new leadership

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Inherency Without Expectation: The Federal Circuit Refines Obviousness Analysis

Lawrence Kass, Counsel at Steptoe LLP

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Background on *Cytiva v. JSR*

- Federal Circuit addressed challenges to patents on chromatography matrices for antibody purification
- Case originated from PTAB proceedings and district court stay
- Core dispute: whether modifying a specific protein section would have been obvious
- Key issue: how to analyze inherent properties in obviousness determinations

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The Court's Key Holdings

- Rejected requiring special justification when choosing among multiple starting points
- No need for formal “lead compound” analysis when prior art suggests several options
- Found rigid frameworks unnecessary when prior art identifies multiple viable paths
- Aligned with *KSR*'s shift away from formalistic tests toward flexible analysis

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Inherency and Reasonable Expectation

- Eliminated requirement for separate “reasonable expectation of success” for inherent properties
- Rejected different standards for process and composition claims
- Court explained: Inherent properties can make an invention non-obvious only when prior knowledge of that property would be needed to motivate making the invention, but was absent in the prior art
- Simply discovering new properties of an otherwise obvious invention insufficient for patentability

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Comparison with Other Federal Circuit Rulings

- *Cytiva* highlights two scenarios for inherent properties:
 - Non-obvious: When knowledge of the inherent property required to provide motivation to combine but was absent in the prior art (as in *Honeywell*)
 - Obvious: When motivation to combine exists independent of an inherent property that is merely claimed (*Cytiva*)
- *Honeywell*: Combination was non-obvious because knowing the combination would be stable was necessary to motivate combining the individually unstable components, but that knowledge was missing from the prior art
- *Purdue Pharma*: Patents on controlling OxyContin manufacturing impurities were obvious even though Purdue first identified the impurity, because standard testing methods would have revealed it

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Practical Implications for Patent Practice

- Federal Circuit continuing to follow *KSR* in favoring flexible over rigid frameworks
- Streamlined path to invalidity when properties are inherent but not essential to motivation
- Patent holders may need to show either:
 - The property is not truly inherent, or
 - Knowledge of the property provided the necessary motivation
- Particularly significant for IPR proceedings with limited evidence
 - Recent IPR petition argues *Cytiva* relieves petitioners from proving reasonable expectation of success for inherent properties

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Incorporation by Reference and Word Count

Jihong Lou

Incorporation by Reference and Word Count

- *Promptu Sys. Corp. v. Comcast Cable Commc'ns, LLC*, 92 F.4th 1384 (Fed. Cir. 2024)

Parties “may not incorporate by reference arguments into one brief from another unless in compliance with Fed. R. App. P. 28, and in no event is such incorporation permitted if it would result in exceeding the applicable word count . . . violating these provisions in the future will likely result in sanctions.”

* Fed. Cir. R. 32(b): no more than 14,000 words for principal briefs and no more than 7,000 words for reply briefs

Claim Construction

Would that which we call a claim term, by any other name, still smell as nonobvious?

Patrick Maloney

ParkerVision v. Vidal

When has an inventor acted as a lexicographer?

Defining Patent Terms



“**A patentee may act as its own lexicographer** and assign to a term a unique definition that is different from its ordinary and customary meaning; **however, a patentee must clearly express that intent** in the written description.”

Helmsderfer v. Bobrick Washroom Equip., 527 F.3d 1379, 1381 (Fed. Cir. 2008)

ParkerVision - The IPR

Critical Paragraph

- Parties disputed meaning of “storage element.”
- Board found last sentence of the “critical paragraph” lexicographic.
- “Storage module” is “an element of a system that stores non-negligible amounts of energy from an input EM signal.”

55 FIG. 82A illustrates an exemplary energy transfer system 8202 for down-converting an input EM signal 8204. The energy transfer system 8202 includes a switching module 8206 and a storage module illustrated as a storage capacitance 8208. The terms storage module and storage
60 capacitance, as used herein, are distinguishable from the terms holding module and holding capacitance, respectively. Holding modules and holding capacitances, as used above, identify systems that store negligible amounts of energy from an under-sampled input EM signal with the intent of
65 “holding” a voltage value. Storage modules and storage capacitances, on the other hand, refer to systems that store non-negligible amounts of energy from an input EM signal.

ParkerVision - The Appeal

Critical Paragraph

- Federal Circuit agreed with Board
- “**as used herein**” indicates the following sentences apply to patent as a whole, not single embodiment
- “**refer to**” linked “storage module” to “systems that store non-negligible amounts of energy from an input EM signal”

55 FIG. 82A illustrates an exemplary energy transfer system 8202 for down-converting an input EM signal 8204. The energy transfer system 8202 includes a switching module 8206 and a storage module illustrated as a storage capacitance 8208. The terms storage module and storage
60 capacitance, **as used herein**, are distinguishable from the terms holding module and holding capacitance, respectively. Holding modules and holding capacitances, as used above, identify systems that store negligible amounts of energy from an under-sampled input EM signal with the intent of
65 “holding” a voltage value. **Storage modules and storage capacitances, on the other hand, refer to systems that store non-negligible amounts of energy from an input EM signal.**

ParkerVision - Takeaways



- “The patentee’s use of the phrases ‘**as used herein**’ and ‘**refer to**’ conveys an intent for [the] sentence [] to be definitional.”
- A sentence “being comparative does not exclude the possibility that it also is definitional.”

