

**PRE-INSTITUTION AT PTAB:  
OBTAINING A DENIAL IS A PATENT OWNER WIN**

**Part 2: Substantive Bases of Challenge<sup>1</sup>**

by  
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**Executive Summary**

The Patent Trial and Appeal Board (PTAB) has denied institution in just over 25% of the *inter partes* review petitions it has ruled on. A denial may be considered a “win” for the patent owner, whose claims do not then have to undergo a proceeding where, historically, the chances of survival are not very good. Further, for now, the patentability standards applied before PTAB seem less favorable to patent owners than before the U.S. district courts. When faced with an IPR petition, patent owners may choose to first try to prevent institution, particularly since decisions on institution are not appealable.

Part 1 of this article explores technical bases on which patent owners may argue for denial of IPR petitions. Part 2 will look at substantive arguments patent owners may make to obtain denial, as well as strategies for patent owners to employ when drafting and prosecuting applications to enhance possibilities that patent claims will withstand an IPR challenge. Of course, all of this discussion informs petitioners who may use the insight to draft petitions in preparation for a strong response from the patent owner.

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#### IV. ARGUING AGAINST IPR INSTITUTION: SUBSTANTIVE BASES OF CHALLENGE

In the context of an inter partes review (IPR), Patent Owner's first goal should be to prevent institution, particularly since decisions on institution are not appealable.<sup>6</sup> For the Patent Trial and Appeal Board (PTAB) to grant an IPR petition, Petitioner must meet a number of technical and substantive requirements. For example, Petitioner must propose claim constructions, meet mandatory reporting requirements, and show a "reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition."<sup>7</sup> In Part 1 of this article, we discussed technical requirements that Patent Owner may challenge to prevent IPR institution. Part 2 will explore the substantive arguments Patent Owner may make in an attempt to avoid institution of an IPR, as well as strategies for patent owners to employ when drafting and prosecuting applications to enhance the possibility that patent claims will withstand an IPR challenge. Pre-petition preparation is important for patent owners, as once a challenger files an IPR petition and PTAB grants it a filing date,<sup>8</sup> patent owners have only three months to prepare an optional Patent Owner Preliminary Response (POPR).<sup>9</sup>

Patent Owner should seek to provide PTAB with a concise, compelling argument in the POPR as to why PTAB should not institute the IPR. This should enable the panel to make institution decisions based on the most relevant information possible to achieve a "just, speedy, and inexpensive" alternative to litigation, and may even lead to higher rates of unpatentability of those that do merit institution. Even where PTAB grants the IPR petition, however, a POPR may lead to institution on fewer claims, fewer grounds, or PTAB adopting Patent Owner's desired claim construction rather than Petitioner's. Any of these outcomes may be positive for Patent Owner because the subsequent trial will be narrower in scope and/or at least proceed on Patent Owner's desired claim construction. Thus, the pre-institution stage of any IPR is critical for both petitioners and patent owners, as petitioners' first goal is to bolster their petitions against patent owner challenges and patent owners' first goal is to try and get the petition denied.

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<sup>6</sup> 35 U.S.C. § 314(d); *In re Cuozzo Speed Technologies, LLC*, --F.3d\_\_ (Fed. Cir. July 8, 2015). Decisions to terminate after institution but before a final written decision also are not appealable. Only final written decisions on patentability are reviewable. See *GEA Process Eng'g, Inc. v. Steuben Foods, Inc.*, --Fed. Appx.\_\_, at \*3 (Fed. Cir. Jun. 23, 2015)(non-precedential), denying writ of mandamus directing PTAB to withdraw termination order.

<sup>7</sup> 35 U.S.C. § 314(a).

<sup>8</sup> In a Notice of Filing Date Accorded.

<sup>9</sup> 37 C.F.R. § 42.107(b) (2015): "Due date. The preliminary response must be filed no later than three months after the date of a notice indicating that the request to institute an inter partes review has been granted a filing date."

## A. Challenging Petitioner’s proposed claim construction(s)

Claim construction is a “step in our analysis for determining whether to institute a trial[.]” as PTAB noted in *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043<sup>10</sup> By statute, the USPTO was charged with promulgating rules setting forth the requirements to be met for institution of an IPR.<sup>11</sup> According to 37 C.F.R. § 42.104(b)(3), the petition must contain a statement of “[h]ow the challenged claim is to be construed.”

PTAB has made it clear, however, that it may independently construe the challenged claims:

Thus, the Board may itself interpret a claim term as a matter of law notwithstanding what is or is not argued by a party. The Board’s conclusion is not subject to any restriction based on a party’s contentions in another proceeding or even this proceeding.<sup>12</sup>

Some petitions treat the claim construction requirement perfunctorily, such as the single paragraph in the petition in *AT&T Mobility, LLC v. Solocron Media, LLC*, IPR2015-00390:

In this proceeding, claim terms are given a broadest reasonable interpretation consistent with the specification and prosecution history. See Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48766 (Aug. 14, 2012); 37 C.F.R. § 100(b). None of the claim terms at issue require a construction. All terms should be given their plain and ordinary meaning.<sup>13</sup>

Other petitions extensively discuss proposed constructions for certain claim terms. Such proposed constructions, if not attacked by the Patent Owner, will be the only proposed constructions considered by PTAB prior to the institution decision.

