

Navigating Section 112 Issues in IPR Proceedings: Using Section 112 as a Sword or a Shield

Addressing Section 112 Issues in IPR Petitions, Establishing Priority
or Earlier Critical Date of Asserted Reference, and More

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Applicability of § 112 in IPR Proceedings

- § 112 challenges cannot be presented in an IPR.
 - 35 U.S.C. § 311(b): “A petitioner in an *inter partes* review may request to cancel as unpatentable 1 or more claims of a patent *only on a ground that could be raised under section 102 or section 103* and only on the basis of prior art consisting of patents or printed publications.”
 - IPR2016-00436, Paper 12. The Board denied institution for a § 112 challenge. “A petitioner in an *inter partes* review...is not permitted to assert a ground of unpatentability under 35 U.S.C. § 112.”
- However, § 112 issues arise in a number of circumstances in IPR proceedings:
 - Claim construction
 - Antedating references (i.e., establishing an earlier date of invention claimed in the challenged patent)
 - Establishing an earlier critical date for an asserted reference
 - Motions to amend

Common § 112 Issues in IPRs

- § 112(a)/¶1 (pre-AIA) Requirements
 - The specification shall contain a written description of the invention.
 - The specification shall contain an enabling disclosure of the invention (i.e., the manner and process of making and using the invention).
- § 112(b)/¶2 (pre-AIA) Requirements
 - Claims must particularly point out and distinctly claim the invention.
- § 112(f)/¶6 (pre-AIA) Requirements
 - An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

Claim Construction

- Petitioners must explain how a challenged claim is to be construed. 37 C.F.R. § 42.104(c).
- Institution can be denied if the claims are indefinite, because the differences between the claims and the prior art cannot be ascertained.
 - IPR2015-01830, Paper 11. Institution denied because the construction of a claim term could not be reasonably determined. “If the scope of the claims cannot be determined without speculation, the differences between the claimed invention and the prior art cannot be ascertained.”
 - IPR2016-00324, Paper 11. “Without ascertaining the proper claim scope, we cannot conduct a necessary factual inquiry for determining obviousness—ascertaining differences between the claimed subject matter and the prior art.”
 - IPR2016-01787, Paper 15. Institution denied because the scope of claim terms could not be determined without “considerable speculation...and assumptions,” which would “lead to an obviousness determination based on such speculation and assumptions.”

Special Requirement for Means-Plus-Function Claims

- For MPF claims, the petitioner must provide a construction identifying “the specific portions of the specification that describe the structure, material, or acts corresponding to each claimed function.” 37 C.F.R. § 42.104(c).
- The Board has denied institution or terminated review for claims when the specification does not disclose supporting structure or a specific algorithm for performing the recited function.
 - IPR2013-00036, Paper 65 (proceeding *sua sponte* terminated after Board determined that the specification did not provide support for MFP terms).
 - IPR2014-00566, Paper 14 (institution denied because specification did not disclose algorithm for MFP features, rendering the claim indefinite).
 - IPR2014-01378, Paper 6 (institution denied because specification did not disclose structure for MFP features, making the claims not amenable to construction).
 - IPR2015-01048, Paper 6 (institution denied because specification did not disclose structure for MFP features, making the claims not amenable to construction).

Special Requirement for MPF Claims (Cont'd)

- The Board construes MFP claims by “(1) identifying the claimed function and (2) identifying in the specification the corresponding structure that performs the claimed function.” IPR2016-00989, Paper 8.
 - In the second step, the PTAB will interpret structure as corresponding to a claimed function “only if the specification or prosecution history clearly links or associates that structure to the function recited in the claim.” *Id.*
- Arguing that the specification does not disclose supporting structure or algorithm for MPF claim likely will result in non-institution, rather than an advisory opinion of indefiniteness.
 - IPR2016-01456, Paper 9 (“Petitioner’s assertion that the claim terms are indefinite does not excuse Petitioner’s failure to provide the required claim construction.”).

Claim Construction After *Williamson v. Citrix Online LLC*

- In *Williamson*, the Federal Circuit held that a claim term not reciting “means” can be a MPF claim if the term (i) fails to recite sufficiently definite structure, or (ii) recites function without reciting sufficient structure for performing that function. 729 F.3d 1339, 1349 (2015).
- Under *Williamson*, the Board has *sua sponte* raised § 112 ¶6/(f) issues when neither the petitioner nor patent owner made such an assertion.
 - IPR2016-01372, Paper 11. The Board interpreted the term “drive module” as a MPF claim term because “module” is a well-known nonce word, and the specification did not disclose the corresponding structure. Institution was denied for claims reciting the term “drive module.”
- Similarly, in IPR2014-01770, Paper 9, the Board denied institution for claims reciting the term “logic for” because the specification did not disclose the corresponding structure or algorithm, and neither party identified the corresponding structure or algorithm.

