

Appealing Patent Trial and Appeal Board Final Written Decisions

CHARLES R. MACEDO, AMSTER, ROTHSTEIN & EBENSTEIN LLP,
WITH PRACTICAL LAW INTELLECTUAL PROPERTY & TECHNOLOGY

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This Practice Note discusses procedural and strategic considerations involved in appealing final written decisions of the Patent Trial and Appeal Board (PTAB) in *inter partes* review (IPR), post-grant review (PGR), and covered business method (CBM) patentability challenges under the Leahy-Smith America Invents Act (AIA). It discusses grounds, timelines, and practical considerations for requesting rehearing of a final written decision before the PTAB and appeal to the US Court of Appeals for the Federal Circuit.

Since the Leahy-Smith America Invents Act (AIA) became effective in pertinent part in 2012, post-issuance patentability challenges including *inter partes* review (IPR), post-grant review (PGR), and the transitional program for covered business method review (CBM) at the US Patent and Trademark Office (USPTO) before the Patent Trial and Appeal Board (PTAB) have become an integral part of patent litigation and patent disputes.

As these proceedings continue to progress to final written decisions on patentability of the challenged and instituted patent claims, practitioners and stakeholders face multiple options for challenging and appealing a ruling. This Note discusses:

- Options to challenge a final written decision by the PTAB in an IPR, PGR, or CBM proceeding, including:
 - requesting rehearing before the PTAB; and
 - appealing to the US Court of Appeals for the Federal Circuit.
- Grounds for Federal Circuit appeals challenging the PTAB's:
 - institution decision; and
 - final written decision.
- Procedure on remand.

For a discussion of typical timelines, milestones, and procedures in IPR, PGR, and CBM proceedings, see Practice Note, Understanding PTAB Trials: Key Milestones in IPR, PGR, and CBM Proceedings ([3-578-8846](#)).

For a collection of additional resources concerning PTAB proceedings, see PTAB Proceedings Toolkit ([w-002-2510](#)).

For a collection of representative PTAB decisions, see USPTO America Invents Act Trial Tracker (PTAB) ([2-569-3226](#)).

OPTIONS TO CHALLENGE A PTAB FINAL WRITTEN DECISION

After a PTAB final written decision, a party may either (or both):

- Request a rehearing at the PTAB (see Rehearing Requests).
- Appeal to the Federal Circuit (see Federal Circuit Appeals).

A party may only appeal PTAB decisions to the Federal Circuit. Under the AIA and unlike other USPTO proceedings, there is no option to file a civil action against the USPTO in district court (35 U.S.C. §§ 141 and 319).

REHEARING REQUESTS

A party dissatisfied with the PTAB's final written decision may request a panel rehearing of the decision within 30 days of entry of the decision (37 C.F.R. § 42.71(d)(2)). Unlike other motions before the PTAB, the PTAB does not require its prior authorization for a rehearing request. The challenging party has the burden of showing that the decision should be modified and must specifically identify:

- All matters the party believes the PTAB misapprehended or overlooked.
- The place where each matter was previously addressed in a motion, opposition, or reply.

(37 C.F.R. § 42.71(d).)

The rehearing request is "not intended as a vehicle simply to disagree with [the] outcome or to provide new arguments" (*Captioncall, Inc. v. Ultratec, Inc.*, IPR2014-00780, Paper No. 40 (PTAB Dec. 1, 2015)).

Unless leave is otherwise obtained, the rehearing request is limited to 15 pages (37 C.F.R. § 42.24(a)(1)(v)). The party requesting rehearing may submit new evidence only for good cause, which the party may raise on a conference call with the Board before filing the rehearing request, or in the rehearing request itself (*Huawei Device Co., Ltd. v. Optis Cellular Technology, LLC*, 2019 WL 137151 (PTAB Jan. 8, 2019) (precedential) (denying rehearing)).

Except as noted below, a rehearing request generally does not toll the time for taking other action (37 C.F.R. § 42.71(d)).

Rehearing Request Timeline

Once a party files a request for rehearing, the PTAB does not permit a response (or reply) without authorization. Therefore, unless the PTAB requests a response, or the party opposing the rehearing request seeks (and obtains) permission to file a response, the PTAB rules do not allow for an opposition (or reply).

If authorized, the default time for filing an opposition is one month from service of the motion for rehearing (37 C.F.R. § 42.25(a)(1)). As with the motion, the opposition is limited to 15 pages (37 C.F.R. § 42.24(b)(3)).

With PTAB authorization, the moving party may file a reply within one month from service of the opposition (37 C.F.R. § 42.25(a)(2)). Any reply is limited to five pages (37 C.F.R. § 42.24(c)(2)).

If a party wishes to deviate from these default times or page limits, it must request PTAB approval.

Rehearing Request Practical Considerations

It is unlikely, but possible, that a PTAB panel may change its decision in a motion for rehearing, as suggested by USPTO bulk data on rehearing decisions available on its website (click on “PTAB API page” for previous decisions).