For example, in *Corning*, PTAB, for purposes of institution, adopted the Petitioner’s proposed constructions because the Patent Owner did not attack those proposed constructions in the POPR:

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<sup>10</sup> *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-00043, Paper 14 (P.T.A.B. May 13, 2013).

<sup>11</sup> 35 U.S.C. § 316. Conduct of inter partes review

(a) REGULATIONS.—The Director shall prescribe regulations—

(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

<sup>12</sup> *Research In Motion Corp. v. WI-LAN USA Inc.*, IPR2013-00126, Paper 10, at 13 (P.T.A.B. June 20, 2013).

<sup>13</sup> *AT&T Mobility, LLC v. Solocron Media, LLC*, IPR2015-00390, Paper 1, at 8, filed Dec. 6, 2014.

Corning's proposed interpretations, summarized above, do not appear unreasonable at this stage of the proceeding. Because these definitions are not specifically challenged by DSM, we adopt them for purposes of this decision.<sup>14</sup>

The Patent Owner was then faced with an instituted IPR using the Petitioner's proposed claim constructions, which had been adopted by PTAB, for the length of the trial.

While there are cases in which PTAB changed its claim constructions between the decision on institution and the final written decision,<sup>15</sup> a party is in a better position through trial if PTAB adopts its preferred constructions at the outset because it is likely that the opposing side's proposed constructions are not helpful to that party. Attacking Petitioner's proposed claim constructions in the POPR provides an opportunity for Patent Owner to persuade PTAB before institution that Petitioner's proposed claim constructions are erroneous. While a complete denial is always the goal, other lesser outcomes are still desirable, such as the IPR petition being granted on fewer than all asserted claims, on fewer than all asserted grounds,<sup>16</sup> and/or on a claim construction other than Petitioner's proposed construction.<sup>17</sup>

#### **B. Proposing claim construction(s)**

In addition to challenging Petitioner's proposed claim constructions, Patent Owner may propose its own claim constructions in the POPR.<sup>18</sup> In some cases, PTAB's adoption of the Patent Owner's proposed claim constructions has led to a denial. For example, in *Lenroc Co. v. Enviro Tech. Chemical Services, Inc.*, IPR2014-00382, Patent Owner proposed that the claim limitation "wetcake" should be construed to mean a wet solid, not a dry solid. Patent Owner urged that, according to Patent Owner's proposed construction, the asserted prior art references did not contain the limitation at issue and would not have rendered the claims obvious.

PTAB agreed with Patent Owner's proposed claim construction:

Based on our review of the Specification and related prior art, we agree with Patent Owner that one of ordinary skill in the art at the time of the invention would have understood that a wetcake is a wet solid, which physically differs

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<sup>14</sup> *Id.*

<sup>15</sup> *Facebook, Inc. v. Rembrandt Soc. Media, LP*, IPR2014-00415, Paper 33, at 8-11 (P.T.A.B. June 22, 2015).

<sup>16</sup> *Covidien LP v. Ethicon Endo-Surgery, Inc.*, IPR2013-00209, Paper 7, at 22 (P.T.A.B. Aug. 26, 2013) ("The grounds numbered 1-18 in Covidien's petition are premised on an incorrect interpretation of the claim phrase 'two prongs extend non-parallelly from the main portion.' We do not authorize inter partes review on those grounds.").

<sup>17</sup> *Covidien LP v. Ethicon Endo-Surgery, Inc.*, IPR2013-00209, Paper 7 (P.T.A.B. Aug. 26, 2013).

<sup>18</sup> Patent Owner may also propose claim constructions of terms not expressly addressed by Petitioner.

from a dry solid. . . . Therefore, we interpret the claim term “wetcake” as meaning a solid material comprising particles having some adherence to one another such that they are not free flowing. We do not adopt Declarant’s proposed construction of “wetcake of monoalkali metal cyanurate” as necessarily encompassing material in the form of a hydrate, . . . because Declarant’s testimony is at odds with the intrinsic evidence[.]<sup>19</sup>

Based on the adopted claim construction, PTAB denied the petition because the limitation, as construed, was not present and would not have been rendered obvious by the asserted prior art references:

We agree with Patent Owner that Stephan’s disclosure is directed to formation of a dry, free-flowing powder, not a wet solid, of monoalkali metal cyanurate. . . . A “wetcake,” as we interpret this claim term, does not encompass a free-flowing powder, and does not necessarily encompass material in the form of a hydrate. Because Petitioner has not identified in Stephan a description of forming “a wetcake of a monoalkali metal cyanurate,” as recited in challenged claims 7 and 9-12, Petitioner has not demonstrated a reasonable likelihood that it would prevail on the ground that claims 7 and 9-12 are anticipated by Stephan.<sup>20</sup>

. . .  
[The obviousness] grounds depend on Petitioner’s contention that Stephan describes a “wetcake” as specified in the challenged claims. For the reasons stated above, on this record, Petitioner fails to show that Stephan contains such a disclosure, and neither Jany nor Doonan remedies that failure. Based on the information presented, Petitioner has not shown a reasonable likelihood of prevailing at trial with respect to any claim challenged in the remaining grounds.<sup>21</sup>

### **C. Challenging the asserted reference’s status as prior art**

#### **1. Challenging the date benefit asserted**

In the POPR, Patent Owner can challenge the effective prior art date of the cited reference. If the effective prior art date asserted in the petition is not correct, is mislabeled, or has been brought under the wrong ground of unpatentability, the reference may be removed as prior art, and the alleged ground of unpatentability may disappear.