Different Standards for Indefiniteness

- Due to presumption of validity, district courts use the *Nautilus* standard set forth by the Supreme Court:
 - A claim is indefinite if it fails to “inform those skilled in the art about the scope of the invention with reasonable certainty.” *Nautilus, Inc. v Biosig Instruments, Inc.*, 134 S. Ct. 2120, 2129 (2014).
- In IPRs involving unexpired patents, the PTAB uses the *Packard* standard set forth by the Federal Circuit:
 - “[A] claim is indefinite when it contains words or phrases whose meaning is unclear.” *In re Packard*, 751 F.3d 1307, 1322 (2014).
 - The PTAB uses the *Packard* standard because the claims are interpreted according to their broadest reasonable construction, and patent owners have an opportunity to amend.
- The PTAB is “not generally bound by a prior judicial construction.” *Power Integrations v. Lee*, 797 F.3d 1318, 1326 (Fed. Cir. 2015).
 - The PTAB has adopted the constructions of district courts or ITC.

PTAB Indefiniteness Rulings May Not Apply Elsewhere

- Petitioners may wish to argue that a claim term is indefinite to use the PTAB's reasoning in parallel district court litigation. However, that tactic has backfired:
 - IPR2015-00595, Paper 24 (Board disagreed with petitioner's argument that claim terms are indefinite, and held that the claim terms are definite).
- Some district courts have refused to follow the PTAB's determinations of indefiniteness.
 - IPR2015-01048, Paper 6 (Board determined that “means for pivoting” limitation was indefinite, and denied institution).
 - In the parallel district court litigation, the court “simply disagree[d]” that the “means for pivoting” term was indefinite. While noting that the PTAB's decisions can carry persuasive weight, the court indicated that “because its authorizing statute limits inter partes review to patentability determinations, the PTAB expressly disclaimed any indefiniteness analysis.” 2016 WL 5092462 at *6, *8 (N.D. Ga. Sept. 20, 2016).

PTAB Indefiniteness Rulings May Not Apply Elsewhere (Cont'd)

- Some district courts have refused to follow the PTAB's determinations of indefiniteness.
 - IPR2015-01801, Paper 10. The Board agreed with petitioner that a MFP claim relating to data transmission between two data storage means was indefinite because the corresponding structure was not disclosed. In denying institution, the Board disagreed with the patent owner's construction that a "network of computers" provided the structure for the MFP claim.
 - The district court did not give any weight to the PTAB's indefiniteness ruling, and agreed with the patent owner's "network of computers" construction. *Via Vadis, LLC v. Amazon.com, Inc.*, No. 14-cv-0813 (W.D. Tex. Sept. 20, 2016).
- Some district courts have followed the PTAB's determinations of indefiniteness.
 - IPR2015-00848, Paper 9. The Board denied institution for a claim because the phrase "substantially different construction" was indefinite.
 - While noting that the PTAB's indefiniteness finding was not binding, the district court agreed with the PTAB, and indicated that the PTAB's decision should be "given great weight." *Cayenne Medical, Inc. v. Medshape, Inc.*, 14-cv-0451, Dkt. No. 138 (D. Ariz. May 6, 2016).

Factors to Consider in Raising Indefiniteness Before the PTAB

- Will the claim construction position before the PTAB contradict claim construction positions in district court?
 - Can complying with the PTAB's rules to provide a construction for a MFP claim (identify corresponding structure or algorithm) contradict a claim construction position before the district court?
- Will institution for an arguably indefinite claim be used in the district court to support an interpretation that the claims are definite?
- Which argument is stronger: indefiniteness of the claim, or unpatentability of the claim?
- Is non-institution worth the risk?
 - Since § 112 challenges cannot be presented in an IPR, can the petitioner construct an unpatentability challenge that does not affect a later invalidity challenge in district court?
 - Due to the one-year time bar of § 315(b), IPR petitions likely will have to be filed before claim construction briefing in most district courts.