There have been few decisions in which the PTAB has granted any motion for rehearing let alone a motion for rehearing of a final written decision. In one of the rare instances where the PTAB granted rehearing of a final written decision, the panel acknowledged its failure to recognize that an argument made about a specific element in a dependent claim would also address the broader element in the claim from which it depends. Therefore, while the panel granted rehearing regarding the dependent claims, it did not grant rehearing on the non-instituted claims from which they depended under notions of fairness (*Square, Inc. v. REM Holdings 3, LLC*, IPR2014-00312 (Paper No. 68) (PTAB Nov. 20, 2015), *app. dismissed*, No. 16-1650 (Fed. Cir. June 30, 2016) and No. 16-1651 (Fed. Cir. Aug. 31, 2016)).

Another panel granted rehearing of a final written decision in a converse situation, where it found a dependent claim invalid but the claim from which it depended not invalid. The PTAB granted rehearing to correct this clear error of logic (*Valeo N. Am. v. Magna Elecs., Inc.*, IPR2014-00220 (Paper No. 61) (PTAB July 14, 2015), *app. dismissed*, Nos. 15-2004, 15-2005, 15-2006 and 16-1119 (Fed. Cir. Jan. 8, 2016)).

To the extent the PTAB has otherwise entertained rehearing requests earlier in a proceeding, it has granted requests for rehearing in the following exemplary situations:

- The petition included a typographical error in a heading misidentifying claims addressed in the asserted unpatentability grounds (*Milwaukee Elec. Tool Corp. v. Irwin Indus. Tool Corp.*, IPR2015-01462 (Paper No. 13) (PTAB Jan. 15, 2016)).
- The PTAB’s institution decision included obvious typographical errors, such as a misplaced decimal point (*Boston Sci. Corp. v. UAB Research Found.*, IPR2015-00918 (Paper No. 14), 2016 WL 1019300 (PTAB Mar. 7, 2016)).
- The PTAB’s institution decision included clear factual errors on what was stated in the petition, such as:
 - misanalyzing expert testimony referenced in the petition (*Genband US LLC v. Metaswitch Networks, Ltd.*, IPR2015-01457, Paper No. 17 (PTAB Feb. 22, 2016)); or
 - missing the significance of a portion of the prior art in the PTAB’s analysis (*Merial v. Virbac*, IPR2014-01279 (Paper No. 18) (PTAB Apr. 15, 2015)).
- The PTAB overlooked an argument under an alternative claim construction adopted by the Board, which was supported by the petition (*AVX Corp. v. Greatbatch*, IPR2015-00710 (Paper No. 13) (PTAB Jan. 13, 2016)).
- The PTAB’s rationale for declining institution misapprehended the significance of certain arguments and other information raised in the petition, and rehearing was necessary to address the deficiencies (*Daicel Corp. v. Celanese Int’l Corp.*, IPR2015-00173 (Paper No. 15), 2015 WL 3934090 (PTAB June 26, 2015)).

Counsel should therefore primarily consider requesting rehearing where either:

- The PTAB made an obvious error (such as a typographical error or clear factual mistake that would impact the opinion).
- A party to the proceeding may not have standing to challenge the decision on appeal to the Federal Circuit (see Article III Standing Requirement to Appeal to the Federal Circuit).

FEDERAL CIRCUIT APPEALS

Under 35 U.S.C. § 141(c), a party may only appeal a PTAB final written decision in an IPR, PGR, or CBM proceeding to the Federal Circuit (see also 35 U.S.C. §§ 319 (IPRs) and 329 (PGRs, including CBMs)). Section 141(c) states that a party dissatisfied with a PTAB final written decision may appeal “only to” the Federal Circuit.

For more information on Federal Circuit appeal procedure, see Federal Circuit Civil Appeals Toolkit ([5-535-3579](#)).

Article III Standing Requirement to Appeal to the Federal Circuit

Under the statute, as the Supreme Court recently explained, a party dissatisfied with the Board’s review may seek judicial review at the Federal Circuit. Any party to the IPR may be a party at the Federal Circuit. (35 U.S.C. § 319 and *Oil States Energy Services, LLC v. Green Energy Grp., LLC, et al.*, 138 S. Ct. 1365, 1372 (2018).)

Nevertheless, the Federal Circuit has decided that while Article III standing is not required to bring a post-grant challenge before the PTAB, it is required to appeal a PTAB decision to the Federal Circuit:

- In *Consumer Watchdog v. Wisconsin Alumni Research Foundation*, the Federal Circuit dismissed the third-party requester’s appeal from a PTAB decision on *inter partes* reexamination because it had

only alleged a general grievance concerning the challenged patent (753 F.3d 1258, 1263 (Fed. Cir. 2014)). The court determined that the requester's status as a non-profit consumer rights organization concerned about the challenged patent's reach and burden on taxpayer-funded research was not enough to make the dispute justiciable (see Legal Update, Third Party Challengers Must Establish Injury in Fact to Appeal PTAB Decisions: Federal Circuit ([7-570-4086](#))).