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<sup>19</sup> *Lenroc Co. v. Enviro Tech. Chemical Services, Inc.*, IPR2014-00382, Paper 12, at 11-12 (P.T.A.B. July 24, 2014).

<sup>20</sup> *Id.* at 15.

<sup>21</sup> *Id.* at 15-16. Further examples are found in *Polygroup Ltd. v. Willis Electric Co., Ltd.*, IPR2014-01264, Paper 12 (P.T.A.B. Jan. 30, 2015) and *BioDelivery Sciences Int’l, Inc. v. MonoSol Rx, LLC*, IPR2014-00794, Paper 7 (P.T.A.B. Nov. 5, 2014).

In *Globus Medical, Inc. v. Depuy Synthes Products, LLC*, IPR2015-00099, Patent Owner used its POPR to attack the status of the primary reference as § 102(e) prior art, arguing that the Petitioner had not shown how the disclosure was carried from the priority document (a provisional application) to the asserted reference.<sup>22</sup> PTAB denied the petition, finding that Petitioner failed to establish that the primary reference was prior art with respect to the challenged claims, and therefore failed to establish a reasonable likelihood that at least one challenged claim would be found unpatentable.<sup>23</sup>

In *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00457, a similar issue arose when Petitioner asserted that the challenged patent was not entitled to its priority date.<sup>24</sup> In the POPR, Patent Owner argued that the claims *were* entitled to the priority date listed on the face of the patent, and therefore the asserted reference was disqualified as prior art.<sup>25</sup> PTAB then began by identifying the issue as “whether the ’001 application reasonably conveys to a person of ordinary skill in the art that the inventors had possession of the claimed subject matter of the ’160 patent.”<sup>26</sup> This is an example of how 35 U.S.C. § 112 issues may arise in an IPR, even though § 112 is not a statutory ground for an IPR. Next, PTAB explained that the initial burden is on Petitioner “to show a reasonable likelihood that it would prevail on a ground of unpatentability. ... includ[ing], *inter alia*, showing that any reference on which it relies is prior art under 35 U.S.C. § 102.”<sup>27</sup> The panel concluded that Petitioner had met this burden in its Petition, thereby shifting the burden to Patent Owner to show entitlement to the earlier date.<sup>28</sup> The panel then concluded that Patent Owner met its burden in its POPR, denying the petition:

Petitioner has not persuaded us that Stefik ’980 qualifies as prior art such that it could be used in a ground raised under 35 U.S.C. § 102 or § 103 in an inter partes review of the ’160 patent. See U.S.C. §311(b). Consequently, Petitioner has not shown a reasonable likelihood of prevailing on its proposed grounds of unpatentability, both of which rely, at least in part, on Stefik ’980.<sup>29</sup>

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<sup>22</sup> *Globus Med., Inc. v. Depuy Synthes Prods., LLC*, IPR2015-00099, Paper 13, at 2-3 (P.T.A.B. Feb. 5, 2015).

<sup>23</sup> *Globus Medical, Inc. v. Depuy Synthes Products, LLC*, IPR2015-00099, Paper 15, at 3-4 (P.T.A.B. May 1, 2015).

<sup>24</sup> *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00457, Paper 1, filed Dec. 22, 2014.

<sup>25</sup> *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00457, Paper 8, at 2-3 (P.T.A.B. April 16, 2015).

<sup>26</sup> *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00457, Paper 9, at 8 (P.T.A.B. June 30, 2015).

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 9.

<sup>29</sup> *Id.* at 16.

## 2. Challenging whether the reference is a “printed publication”

According to 35 U.S.C. § 311(b), IPRs are available to challenge patentability only on “a ground that could be raised under section 102 or 103 *and only on the basis of prior art consisting of patents or printed publications.*” (Emphasis added). Therefore, there may be circumstances in which Patent Owner can challenge the asserted reference’s status as a “printed publication.” So far, there have been denials based on successful challenges of the printed publication status of theses,<sup>30</sup> user manuals,<sup>31</sup> clinical trial protocols,<sup>32</sup> and a draft industry standard,<sup>33</sup> as well as packaging or advertisements where Petitioner sought to raise the underlying object as prior art.

