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*Party Crashers: the role of latent §101 and §112  
issues arising in post-grant matters*

PTAB Bar Association Conference

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Judge Michael Kim, Lead Administrative Patent Judge

David O'Brien, Haynes and Boone

Moderated by Monica Grewal, WilmerHale

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## *Discussion Topics*

- Challenging priority under §112
- Institution stage §112 issues
- Conditional Motions to Amend (challenging motions to amend on §101 and §112 grounds)
- PGR as a vehicle for §101 and §112 challenges: (statistics, trends, scope of PGR)

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# *Challenging patent priority under §112*

- **35 U.S.C. § 119, 120**
  - Entitlement to the benefit of an earlier date under §§ 119, 120, 121, and 365, is premised on disclosure of the claimed invention “in the manner provided by § 112(a) (other than the requirement to disclose the best mode)” in the application for which the benefit of the earlier filing date is sought.

- 3 scenarios where §112 priority becomes important:
  - Establishing priority date for patent claims
  - Establishing eligibility of prior art reference
  - Antedating

## Establishing priority date for patent claims

- Challenging priority entitlement based on §112 to make more prior art available.
  - Priority date can be challenged, to make more art available for §§102/103 arguments in IPR
- Using §112 to challenge the priority of claims in a transitional application that would then make all claims eligible for PGR
  - See *Schul Int'l Co., LLC v. Emseal Joint Systems, LTD.*, PGR2017-00053, Paper 10 (April 9, 2018) (instituting PGR for transitional application due to later added claim lacking of written description support in parent applications)
- Particularly valuable if you want to open up claims to a §101 challenge (not bound by CBM requirements of relating to a “financial product or service”)

## Establishing priority date for patent claims

- *See Mylan Pharms. Inc. v. Yeda Research & Development Co. Ltd.*, PGR2016-00010 (P.T.A.B. Aug. 16, 2016) (finding claims ineligible for PGR review, as the claims found written description support from a pre-AIA parent application, and the examiner noted during prosecution that the claims were supported by the pre-AIA priority documents)
- *See Westinghouse Air Brake Techs. Corp. v. Siemens Mobility, Inc.*, IPR2017-00580, Paper 72, Page 49 (Jan. 10, 2019) (holding that “although the exact terms are not found in the [provisional patent] it did convey “with reasonable clarity to those skilled in the art at the time of the filing date” that the applicant possessed the claim limitation)

## Establishing eligibility of prior art reference

- Relating back to provisional application
  - *Dynamic Drinkware v. National Graphics*, 800 F.3d 1375 (Fed. Cir. 2015) (explaining that the “burden of persuasion is on the petitioner” to prove unpatentability, but “the burden of production” is a “shifting burden”)
  - Burden on petitioner, once challenged, to show:
    - (1) at least one claim of reference is supported by its provisional ; and
    - (2) the portions of the provisional relied on in the Petition are included in the provisional



## Establishing eligibility of prior art reference

- *See Haag-Streit Ag v. Eidolon Optical, LLC*, IPR2018-01309, Paper 14 (Jan. 11, 2019) (rejecting Petitioner argument for reference's priority to provisional application, in part, because Petitioner's explanation lacked specificity in mapping structural limitations of the claim.)

## Antedating

- Requirements for Demonstrating Prior Invention
  - Reduction to practice OR
  - Conception of the invention and reasonable continuous diligence in reducing to practice
- Highly fact-specific inquiry
  - Patent Owner mapping element-by-element to a document?
  - Relying on expert testimony?
  - Providing inventor work product as exhibits?
  - Board can see through “hand-waving”?

## Antedating

- Sufficient evidence:
  - *Pfizer, Inc. et al. v. Genentech, Inc.*, IPR2017-01488, Paper 87 (Nov. 29, 2018) (finding sufficient support to antedate reference based upon two inventor declarations and “contemporaneous notebooks”)
- *Insufficient evidence*:
  - *Aptor Miitors APS v. Kamstrup A/S*, 887 F.3d 1293 (Fed. Cir. 2018) (finding insufficient support solely from inventor’s testimony that emails contained attachments corroborating prior conception)