- In *Personal Audio, LLC v. Electronic Frontier Foundation*, however, the Federal Circuit held that a non-profit consumer advocacy group was not constitutionally excluded from appearing before the court to defend a PTAB decision in its favor because the appellant patent owner had Article III standing (see 867 F.3d 1246 (Fed. Cir. 2017), *cert. denied*, 138 S. Ct. 1989 (2018) and Legal Update, Federal Circuit Determines That EFF Has Standing to Defend PTAB Decision in Its Favor ([w-009-7210](#))).
- In *Altaire Pharm. v. Paragon Biotech*, a divided Federal Circuit held that the petitioner in a PGR proceeding had Article III standing to appeal based on its intent to file an Abbreviated New Drug Application implicating the challenged patent (889 F.3d 1274 (Fed. Cir. 2018) (noting that the petitioner's injury was compounded by the PGR estoppel provision of 35 U.S.C. § 325(e)), *remand order modified by stipulation on other grounds*, 738 F. App'x 1017 (Fed. Cir. 2018)).
- In *E.I. DuPont De Nemours & Company v. Synvina, C.V.*, the Federal Circuit held that "a petitioner who appeals from an IPR decision need not face a specific threat of infringement litigation by the patentee to establish jurisdiction," but instead "must generally show a controversy of sufficient immediacy and reality to warrant the requested judicial relief" (citations and internal quotation marks omitted). In this case, the Federal Circuit held that "[s]uch a controversy exists here because [the petitioner] currently operates a plant capable of infringing the [patent]." The Federal Circuit concluded that the petitioner met the injury in fact requirement for Article III standing because the petitioner "has concrete plans for present and future activity that create[] a substantial risk of future infringement or likely cause the patentee to assert a claim of infringement" (citations and internal quotation marks omitted). (904 F.3d 996, 1004-05 (Fed. Cir. 2018)).

The Federal Circuit has also found that Article III standing does not exist based on 35 U.S.C. § 141(c) alone, even though the petitioner had been permitted to file an appeal. The court determined that the petitioner did not face a risk of infringing the challenged patent, and there was no injury in fact based on the challenged patent's alleged encumbrance of its licensing efforts (*Phigenix, Inc. v. ImmunoGen, Inc.*, 845 F.3d 1168, 1173-74 (Fed. Cir. 2017) and see Legal Update, Party Who Does Not Face Infringement Risk Lacks Standing to Appeal Adverse PTAB Decision: Federal Circuit ([w-005-3044](#))). Similarly, in *AVX Corporation v. Presidio Components, Inc.*, the court held that an appellant's status as the patent owner's competitor, without a showing of non-speculative plans to engage in conduct arguably covered by claims upheld in an IPR, is not an injury in fact sufficient to confer Article III standing (2019 WL 2079178 (Fed. Cir. May 13, 2019)).

The Federal Circuit has also found standing to appeal for parties who had joined an IPR proceeding beyond the one-year time bar period under 35 U.S.C. § 315(b), even where the original IPR petitioner

lacked Article III standing (see *Mylan Pharms. Inc. v. Research Corp. Techs., Inc.*, 914 F.3d 1366, 1372-73 (Fed. Cir. 2019)).

State and Tribal Sovereign Immunity

In *Covidien LP v. Univ. of Florida Research Foundation*, the PTAB held that state sovereign immunity applies to IPR proceedings (2017 WL 4015009 (PTAB Jan. 25, 2017)). There, the PTAB granted a motion to dismiss three petitions against the University of Florida Research Foundation's ("UFRF") patent claims because, as an arm of the State of Florida, the UFRF was entitled to a sovereign immunity defense against review of the challenged claims. However, in *Regents of the University of Minnesota v. LSI Corporation*, the Federal Circuit held that state sovereign immunity does not apply in IPRs (2019 WL 2479596 (Fed. Cir. Jun. 14, 2019)).

The PTAB and Federal Circuit have likewise held that tribal sovereign immunity does not apply to IPR proceedings (*Mylan Pharms. Inc., et al. v. Saint Regis Mohawk Tribe*, IPR2016-01127, Paper 129 (PTAB Feb. 23, 2018)). The St. Regis Mohawk Tribe that lost this decision appealed to the Federal Circuit under the collateral order doctrine. The Federal Circuit affirmed (896 F.3d 1322 (Fed. Cir. 2018) and the US Supreme Court denied certiorari (139 S.Ct. 1547)). In the related district court litigation, the district court had issued a final judgment holding each of the representative asserted claims as obvious (*Allergan v. Teva Pharm. USA, Inc.*, 2017 WL 4803941 (E.D. Tex. Oct. 16, 2017)). The Federal circuit summarily affirmed (742 Fed. Appx. 511 (Fed. Cir. 2018)) and on June 3, 2019, the US Supreme Court denied certiorari (2019 WL 1558485)).

Constitutionality of PTAB Judge Appointments

On October 31, 2019, in *Arthrex, Inc. v. Smith & Nephew, Inc.*, the Federal Circuit held that the statutory appointment of Administrative Patent Judges (APJs) to the PTAB by the Secretary of Commerce is an unconstitutional appointment of a principal officer in violation of the Appointments Clause. To remedy the violation, the Federal Circuit severed the statutory restrictions on removing APJs, rendering them inferior officers. (2019 WL 5616010 (Fed. Cir. Oct. 31, 2019)).