Antedating References

- Patent Owner attempts to remove a reference by demonstrating a date of invention that is earlier than the critical date of the reference.
- Two ways to antedate a reference; both involve a § 112-type analysis:
 - Swearing behind a reference. Pre-AIA 35 U.S.C. § 102(g) (i.e., demonstrating earlier conception, diligence, reduction to practice). Conception requires showing that “inventor disclosed to others his completed thought expressed in such clear terms as to enable those skilled in the art to make the invention.” *Coleman v. Dines*, 754 F.2d 353, 359 (Fed. Cir. 1985). RTP requires showing that (1) the inventor constructed an embodiment or performed a process that met all of the claim limitations; and (2) the invention would work for its intended purpose. *Cooper v. Goldfarb*, 154 F.3d 1321, 1327 (Fed. Cir. 1998).
 - Claiming the benefit of priority of an earlier application. 35 U.S.C. §§ 119, 120. Earlier application must describe the claimed invention in sufficient detail to demonstrate possession of the claimed invention. *In re Wertheim*, 541 F.2d 257, 261-62 (CCPA 1976); *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991).

Antedating References: Swearing Behind

- *Dynamic Drinkware*: Shifting Burden of Production
 - Burden of persuasion always remains with the petitioner. 35 U.S.C. § 316(e); *Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375, 1378, 1380 (Fed. Cir. 2015).
 - However, burden of production may shift between the parties depending on the circumstances.
 - The petitioner bears the initial burden of demonstrating that a reference constitutes prior art with respect to the claimed invention.
 - If petitioner meets its burden, burden of production then shifts to the patent owner to show earlier invention.
 - How does this play out at the PTAB?

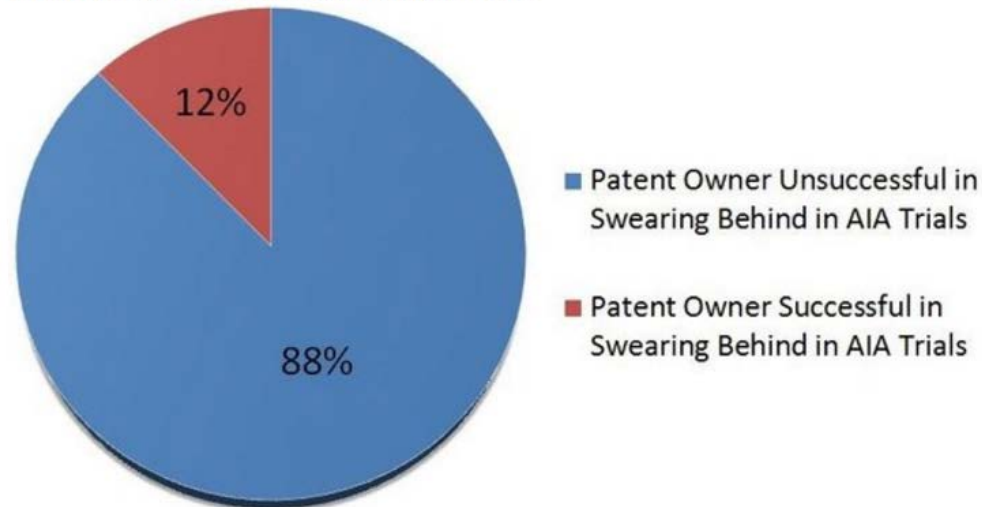
Antedating References: Swearing Behind (cont'd)

- IPR2016-00258, Paper 89
 - “Petitioner bears the burden of...establishing that any reference upon which it relies constitutes prior art.” **Burden → Petitioner**
 - “because Petitioner offered Jin into evidence, which qualifies on its face as prior art under §102(e), Patent Owner bears the burden of producing evidence supporting a date of invention prior to the critical date of Jin.” **Burden → Patent Owner**
 - “Patent Owner elected to antedate, and thereby remove, Jin as prior art by showing that the inventor actually reduced the claimed invention to practice prior to Jin’s 102(e) priority date(s). As a result, the burden of production returned to Petitioner to demonstrate that the invention set forth in the challenged claims was not actually reduced to practice as of the date alleged.”
Burden → Petitioner

Antedating References: Swearing Behind (cont'd)

- Generally, Patent Owners have had difficulty swearing behind at the PTAB.
 - Of 41 total attempts, only 5 have been successful.

Outcomes of Swearing Behind in AIA Trials



- What went wrong for Patent Owners?