# Challenging priority using §112

## Antedating

- Insufficient evidence (cont.):
  - *Cisco Sys., Inc. v. Egenera, Inc.*, No. IPR2017-01340, Paper 33 (Oct. 29, 2018) (finding insufficient diligence because Patent Owner did “not set forth a specific date of the inventor’s constructive reduction to practice,” relying only on filing dates of provisional application and accompanying non-provisional application.)
  - *Panduit Corp. v. Corning Optical Comms, Inc.*, IPR2017-01074, Paper 40 (Oct. 1, 2018) (finding insufficient evidence to support prior connection because expert testimony was “based on ‘reviewing ... documents’” such that expert’s testimony “amount[ed] to ‘a *post hoc* (and incomplete) corroboration of various disjointed documents’”)
  - *Activision Blizzard, Inc. v. Game & Tech. Co., Ltd.*, No. IPR2016-01885, Paper 35 (Mar. 14, 2018) (finding insufficient evidence of diligence in supplemental declaration by Patent Owner president as it “amount[ed] to little more than an identification of various documents and, therefore, is not probative of conception and diligence”)

# Challenging priority using §112

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## Discussion

- Where will §112 be most useful to petitioners in the three scenarios provided?
- Where will §112 prove least helpful?
- At what point in the process should parties raise these issues? (Petition, POR, regarding motions to amend, etc.)
- In the case where a single patent has claims with different priority dates, how should parties handle their arguments? (separate petitions, separate grounds, etc.)
- Should arguing patent priority only be used as a last resort when finding references is difficult?

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*Institution Considerations  
Regarding §112 Issues*

# Institution Considerations

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- Claim construction (means plus function) as motivated by institution decisions from the PTAB
- Board has said that arguing §112 grounds in a PGR petition, and then arguing §§102/103 grounds do not undercut one another:
  - See *B.R.A.H.A.M.S. GMBH v. Becton, Dickinson and Co.*, PGR2016-00018, Paper 8, Page 13 (Nov. 2, 2016) (“we view Petitioner’s anticipation contention based on the ’133 patent (Ground 3) as a separate argument, rather than a binding ‘admission’ of the sufficiency of written description support for [the claim].”)

## Discussion

- How do means-plus-function issues under §112(f) affect institution decisions?
- How do you address potential §112 issues in your petition?
- How does the Board's recent guidance on 112 affect the decision making process?
- What's the interplay between §112 issues and SAS at institution?
  - PTAB's discretionary denial
  - *See Deeper, UAB v. Vexilar, Inc.*, IPR2018-01310, Paper 7 (denying institution, despite admitted merit to certain grounds, because of the effect on “the ability of the Office to timely complete proceedings” and “to secure the just, speedy, and inexpensive resolution of every proceeding.”)



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# *Conditional Motions to Amend*

## Motions to Amend Statutory Basis

- ***37 C.F.R. § 42.121***
  - Patent Owner must demonstrate (1) the amendment responds to a ground of unpatentability involved in the trial; (2) the amendment does not seek to enlarge the scope of the claims of the patent or introduce new subject matter; (3) the amendment proposes a reasonable number of substitute claims; and (4) the proposed claims are supported in the original disclosure.
- ***Aqua Products***
  - Board will not place the burden of persuasion on PO with respect to the patentability of substitute claims presented in a motion to amend