On November 1, 2019, in *Customedia Technologies, LLC v. Dish Network Corp.*, the Federal Circuit held that Customedia Technologies, LLC forfeited its Appointments Clause challenge to PTAB APJ appointments made in light of Arthrex because it failed to raise the issue in its opening brief or a pre-opening-brief motion (2019 WL 5677704 (Fed. Cir. Nov. 1, 2019)). Accordingly, at least for now, the Arthrex decision's impact is limited to appeals of Final Written Decision's which issued on or before the October 31 Arthrex ruling and where an opening or pre-opening-brief motion raises the issue.

The Federal Circuit has invited further briefing in other cases and one or more petitions for *en banc* review are expected in these and possibly other cases.

Federal Circuit Appeal Timeline

A party must file any notice of appeal with the Director of the USPTO within 63 days after the date of the final written decision (or a decision on a motion for rehearing of a final written decision) (35 U.S.C. § 142 and 37 C.F.R. §§ 90.3(a)(1), (b)(1) (resetting for timely rehearing request)).

The Director of the USPTO or the Director's designee may grant an extension of time to file a notice of appeal on a showing of either:

- Good cause, if made before time has expired.
- Excusable neglect for the failure to act, if made after time has expired.

(37 C.F.R. §§ 90.3(c)(1)(i), (ii) and see also 37 C.F.R. § 104.2 (for rules governing filing of request)).

A late request for more time, however, has been fatal in other contexts (see, for example, *Two-Way Media LLC v. AT&T, Inc.*, 782 F.3d 1311, 1317 (Fed. Cir. 2011) (affirming the district court's refusal to extend or reopen the appeal period due to counsel's neglect in docketing and filing a timely notice of appeal)).

A party may file a notice of cross-appeal within 14 days of the notice of appeal or within the time to appeal, whichever is later (Federal Rules of Appellate Procedure (FRAP) 4(a)(3) and 37 C.F.R. § 90.3(a)(1)).

The USPTO Director must send "a certified list and a copy of the decision or order appealed" to the Federal Circuit within 40 days after receiving the notice of appeal (Fed. Cir. Rule 17(b)(1)). The USPTO Director may send a second certified list based on the cross-appeal.

By the time the parties file the Joint Appendix, each party must:

- File a certificate of compliance confirming that they have reviewed the record to determine if any portion of it previously sealed under a protective order can be unsealed.
- Seek the other side's agreement to that effect.

(Fed. Cir. Rules 11(d) and 17(f).)

Appeal Briefing

Fed. Cir. Rule 31(a) sets the following briefing schedule:

- **Appellant Brief Due (Blue Brief):** 60 days after service of the certified list (Fed. Cir. Rule 31(a)(1)(B)). This brief has a 14,000-word maximum (Fed. Cir. Rule 32(a)).
- **Appellee Brief Due (Red Brief):**
 - if there is no cross-appeal, 40 days after service of the appellant's brief (Fed. Cir. Rule 31(a)(2)). This brief has a 14,000-word maximum (Fed. Cir. Rule 32(a)); or
 - in a cross-appeal, 40 days after service of the appellant's brief (Fed. Cir. Rule 31(a)(2)). The appellee's principal and response brief has a 16,500-word maximum (Fed. Cir. Rule 28.1(b)(2)(A)).
- **Appellant's Rely Brief Due (Yellow Brief):**
 - if there is no cross-appeal, 21 days (14 days if filed before December 1, 2018) after service of the appellee's brief and at least seven days before oral argument (FRAP 31(a)(1)). This brief has a 7,000-word maximum (Fed. Cir. Rule 32(a)); and
 - in a cross-appeal, 40 days after service of cross-appellant's brief (Fed. Cir. Rule 31(a)(3)(A)). The appellant's response and reply brief has a 14,000-word maximum (Fed. Cir. Rule 28.1(b)(1)(A)).
- **Cross-Appellant's Reply Brief Due (Gray Brief):** 14 days after service of the appellant's reply brief (Fed. Cir. Rule 31(a)(3)(B)). This brief has a 7,000-word maximum (Fed. Cir. Rule 28.1(b)(3)).
- **Joint Appendix Due (White Filing):** Seven days after the last reply is served and filed. If there is no cross-appeal and the appellant

does not file a reply brief, the appendix is due within the time for filing the reply brief. In a cross-appeal, if the cross-appellant does not file a reply brief, the appendix is due within seven days after the time for filing the cross-appellant's reply brief has expired. (Fed. Cir. Rule 30(a)(4).)

Oral Argument at the Federal Circuit

The Federal Circuit generally sits for oral argument the first week of each month. Court session dates are published at the Federal Circuit website. The court sometimes sets special hearings on non-court session dates, but this is unusual.

