



ARE Patent Law Alert: Precedential Panel of PTAB Holds that PTAB Can Raise New Ground of Unpatentability as Advocated by the Firm on Behalf of Amicus Askeladden LLC

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On Monday, July 6, 2020, the Precedential Opinion Panel (Panel), which decides issues of exceptional importance to the Patent Trial and Appeal Board (Board), issued its decision in *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, IPR2018-00600, Paper 67 (July 6, 2020).

The Panel held that while the Board has the ability to raise a ground of unpatentability a petitioner has not advanced or has insufficiently developed, it should do so only under rare circumstances. Slip op. at 5. It further held that when the Board raises a new ground it should give the parties notice and an opportunity to comment on the new ground before deciding it. Slip op. at 14-15.

Background

On November 7, 2019, the Panel was formulated and issued an order calling for the parties and potential amici to address the following questions:

I. Under what circumstances and at what time during an *inter partes* review may the Board raise a ground of unpatentability that a petition did not advance or insufficiently developed against substitute claims proposed in a motion to amend?

II. If the Board raises such a ground of unpatentability whether the Board must provide the parties notice and an opportunity to respond to the ground of unpatentability before the Board makes a final determination.



See *Hunting*, IPR 2018-00600, Paper 46 (Nov. 7, 2019).

Thereafter, in December 2019, in response, several amici curiae, including amicus Askeladden LLC, filed briefs in this matter, arguing that in the context of motion to amend practice, the Board should be able to raise sua sponte any grounds it deems appropriate to invalidate a proposed substitute claim, but needs to give the parties a fair opportunity to comment.

Prior to the Panel decision, the U.S. Court of Appeals for the Federal Circuit issued its decision in *Nike, Inc. v. Adidas, AG*, essentially adopting the position taken by Askeladden in its amicus brief in *Hunting*. 955 F.3d 45 (Fed. Cir. 2020).

Specifically, *Nike* held that “the Board should not be constrained to arguments and theories raised by the petitioner in its petition or opposition to the motion to amend,” and as such, “the Board may sua sponte identify a patentability issue for a proposed substitute claim based on the prior art of record.” 955 F.3d at 51.

The Decision

In *Hunting*, the Panel issued a precedential decision authored by Chief Administrative Patent Judge Boalick, and joined by Director of the U.S. Patent and Trademark Office, Andrei Iancu and Commissioner for Patents, Andrew Hirshfeld.

Hunting acknowledged the parties’ and amici positions, and the Federal Circuit’s holding in *Nike*, as a starting point of its analysis. Thus, consistent with Askeladden’s position, and *Nike*, the Panel recognized that the Board had the authority to sua sponte raise new grounds on a motion to amend, but needed to provide the parties with notice and opportunity to comment.

However, *Hunting*, went further to clarify that while, under *Nike*, the Board *may* sua sponte identify a patentability issue, the Board is not obligated to do so. *Hunting*, slip op. at 10. The Panel determined that even though the “Board may raise a ground of unpatentability that a petition did not advance, or insufficiently developed...[it] should only do so under rare



circumstances” which the Panel “need not undertake to delineate them with particularity at present.” Slip op. at 13.

In response to the second question presented, the Panel recognized that there is no dispute that the Board needs to provide notice of any ground of unpatentability the Board raises sua sponte. Slip op. at 14. Instead, the question is what form that notice must take. Slip op. at 14.

The Panel held that “due process requires that a patent owner receive notice of how the prior art allegedly discloses the newly-added limitations of each proposed substitute claim, as well as a theory of unpatentability asserted against those claims” and that the patent owner be provided with an opportunity to respond to those factual allegations and legal theories. Slip op. at 15.

While the Board does not need to define every possible procedure that would be sufficient to provide the required notice and opportunity to respond, specific examples include “request[ing] ‘supplemental briefing from the parties regarding its proposed ground for unpatentability’ or it could ‘request[] that the parties be prepared to discuss’ the prior art in connection with the substitute claim at an oral hearing.” Slip op. at 15, quoting *Nike*, 955 F.3d. at 54.

Conclusion

In *Hunting*, the Panel as reaffirmed the Board’s authority to raise new grounds on a motion to amend, and confirmed exemplary procedures by which it could do. Nonetheless, the Panel has also warned that the Board should only do so in some undefined “rare circumstances.” Time will tell what those circumstances prove to be.

We will continue to monitor this issue and report on developments. For more information, please contact us.

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