## Guidance on Motions to Amend *After Aqua Products*

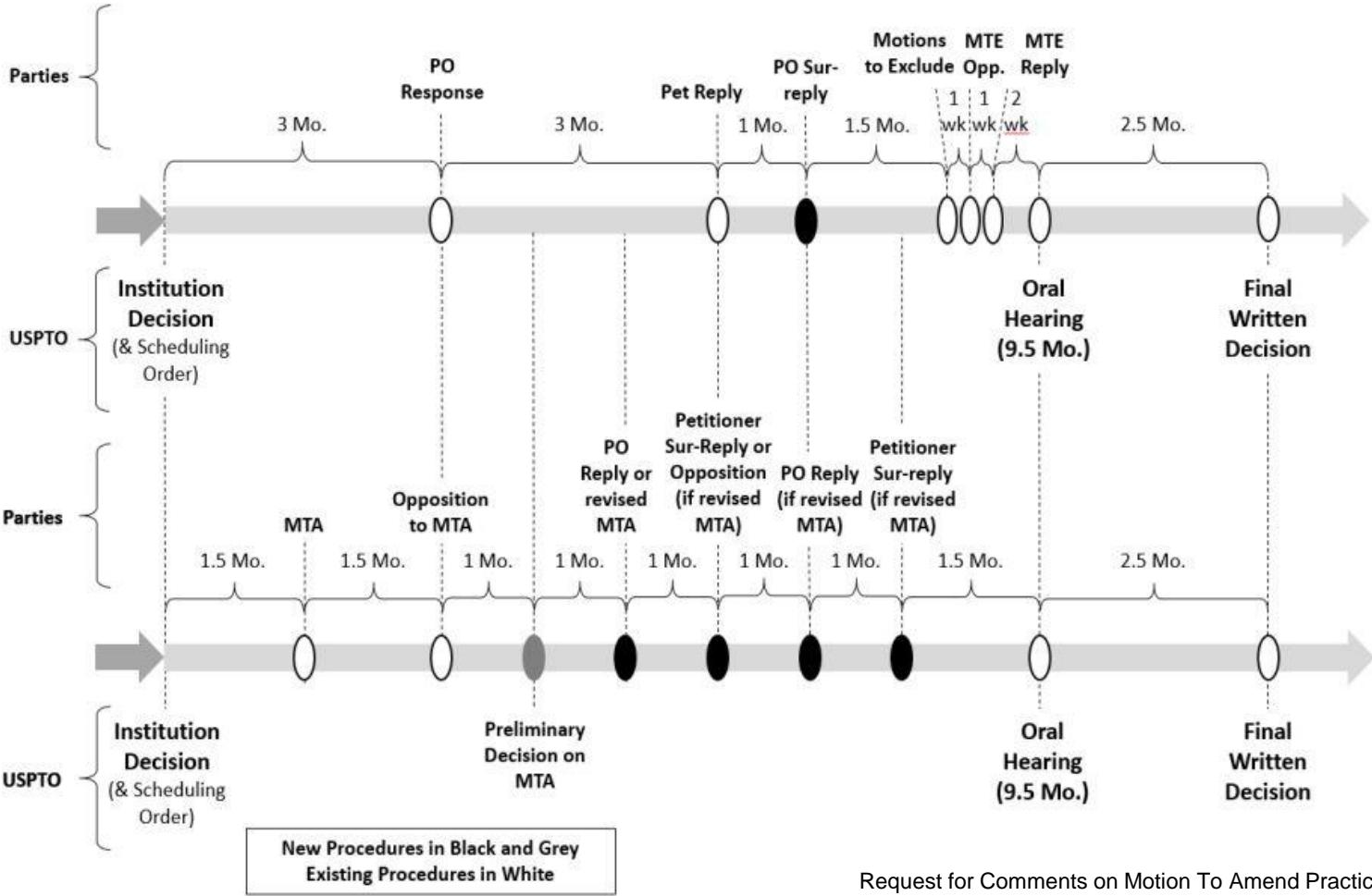
- *Lectrosonics, Inc. v. Zaxcom, Inc.*
  - IPR2018-01129, IPR2018-01130, Paper 15 (Feb. 25, 2019)  
(Order “Information and Guidance on Motions to Amend”)
- Patent Owner does not bear the burden of persuasion
- Rebuttable presumption that a “reasonable number of substitute claims” per challenged claim is one substitute claim.
- Proposed claim must respond to a ground of unpatentability involved at trial, and additional claim amendments to address potential §101 or §112 issues are not precluded
- Scope of the claims
  - No enlargement; No new matter

## Guidance on Motions to Amend *After Aqua Products*

- *Lectrosonics, Inc. v. Zaxcom, Inc.*
  - IPR2018-01129, IPR2018-01130, Paper 15 (Feb. 25, 2019)  
(Order “Information and Guidance on Motions to Amend”)
- Any claim with changed scope should be included as a proposed substitute claim with a new claim number.
- Duty of Candor:
  - Patent Owner should consider each added limitation
  - Petitioner must also provide any relevant information “that is inconsistent with a position advanced” during the proceeding.