The Federal Circuit's Practice Notes for Fed. Cir. Rule 34 (Fed. Cir. Rule Practice Note 34) appear after the text of the rule and address oral argument and explain that the court:

- Usually calendars appeals for oral argument or submission without argument within two months after the parties file their briefs and joint appendix.
- Advises counsel of the firm hearing date approximately 30 days before the session.

(Fed. Cir. Rule Practice Note 34.)

Once the case has been fully briefed, the clerk typically issues a Notice of Docket Activity (NDA). Within seven days of the NDA, counsel must identify any scheduling conflicts for at least the next three court weeks (Fed. Cir. Rule Practice Note 34).

The court only considers conflicts by arguing counsel, who:

- Must attach to its response to the Notice to Advise of Scheduling Conflicts an explanation showing good cause for each submitted conflict.
- Is limited to ten total days of unavailability during the six consecutive court weeks identified in the Notice to Advise of Scheduling Conflicts.

(See December 10, 2018 Revision to Process for Advising of Scheduling Conflicts.)

Beginning April 8, 2019, the court will note only accepted conflict dates in its docket (see March 22, 2019 New Process for Notifying Counsel of Accepted Scheduling Conflicts). Once oral argument is scheduled, the court does not postpone it except on a showing of compelling reasons (Fed. Cir. Rule Practice Note 34).

Where, due to scheduling conflicts, oral argument is delayed by more than three months, the court may require additional supplemental letters from counsel regarding conflicting dates. The court's Practice Notes emphasize that the parties should report any potential conflicts as soon as they are known and should not wait until actual conflicts arise.

If both parties elect to submit the case on the briefs and therefore waive oral argument, the case may be presented earlier to a panel for disposition.

Post-Scheduling Oral Argument Procedure

Usually around the 20th to 22nd of each month, the Federal Circuit publishes the scheduled oral arguments for the corresponding court week two months later. The parties typically receive an ECF notice of the oral argument schedule, listing the first argument scheduled

in the subject line. Counsel should not ignore this notice because, at first glance, it may appear not to relate to counsel's case.

When oral argument is scheduled, each party is asked to submit a form identifying:

- Counsel who will make the oral argument.
- The time requested to be reserved for each party.

If counsel or a party needs the courtroom to be accessible to the disabled for oral argument, counsel should notify the clerk when filing the entry of appearance.

The Federal Circuit typically schedules 15 minutes of oral argument per side (not per party or attorney) even in consolidated cases, although this time may vary depending on the nature of the cases (Fed. Cir. Rule Practice Note 34). At times, when there are appeals or cross-appeals from related but distinct PTAB proceedings, the court may consolidate the appeals by issue and have oral argument scheduled before the same panel on the same day for each appeal.

It is not uncommon for the court to grant more time during oral argument to counsel to answer the court's questions or to finish a point raised. The extra time is typically also provided to the other side. The court may also terminate an oral argument early in its discretion, although this is not a common practice.

In the typical oral argument, the appellant argues first and reserves a portion of its time for rebuttal. The respondent, assuming there is no cross-appeal, then makes its argument, without the option of reserving time for rebuttal. The appellant is then allowed to use its remaining time in rebuttal.

While the rules allow for the use of visual aids at oral argument (Fed. Cir. Rule 34(c)), it is not commonly done and tends to be an inefficient use of oral argument time. The more typical practice is instead to direct the panel to pages of a parties' brief or the joint appendix. Therefore, when briefing the appeal, counsel should consider what demonstrative evidence to reference at oral argument to ensure it is readily available to the court.

On the day of the oral argument, the court posts the panel sitting in each courtroom, which is the earliest the parties can know the specific judges deciding the appeal. Counsel making the oral argument must check in with the clerk's office at least 30 minutes before the scheduled session and before proceeding to the courtroom (Fed. Cir. Rule Practice Note 34).

The Federal Circuit typically issues a decision within 90 days of oral argument. However, the court may issue a summary disposition under Fed. Cir. Rule 36 as quickly as the day after oral argument or within two weeks after oral argument.

For more information, see Practice Note, Federal Circuit Appeals: Oral Argument, Disposition, and Rehearing ([8-531-6439](#)).

Confidentiality Considerations

Unless held in camera, oral arguments are open to the public. Recordings of each oral argument are available on the court's website, free of charge. Counsel should listen to oral argument raising similar issues before making their own oral argument. Since oral argument is public, the Federal Circuit discourages parties from

unnecessarily designating material in the briefs and appendix as confidential because this may hinder the court's preparation and issuance of opinions. Where necessary, however, counsel must be prepared to justify at oral argument any claim of confidentiality (Fed. Cir. Rule Practice Note 34).

USPTO Intervention

The USPTO has the right to intervene in the appeal of an IPR, PGR, or CBM proceeding (35 U.S.C. § 143 and see *Oil States*, 138 S. Ct. at 1372 ("The Director can intervene to defend the Board's decision, even if no party does.")). In particular, the USPTO may exercise this right when a successful petitioner has settled with a patent-owner appellant such that no dispute remains between the parties in the proceeding (see, for example, *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268 (Fed. Cir. 2015), *aff'd* 136 S. Ct. 2131 (2016) and see Legal Update, Supreme Court Affirms Federal Circuit in *Cuozzo*, Upholding USPTO Procedure in IPR Proceedings ([w-002-6919](#))).