PTAB’s analysis of “printed publications” is grounded in the familiar territory of Federal Circuit case law focusing on the public accessibility of the asserted reference:

To qualify as a printed publication within the meaning of § 102(b), a reference “must have been sufficiently accessible to the public interested in the art” before the critical date. *In re Cronyn*, 890 F.2d 1158, 1160 (Fed. Cir. 1989). Whether a reference is publicly accessible is determined on a case-by-case basis based on the “facts and circumstances surrounding the reference’s disclosure to members of the public.” *In re Lister*, 583 F.3d 1307, 1311 (Fed. Cir. 2009). A reference is considered publicly accessible if it was disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art, exercising reasonable diligence, can locate it. *Id.*<sup>34</sup>

As noted in Part 1 of this article, the POPR provides an opportunity for Patent Owner to challenge the status of the asserted references prior to the institution decision. Without such a challenge, PTAB may not turn its attention to the reference’s status, and Patent Owner’s chance to knock out the inappropriate underpinning of the IPR petition could disappear.

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<sup>30</sup> See, e.g., *Actavis, Inc. v. Research Corp. Techs., Inc.*, IPR2014-01126, Paper 21 (P.T.A.B. Jan. 9, 2015); *Symantec Corp. v. The Trustees Of Columbia Univ. In The City Of New York*, IPR2015-00371, and IPR2015-00370, Paper 13 (P.T.A.B. June 17, 2015).

<sup>31</sup> *LG Elecs., Inc. v. Advanced Micro Devices, Inc.*, IPR2015-00329, Paper 13 (P.T.A.B. July 10, 2015) (one reference removed).

<sup>32</sup> *Boehringer Ingelheim Int’l GMBH v. Biogen Inc.*, IPR2015-00418, Paper 14 (P.T.A.B. July 13, 2015).

<sup>33</sup> *Samsung Elec. Co. v. Rembrandt Wireless Techs.*, IPR2014-00514, Paper 18 (P.T.A.B. Sept. 9, 2014).

<sup>34</sup> *Actavis, Inc. v. Research Corp. Techs., Inc.*, IPR2014-01126, Paper 21, at 9 (P.T.A.B. Jan. 9, 2015).

**D. Challenging Petitioner’s evidence as insufficient to meet the threshold for institution under 35 U.S.C. § 314(a)**

The statute sets forth requirements for the petition<sup>35</sup> and the standard for institution.<sup>36</sup> A Petitioner must identify “with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim.”<sup>37</sup> PTAB may not institute an IPR unless Petitioner has shown “that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”<sup>38</sup>

In the POPR, Patent Owner may point out how the petition does not meet the statutory requirements. In addition or alternatively, Patent Owner may include substantive arguments directed to what the asserted references do or do not disclose, why the asserted references do not render the challenged claims unpatentable, and why the Petitioner has not met the threshold for institution of the IPR. PTAB may deny a petition based on these substantive issues.<sup>39</sup>

Because substantive arguments dive into the details of the claimed invention and the asserted references, it would be helpful if Patent Owner could submit expert testimony to support those substantive arguments. As of right now, Petitioner is allowed to submit pre-existing and newly developed expert testimony in the POPR,<sup>40</sup> but Patent Owner is not allowed to generate new testimony to support the POPR.<sup>41</sup> There is a possibility the USPTO may change this rule,<sup>42</sup> but

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<sup>35</sup> 35 U.S.C. § 312. This provision is supported by 37 C.F.R. § 42.22(a)(2) and § 42.104(b).

<sup>36</sup> 35 U.S.C. § 314(a).

<sup>37</sup> 35 U.S.C. § 312(a)(3).

<sup>38</sup> 35 U.S.C. § 314(a).

<sup>39</sup> See, e.g., *Boston Heart Diagnostics Corporation v. Health Diagnostic Laboratory, Inc.*, IPR2015-00557, Paper 11 (P.T.A.B. July 28, 2015).

<sup>40</sup> § 312(a)(3)(B). Petitions

(a) REQUIREMENTS OF PETITION.—A petition filed under section 311 may be considered only if—

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

...

(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;

<sup>41</sup> 37 C.F.R. §42.107(c) No new testimonial evidence. The preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.

for now, this prohibition against new testimony highlights the importance of generating a solid and substantive prosecution history, as we will discuss further below.

In terms of the types of arguments a patent owner may make, *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00449,<sup>43</sup> provides an example of a case in which a ground of unpatentability raised in a petition was denied for failure to meet the statutory requirements of identifying where each limitation was described in the asserted references:

[T]he Petition’s conclusory analysis with supporting citations to an incomprehensible web of internal cross- references to the Petition and the Dr. Sherman Declaration and imprecise citations to ABYSS and Denning leaves us “to play archeologist with the record.”.... Based on the deficiencies addressed above, the Petition fails:

- (1) to specify sufficiently where the limitations of claims 1–15 of the ’007 patent are taught or suggested by ABYSS or Denning; and
- (2) to provide a sufficiently detailed explanation of the significance of the citations .... We, therefore, deny institution of the asserted ground of obviousness over ABYSS and Denning.<sup>44</sup>

The panel went on to reject the asserted grounds as also failing “to perform the obviousness analysis required under *Graham*[.]” and for using hindsight rather than “provid[ing] sufficiently articulated reasoning, with rational underpinning, to combine ABYSS and Denning to reach the invention recited in the challenged claims[.]”<sup>45</sup>