# Motions to Amend

## Proposed New Motion to Amend Process Timeline and AIA Trial Timeline



Request for Comments on Motion To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board, 83 Fed. Reg. 54,326 (Oct. 29, 2018)

## Prevalence of §§ 101 & 112

- Motions to amend can be challenged on any ground of patentability, even if those grounds are not statutorily available as a ground in the proceeding (i.e. not limited to 102/103 in IPRs)
- Challenges under §112:
  - Incorporations by reference may not be enabling
    - *See Nautilus, Inc. v. Icon Health & Fitness Inc.*, IPR2017-01408 (finding incorporation by reference was sufficient as enabling because later filing referred “more specifically to one example” from the parent application)
  - Written description/enabling disclosures
  - Indefiniteness grounds

## Prevalence of §§ 101 & 112

- Challenges under §101:
  - Patent eligibility under *Alice* framework.
  - Impact of new USPTO guidance on §101?
- Determinations in co-pending litigation can have an impact on the amendments
  - *See Ariosa Diagnostics v. Isis Innovation*, IPR2012-00022, Paper 166 (Sept. 2, 2014) (“Moreover, in a case such as this, where the claims have been determined to be invalid [under § 101] by a district court, we decline to enter an amendment to claims where the patent owner did not explain how the proposed amendments addressed the district court’s concerns regarding the validity of the claims.”)

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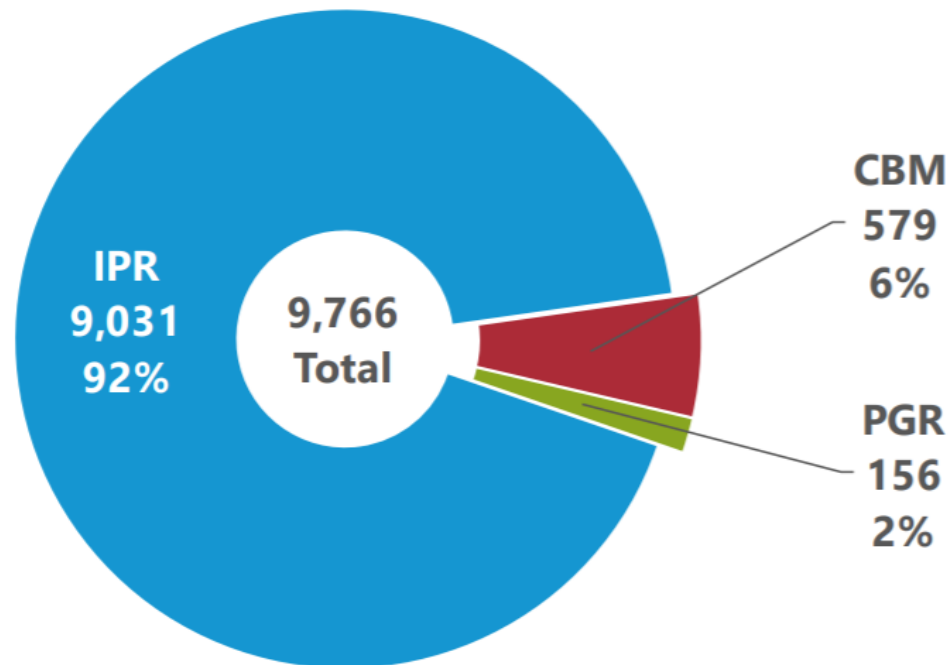
*PGR as a vehicle for §101 and §112  
challenges: (statistics, trends, scope of PGR)*



- First PGR filed: August 5, 2014
  - *Larose Industries, LLC et al. v. Choon's Design, Inc.*, PGR2014-00008
- Since Jan. 1, 2019: 7 have been filed.
- 155 total filed petitions, dating back to August 5, 2014
  - 106 have received institution decisions
  - 26 instituted on all grounds
  - 34 instituted on fewer than all grounds
  - 59 denied

- 28 raised §112 as a ground in the petition
  - 22 denied entirely
  - 5 denied in part, granted in part
    - 2 granted in part based on §112(a) written description grounds (PGR2016-00002; PGR2016-00018)
    - 1 granted in part based on §112(b) indefiniteness grounds (PGR2015-00018)
    - 1 granted in part based on §112(a) enablement grounds (PGR2016-00012)
    - 1 granted only on §§102/103 grounds, denied on §112 grounds
  - No PGR institution decisions post-SAS