When the USPTO elects to participate or the Federal Circuit requests the USPTO's participation, it typically receives its own allotment of 15 minutes for oral argument. In contrast, amicus curiae generally are not allowed to participate in oral argument, although in some rare cases, the Federal Circuit has invited such arguments.

Amicus Briefs (Green Briefs)

FRAP 29 and Fed. Cir. Rule 29 govern amicus briefs, which may be filed either on consent of all parties or by leave of the court.

Attorneys representing amici must file Notices of Appearance and may participate in oral argument only by leave of the court (FRAP 29(a)(8)).

Amicus briefs on the merits are due seven calendar days after the principal brief of the party supported. If the amicus brief is in support of no party, then it is due seven calendar days after the appellant's principal brief. These amicus briefs may be up to 7,000 words long (about 14 pages). (FRAP 29(a)(5), (6).)

Amicus briefs supporting petitions for rehearing or rehearing *en banc* must be:

- Accompanied by a motion for leave to file.
- Filed within seven calendar days of the petition.
- No more than 2,600 words long (about five pages).

(FRAP 29(b).)

Amicus briefs must contain various disclosures, including:

- A FRAP 26.1 disclosure statement (if amicus is a corporation) (FRAP 29(a)(4)(A)).
- A certificate of interest under Fed. Cir. Rule 47.4 (Fed. Cir. Rule 29(a)).
- A general statement of interest of the amicus and affirmative statements clarifying whether any parties other than the amicus helped to draft or fund the preparation and filing of the brief (FRAP 29(a)(4)(D), (E)).

GROUNDINGS FOR FEDERAL CIRCUIT REVIEW

Not every PTAB decision is appealable. For example, PTAB institution decisions generally are not reviewable at least in the first instance (see Generally No Review of Institution Decisions).

The Federal Circuit has, however, held several categories of PTAB rulings in final written decisions to be appealable, including the PTAB's:

- Claim construction (see Reviewability of Wrong Claim Construction).
- Failure to consider evidence presented in the proceeding (see Failure to Consider Evidence).
- Failure to explain the rationale behind its determination (see No or Inadequate Explanation of Rationale).
- Obviousness determinations (see Reviewability of Obviousness Determination).
- Consideration of a new ground raised by the petitioner in its reply (see Reviewability of New Patentability Challenge Ground).
- Application of the one-year bar to an IPR petition under 35 U.S.C. 315(b) (see Reviewability of One-Year Bar).
- Ruling on whether a challenged patent meets the definition of "covered business method" under 37 C.F.R. § 42.304(a) and AIA Section 18(d)(1) in a CBM review (see Reviewability of CBM Analysis).

The Federal Circuit has also held certain categories to PTAB rulings not to be appealable, including the PTAB's:

- Decision not to institute on certain grounds asserted in the petition (see Reviewability of Non-Instituted Grounds).
- Decision on institution regarding assignor estoppel (see Reviewability of Wrong Decision on Assignor Estoppel).

These rulings, as discussed below, are subject to further reconsideration, as a result of the Supreme Court's recent decision in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018).

The Supreme Court has also left open the possibility for reversal of PTAB decisions for due process violations (see Due Process and APA Violations).

STANDARD OF REVIEW

PTAB Factual and Legal Determinations

The Federal Circuit reviews the PTAB's factual determinations for substantial evidence and its legal determinations de novo. Substantial evidence is something less than the weight of the evidence but more than a mere scintilla of evidence. It is "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion." (*In re Nuvasive, Inc.*, 842 F.3d 1376, 1380 (Fed. Cir. 2016).)

Therefore, counsel should focus appeal points on issues that can meet these highly deferential standards.

PTAB Trial Management

Separately, the Federal Circuit reviews the PTAB's decisions on how it manages its permissive rules of trial proceedings for abuse of discretion. This occurs where a PTAB decision:

- Is clearly unreasonable, arbitrary, or fanciful.
- Is based on an erroneous conclusion of law.
- Rests on clearly erroneous fact findings.
- Involves a record that contains no evidence on which the Board could rationally base its decision.

(*Ultratec, Inc. v. CaptionCall, LLC*, 872 F.3d 1267, 1272 (Fed. Cir. 2017).)

GENERALLY NO REVIEW OF INSTITUTION DECISIONS

PTAB institution decisions generally are not appealable to the Federal Circuit. In *Cuozzo*, the US Supreme Court held that 35 U.S.C. § 314(d) barred *Cuozzo's* challenge to the USPTO's decision to institute an IPR (136 S. Ct. at 2142). In particular, the Court noted that Section 314(d)'s text expressly states that the USPTO's IPR institution decisions "shall be final and nonappealable" and that construing it otherwise would undercut Congress's intent to give the USPTO significant power to revisit earlier patent grants.