*CR Bard, Inc. v. Medline Industries, Inc.*, IPR2015-00511,<sup>46</sup> provides another example in which PTAB found that the Petition’s conclusory statements failed to meet the statutory requirements of particularity:

Beyond Dr. Kimmel’s conclusory statement above, the Petition does not include any explanation, or any citation to the Kimmel Declaration, as to why these two

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<sup>42</sup> Michelle K. Lee, *PTAB’S Quick-Fixes for AIA Rules Are to Be Implemented Immediately* Director’s Forum: A Blog from USPTO’s Leadership, Mar. 27, 2015, [http://www.uspto.gov/blog/director/entry/ptab\\_s\\_quick\\_fixes\\_for](http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for) (“Second proposed-rule package may contain adjustments to the evidence that can be provided in the patent owner preliminary response and adjustments to the scope of additional discovery.”)

<sup>43</sup> *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00449, Paper 10 (P.T.A.B. July 15, 2015).

<sup>44</sup> *Apple, Inc. v. ContentGuard Holdings, Inc.*, IPR2015-00449, Paper 10, at 11 (P.T.A.B. July 15, 2015).

<sup>45</sup> *Id.*, at 11 and 17-18 (“we are not persuaded that the Petition sufficiently explains why a person of ordinary skill would simultaneously make all of the many particular proposed changes and implementation choices to combine ABYSS, Denning, and allegedly known techniques.”).

<sup>46</sup> *CR Bard, Inc. v. Medline Indus., Inc.*, IPR2015-00511, Paper 9 (P.T.A.B. July 15, 2015).

distinct features of Brezette should be considered together as the claimed “first barrier.”<sup>47</sup>

PTAB highlighted the lack of “articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.”

We are not persuaded that the Petition sufficiently explains why a person of ordinary skill simultaneously would make all of the particular proposed changes to Rauschenberger. Rather, we agree with Patent Owner that the Petition improperly “reli[es] upon ex post reasoning” and impermissible hindsight reconstruction to modify Rauschenberger to read on claims 1, 17, and 19 of the ‘935 patent.<sup>48</sup>

With a goal of “just, speedy, and inexpensive proceedings,” PTAB judges do not want to spend time searching through exhibits for support of cursory arguments in a petition.<sup>49</sup> Thus, a well-drafted POPR will shine the spotlight on any deficiencies in the arguments presented in a petition and persuade PTAB to deny the petition for failing to meet the threshold for institution.

**E. If applicable, presenting objective evidence of nonobviousness not generated for the IPR**

As mentioned above, Patent Owner is not allowed to generate new testimony to support its POPR.<sup>50</sup> However, if objective evidence of nonobviousness is already of record either as part of

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<sup>47</sup> *CR Bard, Inc. v. Medline Indus., Inc.*, IPR2015-00511, Paper 9, at 11 (P.T.A.B. July 15, 2015).

<sup>48</sup> *Id.* at 17.

<sup>49</sup> *See, e.g., Brain Synergy Inst., LLC v. Ultrathera Techs., Inc.*, IPR2015-00515, Paper 12, at 8-9 (P.T.A.B. June 16, 2015) (“The Office Patent Trial Practice Guide suggests that parties requesting inter partes review should ‘avoid submitting a repository of all the information that a judge could possibly consider, and instead focus on concise, well-organized, easy-to-follow arguments supported by readily identifiable evidence of record.’ 77 Fed. Reg. 48,756, 48,763 (Aug. 14, 2012). Petitioner’s brief summary, quotations, citations, and reproduced figures from Okamoto, Epley, and Newman fail to: (1) specify sufficiently where each element of independent claims 1 and 9 are found in the references, and (2) constitute a detailed explanation of the significance of the quotations, citations, and figures from the references to the claimed subject matter.”).

<sup>50</sup> See 37 C.F.R. §42.107(c): No new testimonial evidence. The preliminary response shall not present new testimony evidence *beyond that already of record*, except as authorized by the Board. (emphasis added). *See also Anova Food, LLC v. Sandau*, IPR2013-00114, Paper 11, at 3 (P.T.A.B. June 25, 2013), in which declaration testimony from a previous litigation was filed with the POPR and the Board allowed it: “The Board responded that 37 C.F. R § 42.107(c) applies only to “new” testimony that was taken specifically for the purpose of the inter partes review proceeding at issue, as supported by the discussion and the comments that accompanied the

the prosecution history or another relevant public proceeding, that objective evidence may be raised in a POPR in an effort to persuade PTAB to deny the petition.