## Petitions by Trial Type (All Time: Sept. 16, 2012 to Jan. 31, 2019)

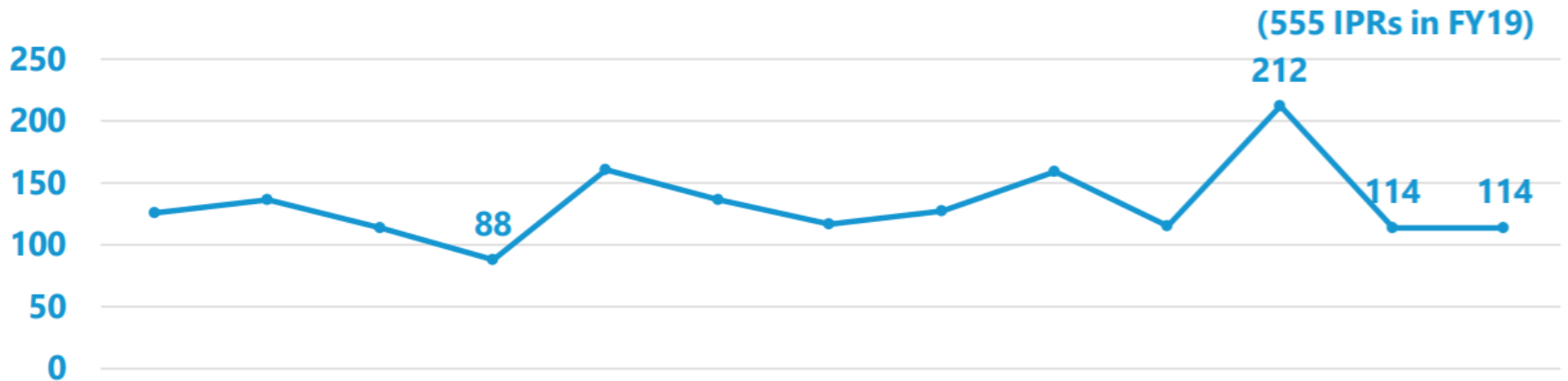


Trial types include Inter Partes Review (IPR), Post Grant Review (PGR), and Covered Business Method (CBM).

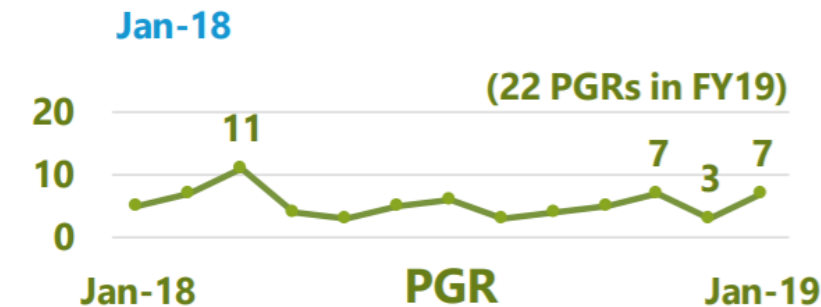


## Petitions Filed by Month

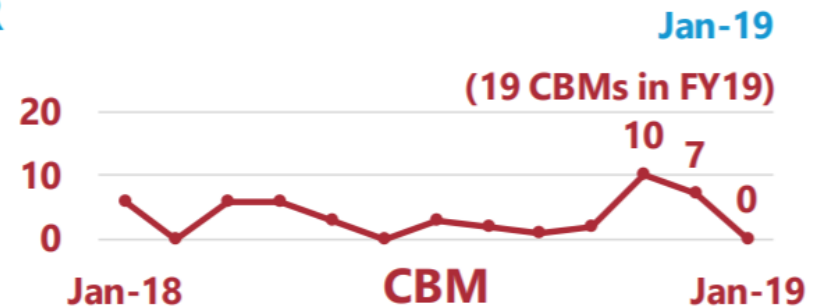
(Jan. 2019 and Previous 12 Months: Jan. 1, 2018 to Jan. 31, 2019)