Specifically, the Court held that there is no ground for appeal where the patent holder:

- Merely challenges the USPTO's determination that the information presented in the petition satisfies the standard for instituting an IPR.
- Grounds its claim in a statute closely related to the decision to institute an IPR, such as 35 U.S.C. § 312(a)(3), which requires that the petition is pleaded "with particularity."

However, in *Cuozzo*, the Court also noted that there may be other grounds for appealing PTAB decisions, including appeals that:

- Implicate constitutional questions.
- Depend on other less closely related statutes.
- Present other questions of interpretation that reach, in terms of scope and impact, well beyond Section 314(d).
- Stem from:
 - a petition failing to give sufficient notice such that there is a due process issue with the entire proceeding; or
 - the USPTO acting outside its statutory limit by, for example, canceling a patent claim for indefiniteness under 35 U.S.C. § 112 in an IPR.

In this regard, the Court noted that the Administrative Procedure Act (APA) enables reviewing courts to "set aside agency action" that is "contrary to constitutional right," "in excess of statutory jurisdiction," or "arbitrary [and] capricious."

For more information on this decision, see Legal Update, Supreme Court Affirms Federal Circuit in *Cuozzo*, Upholding USPTO Procedure in IPR Proceedings ([w-002-6919](#)).

Further, as a result of *SAS Inst.*, the Supreme Court has reversed the PTAB's prior practice of instituting partial institution decisions as contrary to the statute (138 S. Ct. 1348). Thus, if the PTAB decides to institute at least one claim, the PTAB, under *SAS Inst.*, must address each "claim" challenged in the petition to the extent the petitioner maintains the challenge. However, in *BioDelivery Sciences International, Inc. v. Aquestive Therapeutics, Inc.*, the Federal Circuit held that 35 U.S.C. § 314(d) barred review of the PTAB's decision to terminate previously-instituted IPRs that had been remanded to the PTAB following *SAS*, where the PTAB had instituted based only on one ground in each of the three petitions (2019 WL 4062525 (Fed. Cir. Aug. 29, 2019)).

In interim guidance issued after *SAS Inst.*, the USPTO confirmed that, at least for now, if instituted, the PTAB will consider each claim and "challenge" raised in the petition as part of the proceeding (see USPTO, Guidance on the Impact of *SAS* on AIA Proceedings (Apr. 26, 2018)).

GROUNDINGS FOR FINAL WRITTEN DECISION REVIEW

The Federal Circuit's reversals of PTAB final written decisions have focused on the following grounds:

- Erroneous claim constructions.
- Failure to consider evidence.
- Inadequate explanation by the PTAB of its rationale.
- Erroneous application of the law.
- Lack of due process and/or denial of APA rights.
- Improper consideration of the argument.
- Applying an improper burden of persuasion in a motion to amend.

Reviewability of Wrong Claim Construction

The Federal Circuit reviews the PTAB's ultimate claim constructions de novo and its underlying factual determinations involving extrinsic evidence for substantial evidence (*Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1297 (Fed. Cir. 2015), *overruled on other grounds by Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017)).

On October 11, 2018, the USPTO issued Final Rules regarding the claim construction standard in IPR, CBM, and PGR proceedings. Before the 2018 Rules, the PTAB construed unexpired patent claim terms according to their broadest reasonable construction (*Cuozzo*, 136 S. Ct. at 2144). Under the 2018 Rules, for proceedings where a petition is filed on or after November 13, 2018, the PTAB will:

- Construe claims using the standard set out in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), which is applied in federal district courts and ITC proceedings.
- Consider prior claim constructions from district court or ITC proceedings if they are timely made of record in the proceeding.

The PTAB will continue to apply the broadest reasonable interpretation standard for construing unexpired patent claims and proposed substitute claims in the proceedings where a petition was filed before November 13, 2018. (Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board, 83 Fed. Reg. 51340 (Oct. 11, 2018) (amending 37 C.F.R. §§ 42.100(b), 42.200(b), 42.300(b)).)

The Federal Circuit explained that the correct inquiry in giving a claim term its broadest reasonable interpretation in light of the specification was “not whether the specification proscribes or precludes some broad reading of the claim term adopted by the examiner” and “not simply an interpretation that is not inconsistent with the specification.” Rather, it was “an interpretation that corresponds with what and how the inventor describes his invention in the specification, [which is] an interpretation that is ‘consistent with the specification.’” A “reasonable” construction must have support in the specification or extrinsic evidence and cannot be “divorced from the specification and the record evidence.” (*In re Smith Int'l, Inc.* 871 F.3d 1375, 1382-83 (Fed. Cir. 2017) (quoting *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292, 1298 (Fed. Cir. 2015))). Likewise, the broadest reasonable construction may not be so broad as to be inconsistent with the specification or render the claim term meaningless (*In re Power Integrations Inc.*, 884 F.3d 1370, 1376-77 (Fed. Cir. 2018)).