Data obtained from Docket Navigator (April 17, 2017).

Antedating References: Swearing Behind (cont'd)

- Examples of Deficiencies in Patent Owner Arguments and Evidence
 - Not accounting for every claim limitation
 - Insufficient corroboration (e.g., for conception or reduction to practice)
 - Insufficient evidence concerning diligence
 - Relying on § 1.131 Practice

Antedating References: Swearing Behind (cont'd)

- Not Accounting for Every Claim Limitation
 - Alleged conception and reduction to practice of all claim limitations.
 - A sketch submitted by the patent owner did not provide sufficient detail to establish possession of all claim limitations. IPR2014-00110, Paper 46.
 - Invention disclosure annotated by the inventor did not demonstrate conception of every claim limitation. IPR2014-01200, Paper 29.
 - Physical embodiment having a “functional equivalent” of a claimed element is insufficient. IPR2015-00325, Paper 62.

Antedating References: Swearing Behind (cont'd)

- Insufficient Corroboration
 - Undated, handwritten specification prepared by the inventor insufficient because the inventor attempted to corroborate the document through his own testimony. IPR2013-00033, Paper 122.
 - Documentary evidence of conception and reduction to practice authenticated by the inventors. IPR2013-00292, Paper 93.
 - Photographs of prototypes insufficient because no corroborating testimony from non-inventors. IPR2013-00500, Paper 33.

Antedating References: Swearing Behind (cont'd)

- Insufficient Evidence Concerning Diligence
 - PTAB focused on a three-month gap in activity. IPR2013-00336, Paper 40.
 - Four months of inactivity during which the inventors worked on another product that was not commensurate in scope with the claims at issue. IPR2014-01209, Paper 77.
 - Unexplained gaps in time after the inventor submitted an invention disclosure form to his employer was evidence of a lack of diligence. IPR2015-00915, Paper 56.

Antedating References: Swearing Behind (cont'd)

- Patent Owner Successes
 - “Patent Owner has provided declarations from inventors and corroborating witnesses supporting a finding that the inventors designed, made, and tested fall detection systems embodying the subject claims.” IPR2015-00112, Paper 39. *See also* IPR2016-00258, Paper 89.
 - “Petitioner offers no explanation or evidence rebutting Patent Owner’s evidence of prior invention.” IPR2015-00786, Paper 38.
 - Rule 131 Declaration during prosecution did not require independent corroboration because conception was shown with physical exhibits. IPR2016-00317, Paper 12. *Cf.* IPR2013-00053, Paper 66 (rule 131 practice “do[es] not control an antedating effort in an inter partes review”).

Federal Circuit Review: *Perfect Surgical*

- *Perfect Surgical Techniques Inc. v. Olympus America Inc.*, 841 F.3d 1004 (Fed. Cir. Nov. 15, 2016).
 - An appeal from an IPR where patent owner attempted to antedate a Japanese reference. The PTAB determined that the patent owner's evidence did not demonstrate diligence.
 - Fed. Cir. found two PTAB errors; vacated and remanded.
 - Error #1: wrong standard for diligence.
 - PTAB → “continuous activity of reasonable diligence”
 - Fed. Cir. → “reasonably continuous diligence”
 - Error #2: fact findings not supported by substantial evidence.
 - PTAB erred by only focusing on the gaps of time.
 - Under correct standard, PO's evidence must be considered “as a whole.”

PTAB After *Perfect Surgical*

- IPR2015-01341, Paper 46 (Dec 20, 2016)
 - Not a diligence case. PTAB determined that the patent owner failed to demonstrate conception of all the claim limitations.
 - PTAB cited “reasonably continuous diligence” standard from *Perfect Surgical*.
 - But PTAB went on to say that “[t]he rule of reason does not dispense with the need for corroboration of diligence that is specific as to dates and facts.”
 - PTAB pushing back on the holding in *Perfect Surgical*?

Antedating References: Priority to Earlier Application

- Claim to priority turns on § 112 support for claims
 - Provisional: “We agree with Patent Owner that the Provisional provides adequate written description support for the challenged claims of the '703 patent.” IPR2015-01850, Paper 72.
 - Continuation: Petitioner alleged that the patent at issue, which granted from a continuation, was not entitled to the filing date of a parent because the parent did not provide 112 support for the claims. The PTAB rejected the argument, finding that the Petitioner’s construction was overly broad. IPR2015-01305, Paper 19.
- Expert testimony may be critical
 - Whether written descriptive support exists “is factual and depends on the nature of the invention and the amount of knowledge imparted to those skilled in the art by the disclosure.” *Union Oil Co. of Cal. v. Atlantic Richfield Co.*, 208 F.3d 989, 996 (Fed. Cir. 2000).