For example, in *Omron Oilfield & Marine, Inc. v. Md/Totco, A Division Of Varco, L.P.*, IPR2013-00265, Patent Owner noted that Petitioner's obviousness arguments were based on the same references as those previously raised in a reexamination proceeding, and had been overcome by submitting objective evidence of non-obviousness.<sup>51</sup> PTAB "reviewed the examiner's findings and the supporting evidence," and noted that it agreed "that the patent owner's evidence of secondary considerations is persuasive."<sup>52</sup> In denying the petition, PTAB analyzed the objective evidence, which included commercial success, long-felt but unsolved needs, failure of others, and unexpected results. PTAB held that the evidence of commercial success had a nexus to the claimed invention and was unrebutted.<sup>53</sup> PTAB noted that since the objective evidence was raised in the reexamination, the Petitioner could have rebutted it in the petition but did not.<sup>54</sup>

Similarly, although an IPR was instituted in *Lupin Ltd. v. Vertex Pharmaceuticals Inc.*, IPR2015-00405, Patent Owner successfully narrowed the focus of the trial. PTAB instituted the IPR on fewer than all challenged claims and fewer than all asserted grounds based on the objective evidence of nonobviousness that Patent Owner was able to point to in its POPR.<sup>55</sup> In particular, Patent Owner argued that the evidence of unexpected results, long-felt need, copying of others, failure of others, and commercial success raised in earlier proceedings rebutted any prima facie case of obviousness.<sup>56</sup> Although Petitioner knew of this evidence, Petitioner addressed that evidence only briefly in its petition,<sup>57</sup> PTAB found the objective evidence of nonobviousness persuasive with respect to certain claims directed to specific compounds and compositions. However, PTAB determined that the evidence was not "commensurate in scope" with the patent's broader claims, and the IPR petition was granted with respect to those claims.

If Patent Owner has objective evidence of nonobviousness that was generated either during original prosecution, post-grant proceedings such as reexamination or reissue, or litigation, that evidence should be available to Patent Owner to use in a POPR. Such evidence could help Patent Owner persuade PTAB to deny an IPR petition.

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rule. For example, a party submitting the prosecution history for the challenged patent may include a copy of the declarations contained therein."

<sup>51</sup> *Omron Oilfield & Marine, Inc. v. Md/Totco, A Division Of Varco, L.P.*, IPR2013-00265, Paper 10 (P.T.A.B. Aug. 6, 2013).

<sup>52</sup> *Omron Oilfield & Marine, Inc. v. Md/Totco, A Division Of Varco, L.P.*, IPR2013-00265, Paper 11, at 12-13 (P.T.A.B. Oct. 31, 2013).

<sup>53</sup> *Id.* at 15-16.

<sup>54</sup> *Id.* at 15.

<sup>55</sup> *Lupin Ltd. v. Vertex Pharms. Inc.*, IPR2015-00405, Paper 13 (P.T.A.B. July 9, 2015).

<sup>56</sup> *Lupin Ltd. v. Vertex Pharms. Inc.*, IPR2015-00405, Paper 11 (P.T.A.B. April 13, 2015).

<sup>57</sup> *Lupin Ltd. v. Vertex Pharms. Inc.*, IPR2015-00405, Paper 7, at 54-57 (P.T.A.B. Jan. 16, 2015).

## V. STRATEGIES FOR PATENT APPLICATION DRAFTING AND PROSECUTION TO WITHSTAND IPR CHALLENGES

### A. Consider Future Claim Construction by Both Courts and PTAB

PTAB's use of a "broadest reasonable interpretation" (BRI) claim construction standard has been approved by the Federal Circuit.<sup>58</sup> District courts, however, apply the often-narrower *Phillips* standard of plain and ordinary meaning in light of the intrinsic evidence. Resolving the potential conflict between these two standards is one area that is currently being addressed in patent law reform efforts.<sup>59</sup>

Unless the standards are reconciled, a patent owner should seek to obtain claims that can withstand a patentability challenge under a BRI claim construction, and may also be of use against potential infringers in a U.S. district court litigation. Doing both can be challenging because patent owners may have to propose claim constructions in a POPR without knowing the details of a petitioner's potentially infringing product.

To prosecute a stronger patent, applicants should attempt to lay the foundation for desired claim construction positions in *either* forum when drafting patent applications. This means adhering to fundamental drafting principles, such as defining and consistently using important claim terminology. It may also mean using "patent profanity" to describe certain embodiments—i.e., terms such as "preferred" or "critical"—to limit a broad but "reasonable" construction in an IPR,<sup>60</sup> while maintaining claims to other embodiments to preserve a broad, fully-supported claim scope for an infringement proceeding. The narrower claims, assuming that they will be infringed, will likely provide strong patentability positions, both during prosecution and in the IPR, as it may be more difficult to find prior art that discloses, teaches, or suggests their narrow limitations. And the broader claims may provide a context for interpreting the narrower claims, and protect the invention from design-around variants.

Patent owners should draft the specification with multiple embodiments to mirror and support a range of claim scopes, from broad to narrow. Patents with several claims of varying claim scope are more likely to have one or more claims survive IPR—thus preserving patent term.

The first *inter partes* review decided and appealed, *Garmin Int'l, Inc. v. Cuozzo Speed Technologies LLC*, IPR2012-00001,<sup>61</sup> highlights why Patent Owners should include a narrow claim with written description support in the specification. There, PTAB denied a Motion to

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<sup>58</sup> *In re Cuozzo Speed Technologies, LLC*, --F.3d\_\_ (Fed. Cir. July 8, 2015).

<sup>59</sup> STRONG Patents Act of 2015 (S.632), The Innovation Act (H.R. 9).