Google v. EcoFactor

When has the Board engaged in claim construction?

The Five Inputs Limitation

**United States Patent
Steinberg et al. US 8,498,753 B2
SYSTEM, METHOD AND APPARATUS FOR
JUST-IN-TIME CONDITIONING USING A
THERMOSTAT**

What is claimed is:

1. A method for reducing the cycling time of a climate control system, said method comprising:
 - accessing stored data comprising a plurality of historic internal temperature readings taken within a structure and a plurality of measurements relating to a plurality of historic external temperatures outside said structure during at least one selected time period;
 - determining one or more thermal performance values of said structure by correlating at least one of the plurality of historic internal temperatures with at least one of the plurality of historic external temperatures that both occur at a first time during the at least one selected time period, and by correlating at least one of the plurality of historic internal temperatures with at least one of the plurality of historic external temperatures that both occur at a second time during the at least one selected time period, wherein said one or more thermal performance values indicate a rate of change of temperature in said structure in response to changes in outside temperatures;
 - storing said one or more thermal performance values of said structure;
 - retrieving a target time at which said structure is desired to reach a target temperature;
 - acquiring at least a first internal temperature inside said structure at a third time prior to said target time;
 - acquiring at least a first external temperature relating to a temperature outside said structure at the third time prior to said target time;
 - obtaining at least one forecasted temperature forecasted to occur outside the structure at the target time;
 - retrieving at least said one or more thermal performance values of said structure that indicate said rate of change of temperature in said structure in response to changes in outside temperatures;
 - retrieving at least one performance characteristic of said climate control system;
 - determining a first time prior to said target time at which said climate control system should turn on to reach the target temperature by the target time based at least in part on said one or more thermal performance values of said structure, said performance characteristic of said climate control system, said first internal temperature, said first external temperature, and the forecasted temperature;
 - calculating a plurality of intermediate setpoints and a plurality of setpoint target times that occur between the first time and the target time based at least in part on said one or more thermal performance values of said structure, said performance characteristic of said climate control system, said first internal temperature, said first external temperature, and the forecasted temperature, wherein the plurality of intermediate setpoints direct a thermostatic controller to change the actual temperature inside the structure to the target temperature in a series of intermediate steps;
 - transmitting the plurality of intermediate setpoints to the thermostatic controller; and
 - setting the thermostatic controller with the plurality of intermediate setpoints to control said climate control system.

determining a first time prior to said target time at which said climate control system should turn on to reach the target temperature by the target time based at least in part on [i] said one or more thermal performance values of said structure, [ii] said performance characteristic of said climate control system, [iii] said first internal temperature, [iv] said first external temperature, and the [v] forecasted temperature;

EcoFactor - The IPR

- Google's petition was based on prior art teaching use of **thermal performance values (input [i])** calculated from **internal temperature values (input [iii])**
- EcoFactor argued that the five claimed inputs were each “distinct and could not be intertwined as Google argued or else it would render certain claim limitations meaningless.”
- Board sided with EcoFactor – Google did not prove unpatentability
 - No claim construction needed
 - Each of the five inputs were separate and distinct and required different input data

EcoFactor - The Appeal

Google

Board's implicit claim construction was wrong

DE NOVO REVIEW NEEDED

EcoFactor

Board made no claim construction

SUBSTANTIAL EVIDENCE SUPPORTS FINDINGS



Finding: Board engaged in claim construction

- Board's statement of no claim construction "not dispositive"
- Timing of claim analysis (in tandem with prior art analysis) "not dispositive"
- Outcome of analysis "established scope" of the limitation
- Board cited claim construction cases

EcoFactor - Takeaways



- “To determine whether a court, or the Board, has construed a claim, it is helpful to look to the outcome of the tribunal’s analysis. **If the outcome of the analysis of the claim term establishes the scope (e.g., boundaries) and meaning of *the patented subject matter*, the court (or the Board) has mostly likely construed the claim.**”

AIA and the APA

How does administrative law apply to claim construction?

APA – Procedural Rights



The Administrative Procedure Act “requires that the parties to IPRs receive notice of arguments and evidence and have an opportunity to be heard with respect to them.”

Corephotonics v. Apple, 84 F.4th 990, 1001 (Fed. Cir. 2023)

Was there an APA violation when ...

- ParkerVision***
- the Board relied on arguments first raised in petitioner Intel's post-institution reply?
 - ✓ No, after ParkerVision raised a new claim construction in the POR, the Board "was required to permit Intel to respond to the new claim construction."
- EcoFactor***
- the Board adopted a construction of a disputed term that neither party proposed?
 - ✓ No, while neither party proposed a construction, the meaning and scope of the limitation was disputed throughout the IPR – adequate notice given.
- Assa Abloy***
- the Board adopted a construction of a disputed term that neither party proposed?
 - ✗ Yes, Director Vidal vacated FWD because the Board's construction added a requirement relating to "secure access to a controlled item" that was not part of parties' previous constructions.

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