Establishing Earlier Critical Date for References

- The petitioner has the burden to demonstrate that an asserted reference qualifies as prior art. *Dynamic Drinkware*, 800 F.3d 1375, 1380.
- A reference patent is entitled to the priority date of its provisional (35 U.S.C. § 119(e)(1)) or prior parent application (35 U.S.C. § 120) if the disclosure of the earlier application provides written description and enablement support for the subject matter of the **claims** of the reference patent in compliance with 35 U.S.C. § 112(a)/¶1. *Dynamic Drinkware*, 800 F.3d at 1378, 1382.
 - In the underlying IPR, the patent owner demonstrated a reduction to practice before the filing date of the reference patent. Petitioner then had the burden to demonstrate that the reference patent was entitled to the earlier date of its provisional application.
 - The petitioner did not demonstrate support for the features of the claims of the reference patent in the provisional application.

Exemplary Cases of Establishing Earlier Critical Date of an Asserted Reference

- *Vmware, Inc. v. Clouding Corp.*, IPR2014-01304, Paper 35.
 - There is no presumption that a reference patent is entitled to the benefit of the filing date of an earlier provisional application. Petitioner has the burden to demonstrate that a reference patent is entitled to the earlier date of a provisional application, and that burden never shifts to the patent owner.
 - The petitioner explained how the provisional disclosed the subject matter of the challenged patent, but did not explain how the provisional supported the claims of the reference patent. Petitioner did not meet its burden.
- *Benitec Biopharma v. Cold Spring Harbor Lab.*, IPR2016-00015, Paper 7.
 - Petitioner did not demonstrate that an asserted reference qualified as prior art under 35 U.S.C. § 102(e) against the challenged patent, because petitioner did not show that reference patent was entitled to provisional filing date.
 - Petitioner did not present expert testimony to demonstrate that one skilled in the art would have understood the provisional application to disclose the features claimed in the reference patent.

§ 112 Issues in Motions to Amend

- Although § 112 challenges cannot be presented in an IPR, patent owners pursuing a motion to amend must:
 - Show written description support in the original disclosure for proposed claimed subject matter *as a whole*. 37 C.F.R. § 42.121(b)(1); IPR2012-00005, Paper 27 (representative).
 - Show written description support in earlier-filed priority document when benefit of priority is claimed. 37 C.F.R. § 42.121(b)(2).
 - Provide claim construction for proposed new limitations. IPR2013-00029, Paper 49 (a general assertion that proposed new claim terms should be given their plain and ordinary meaning is insufficient to demonstrate patentability of proposed new claim).
 - Persuade Board that proposed new/amended claim does not enlarge the scope of the claims nor introduce new subject matter. 37 C.F.R. § 42.121(a)(2)(ii).
- Demonstrating patentability of proposed new claims includes patentability based on §§ 101, 102, 103, and 112.

§ 112 Issues in Motions to Amend (cont'd)

- Perception is that motions to amend are denied for prior art reasons, but several motions to amend have been denied for § 112 reasons.

Motion to Amend Study

	Reason for Denying Entry	# of Motions	% of Motions
§102/103	Anticipated or Obvious Over Art of Record	50	36%
§102/103/112/316	Multiple Statutory Reasons	33	24%
	<i>*All included at least 102, 103, and/or 112 as a reason for denial</i>		
§101	Non-Statutory Subject Matter	9	7%
§112	Written Description	9	7%
§112	Enablement	3	2%
§112	Definiteness	1	1%
§316	Claims Enlarge Scope of Patent	7	5%
§316	Unreasonable Number of Substitute Claims	3	2%
	Procedural Reasons	22	16%
	Total Motions to Amend Denied	137	



Recap

- While § 112 challenges cannot be presented in an IPR, § 112 issues often arise in IPR proceedings.

Thank you!

Q&A

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Thanks.

Please join us for our next conference, “Evolving PTAB Trial Practice: Navigating Complex Procedural Rules - Strategically Using Routine and Additional Discovery, Requests for Joinder, and Motions to Amend,” scheduled Thursday, May 25, 2017 starting at 1pm EDT.

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