<sup>60</sup> See, e.g., *Conopco, Inc. v. Procter & Gamble Co.*, IPR2013-00510, Paper 2, at 59 (P.T.A.B. Aug. 14, 2013) (Petitioner argued "no evidence in the '155 patent or its file history of the criticality of the recited ranges in the compositions as claimed[.]").

<sup>61</sup> *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 59 (P.T.A.B. Nov. 13, 2013), *aff'd In re Cuozzo Speed Techs., LLC*, --F.3d\_\_ (Fed. Cir. July 8, 2015).

Amend seeking substitute claims because none of the *original claims* covered any embodiment that would fall within the scope of the proposed substitute claim.<sup>62</sup> Had Cuozzo included both broad independent claims and other narrower claims covering more specific embodiments, Cuozzo might have had an original claim it could have relied on. As a result, Cuozzo could have avoided the need to amend the claims entirely, or made it more likely that the Board would grant their motion to amend.

## **B. Do Not Rely on Amending Claims Later**

The importance of claim and specification drafting is heightened because the ability to amend claims in an IPR has been virtually nonexistent. In the 339 IPR Final Written Decisions to date,<sup>63</sup> substitute claims were considered in 75 cases. Motions to amend substitute claims were granted in only 5 percent (4/75) of those cases.<sup>64</sup> To be sure, there have been comments both from PTAB and from Congress that amendments should be more liberally granted.<sup>65</sup> But even if amendments are allowed more frequently in the future, it is still better to have a panoply of claims of varying scope in the original patent.

## **C. Continuation Practice**

Keeping a continuation application pending may help a patent owner who is facing an IPR.<sup>66</sup> For example, if PTAB does not allow a patent owner to enter a particular proposed substitute claim, the proposed claim could still be pursued in a pending family member, reissue, or other examination proceeding.<sup>67</sup>

Thus, ongoing prosecution (as well as ongoing litigation) can be important to the IPR, as evidence and arguments submitted during prosecution of other applications in a family can

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<sup>62</sup> 35 U.S.C. § 316(d)(3) (2012).

<sup>63</sup> As of June 1, 2015. Source: Finnegan research, with thanks to Daniel Klodowski, Kai Rajan, Elliot Cook, Joe Schaffner, and Cara Lasswell.

<sup>64</sup> *Id.*

<sup>65</sup> For example S.632 (STRONG Act) and Director's Forum: A Blog from USPTO's Leadership, Friday Mar. 27, 2015, [http://www.uspto.gov/blog/director/entry/ptab\\_s\\_quick\\_fixes\\_for](http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for).

<sup>66</sup> Keep in mind that the Patent Owner should avoid “unreasonable and unexplained delay” in patent prosecution. See, e.g., *Tafas v. Doll*, 559 F.3d 1345 (Fed. Cir. 2009); *In re Bogese*, 303 F.3d 1362 (Fed. Cir. 2002); *Symbol Techs., Inc. v. Lemelson Med. Educ. & Research Found.*, 422 F.3d 1378 (Fed. Cir. 2005).

<sup>67</sup> Note that this is not the case for claims canceled by certificate—which represents the end of the line of an IPR. 37 C.F.R. § 42.73(d)(3); *A.C. Dispensing Equipment Inc. v. Prince Castle LLC*, IPR2014-00511, Paper 18, at 2 (P.T.A.B. Oct. 17, 2014) (“Patent Owner will not be permitted to obtain in a patent any claims that are not patentably distinct from any claim that is canceled as a result of this proceeding.”).

probably be introduced and relied upon in a POPR or Patent Owner Response (POR) to a patent undergoing IPR.<sup>68</sup>

#### D. Prosecution Declarations

While the practice must be approached cautiously, patent owners may want to consider submitting carefully crafted declarations to enter information into the record during prosecution that may benefit the patent in the face of a subsequent IPR challenge. For example, patent owners may want to consider submitting extensive arguments and/or declarations during prosecution to support patentability under § 112 and § 103. As mentioned above, by rule, a patent owner currently cannot “present new testimony evidence beyond that already of record” in a POPR.<sup>69</sup> But a patent owner can raise any other preexisting evidence, such as evidence of record in the prosecution history and other relevant publicly available documents.<sup>70</sup>

As always, applicants should avoid inequitable conduct.<sup>71</sup> Evidence or declarations thrown together in haste—or otherwise defective—may be fatal rather than helpful.<sup>72</sup> Patent owners should proceed judiciously, making reasoned, well-supported legal arguments and submitting only sound declarations. But strengthening the prosecution record with well-supported declarations and evidence can bolster later proceedings and provide support for key positions. Since inequitable conduct cannot be raised during an IPR or PGR, there would likely be no

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<sup>68</sup> See 37 C.F.R. § 42.107(c) (“No new testimonial evidence. The preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.”). See also *Anova Food, LLC v. Kowalski*, IPR2013-00114, Paper 11 (P.T.A.B. June 25, 2014), where the PTAB accepted declarations prepared during litigation.

<sup>69</sup> See § 42.107(c).