IPR



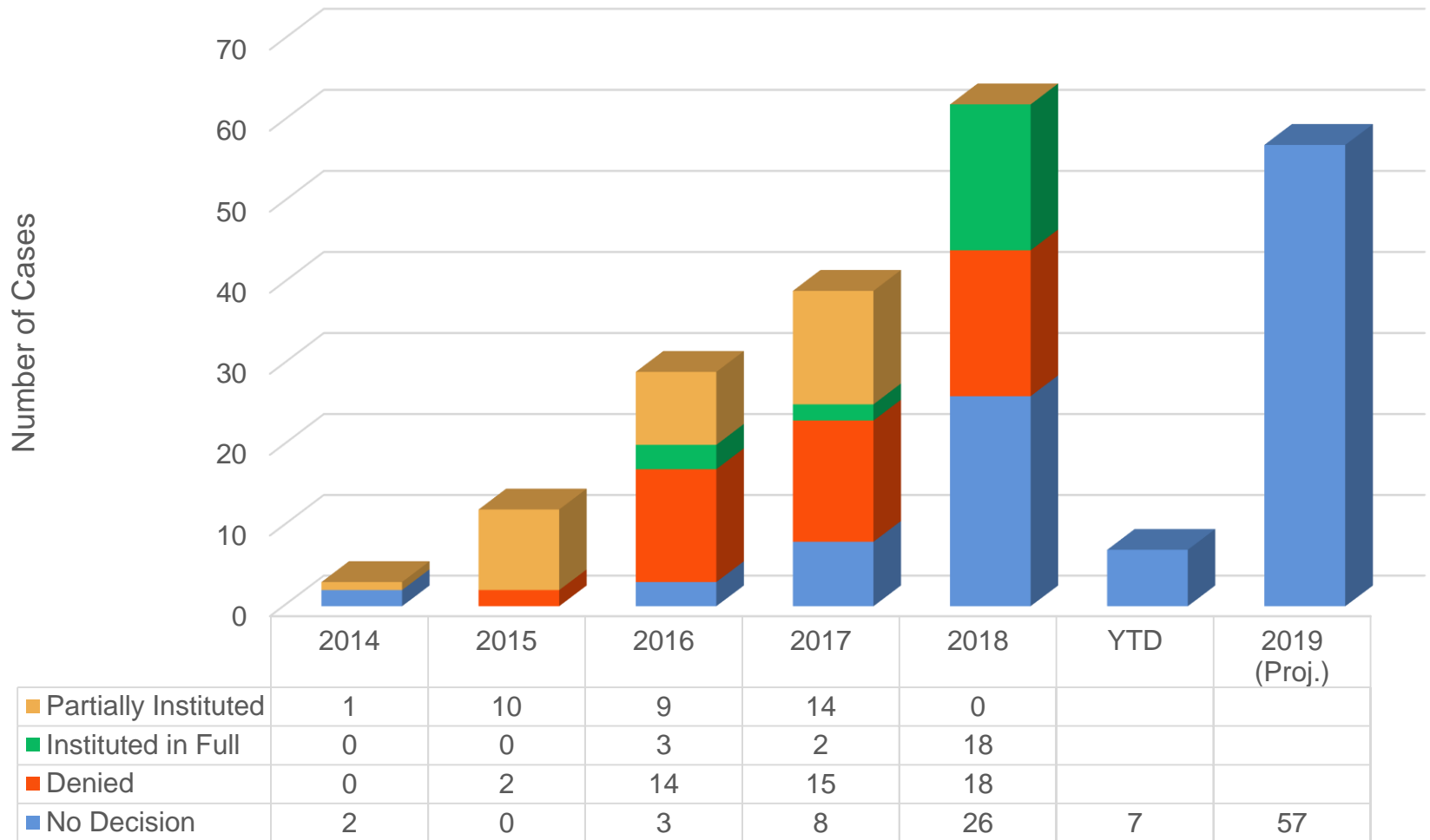
PGR



CBM



## Historic PGR Activity at PTAB



## Discussion

- How do you see PGR petitions becoming more prevalent in post-grant practice?
  - What grounds may become more important (§§101/112)
  - Is it a good thing to make §§101/112 grounds the “main event” of a post-grant challenge?
    - Considering the Board’s apparent reluctance to institute on §112 grounds and the lack of clarity around §101.
- What considerations go into filing a PGR?
- What kinds of support for argument?
  - *See Supercell OY v. Gree, Inc.*, PGR2018-00039, Paper 10 (instituting on §101 and §112 grounds despite Petitioner not including an expert declaration)