<sup>70</sup> See *Anova*, Paper 11, at 3 (“37 C.F. R § 42.107(c) applies only to ‘new’ testimony that was taken specifically for the purpose of the *inter partes* review proceeding at issue, as supported by the discussion and the comments that accompanied the rule. For example, a party submitting the prosecution history for the challenged patent may include a copy of the declarations contained therein. . . . [the] Declaration of Darren Zobrist that was filed in the United States District Court for the District of Hawaii . . . is not ‘new’ testimonial evidence relied upon by the Patent Owner to support the contentions in the preliminary response, and thus can be appropriately submitted with the response.”).

<sup>71</sup> Many cases have found inequitable conduct before the Office. See, e.g., *Aventis Pharma S.A. v. Hospira, Inc.*, 675 F.3d 1324 (Fed. Cir. 2012); *Apotex Inc. v. Cephalon, Inc.*, 2011 WL 6090696 (E.D. Pa. 2011), *aff’d without op.*, (Fed. Cir. 2013); *Intellect Wireless, Inc. v. HTC Corp.*, 732 F.3d 1339 (Fed. Cir. 2013); *Ohio Willow Wood Co. v. Alps South, LLC*, 735 F.3d 1333 (Fed. Cir. 2013); *Apotex, Inc. v. UCB, Inc.*, 763 F.3d 1354 (Fed. Cir. 2014); & *Am. Calcar, Inc. v. Am. Honda Motor Co., Inc.*, 768 F.3d 1185 (Fed. Cir. 2014).

<sup>72</sup> See, e.g., *K-40 Electronics, LLC v. Escort, Inc.*, IPR2013-00203, Paper 6 (P.T.A.B. Aug. 29, 2013) (instituting IPR based on legally defective declaration submitted and originally accepted during prosecution).

estoppel precluding a losing IPR or PGR petitioner from raising inequitable conduct in any subsequent litigation.

### **E. Write Claims That Are Definite and Easily Understood**

The Federal Circuit decision on remand in *Teva Pharmaceuticals USA, Inc. v. Sandoz, Inc.*, -- F.3d\_\_ (Fed. Cir. June 18, 2015), provides an example of an application of the Supreme Court's *Nautilus* standard for indefiniteness.<sup>73</sup> According to the Supreme Court, a patent is indefinite "if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention."<sup>74</sup> In *Teva*, claims reciting a limitation that had three possible ways of being measured, without direction in the specification as to which of the three was controlling, were indefinite.

Although IPR can only be instituted under 35 U.S.C. §§ 102 and 103 over patents and printed publications, § 112 issues may be raised to challenge a claim's entitlement to a priority date to bring in an additional reference. Also, PTAB has found claims too ambiguous to construe, and deny institution—a less-than-satisfying victory, for obvious reasons.<sup>75</sup> Patent owners need careful drafting to try to avoid such support problems.

## **VI. CONCLUSION**

For patent owners, an IPR petition denial may be the best-case scenario, particularly since the Federal Circuit likely cannot review the denial.<sup>76</sup> Part 1 of this article discussed several technical bases on which patent owners can challenge a petition to persuade PTAB issue a denial. Part 2 reviews substantive bases and examples where patent owners were successful at obtaining denials. While there is no direct estoppel of the petition grounds (the only petitioner estoppel

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<sup>73</sup> *Nautilus, Inc. v. Biosig Instruments, Inc. (Nautilus II)*, --U.S. \_\_ 134 S.Ct. 2120 (U.S., 2014).

<sup>74</sup> *Nautilus II*, 134 S.Ct. at 2124.

<sup>75</sup> See *Blackberry Corp. v. MobileMedia Ideas, LLC*, IPR2013-00036, Paper 65, at 7-8 (P.T.A.B. March 7, 2014)("As explained below, the scope of the claims of the '048 patent cannot be determined without speculation. Consequently, the differences between the claimed invention and the prior art cannot be determined. In this circumstance, the analysis begins and ends with the claims, and we do not attempt to apply the claims to the prior art. See *In re Wilson*, 424 F.2d at 1385; *In re Steele*, 305 F.2d at 862-63; accord *United Carbon Co. v. Binney & Smith Co.*, 317 U.S. 228, 237 (1942) (indefiniteness moots consideration of prior art issues)"). See also, *Facebook, Inc. v. TLI Communications LLC*, IPR2014-00566, Paper 14, at 13 (Sept. 15, 2014)("In the circumstances of this case, because the claims are not amenable to construction, we are unable to conclude that there is a reasonable likelihood that Petitioner would prevail in its challenge of claim 1, and claims 2, 6-11, and 14-16 that depend therefrom.").

<sup>76</sup> *In re Cuozzo Speed Technologies LLC*, --F.3d \_\_, \*3 (Fed. Cir. July 8, 2015); but see *SAP v. Versata*, --F.3d \_\_, at \*2-5 (Fed. Cir. July 9, 2015) (allowing review of institution factors directly related to patentability in CBM proceedings).

is from a final written decision<sup>77</sup>), there is some protection from 35 U.S.C. § 325(d) from the same or substantially the same prior art or arguments being raised in repeated attacks on the same claims.

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<sup>77</sup> 35 U.S.C. § 315(e).