Therefore, where the Board adopts an “erroneous” claim construction to find claims “unpatentable,” the Federal Circuit may reverse and

remand for reconsideration under the correct claim construction. For example, see:

- *Netlist, Inc. v. Diablo Techs., Inc.*, 701 F. App'x 1001 (Fed. Cir. 2017) (non-precedential) (reversing claim construction which was not reasonable in view of context of patent claim).
- *Hitachi Metals, Ltd. v. All. of Rare-Earth Permanent Magnet Indus.*, 699 F. App'x 929 (Fed. Cir. 2017), *cert. denied*, 138 S. Ct. 1695 (2018) (non-precedential) (reversing and remanding obviousness determination based on incorrect claim construction).
- *In re NuVasive, Inc.*, 693 F. App'x 893 (Fed. Cir. 2017) (non-precedential) (reversing claim construction where the PTAB's decision was based solely on an unreasonable interpretation of expert testimony).
- *Nestle USA, Inc. v. Steuben Foods, Inc.*, 686 F. App'x 917 (Fed. Cir. 2017) (non-precedential) (reversing the PTAB's construction of “aseptic packaging” which was broader than FDA regulation consistent with specification).
- *L.A. Biomedical Research Inst. at Harbor-UCLA Med. Ctr. v. Eli Lilly & Co.*, 849 F.3d 1049 (Fed. Cir. 2017) (reversing a finding of invalidity because, among other things, the Board adopted two erroneous claim constructions).

D'Agostino v. MasterCard Int'l, Inc., 844 F.3d 945 (Fed. Cir. 2016) (holding that it was an error for the Board to adopt an interpretation that falls outside claim limitation of “single merchant”). While the Federal Circuit has held that institution decisions generally are not reviewable, statements the PTAB makes in its institution decision and later relies on in its final written decision are reviewable on appeal (*In re Magnum Oil Tools, Int'l, Ltd.*, 829 F.3d 1364, 1374 (Fed. Cir. 2016)). The Supreme Court in *SAS Inst.* was consistent with *Magnum Oil* but took the decision one step further: “[W]hile § 314(a) invests the Director with discretion on the question *whether* to institute review, it doesn't follow that the statute affords him discretion regarding *what* claims that review will encompass.” (*SAS Inst.*, 138 S. Ct. at 1356).

The Federal Circuit has also held that the PTAB cannot adopt a new claim construction in the final written decision that is different from the one in the institution decision without providing the parties an opportunity to present argument under the new claim construction, even if the new claim construction is correct (*SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1350-52 (Fed. Cir. 2016), *rev'd on other grounds sub nom. SAS Inst., Inc. v. Lancu*, 138 S. Ct. 1348 (2018)). This portion of the Federal Circuit decision was not appealed or addressed by the Supreme Court.

Failure to Consider Evidence

The Federal Circuit may reverse a PTAB final written decision where the PTAB has failed to consider evidence in the proceeding. For example, in *Ultratec, Inc. v. CaptionCall LLC*, the Federal Circuit reversed a PTAB decision to invalidate all of the claims in several related IPR petitions because the Board “failed to consider material evidence and failed to explain its decisions to exclude the evidence” (872 F.3d at 1269). In *Ultratec*, the patent owner sought to introduce supplemental evidence of a witnesses' trial testimony shortly after the trial testimony was taken. The Federal Circuit found that the PTAB's refusal to accept the such evidence was an abuse of discretion and reversed and remanded the decisions instructing the

Board to “admit and consider” this additional evidence. The Federal Circuit further instructed the PTAB that if it “finds [the witness] gave inconsistent testimony, the [PTAB] shall consider the impact on the specific patents at issue in the trial testimony as well as on his credibility as a whole.” The PTAB’s error included failing to properly apply the PTO’s regulations as well as failing to provide a “reasoned explanation” for its decision. (*Ultratec*, 872 F.3d at 1272-73, 1275.)

The Federal Circuit has also reversed PTAB decisions concerning evidence where:

- The PTAB “was too dismissive and erred in refusing to consider [conception] evidence” (see *Intellectual Ventures II LLC v. Motorola Mobility LLC*, 692 F. App’x 626, 627 (Fed. Cir. 2017) (non-precedential)).
- In finding the challenged claims not unpatentable, the PTAB failed to consider arguments advanced by the petitioner (see *Microsoft Corp. v. Parallel Networks Licensing, LLC*, 715 F. App’x 1013 (Fed. Cir. 2017) (non-precedential) (remanding for the Board to address allegation of anticipation by UNIX sockets modification method, which was not addressed in the final written decision)).

No or Inadequate Explanation of Rationale

The Federal Circuit may also reverse and remand where the PTAB fails to explain its rationale adequately in its final written decision (see, for example, *Google Inc. v. Intellectual Ventures II LLC*, 701 F. App’x 946, 953 (Fed. Cir. 2017) (non-precedential) (reversing the PTAB’s determination of no invalidity for anticipation and obviousness because the PTAB “failed to adequately explain its findings” on two points), *Rovalma, S.A. v. Bohler-Edelstahl GmbH & Co. KG*, 856 F.3d 1019, 1021 (Fed. Cir. 2017) (reversing because the Board “did not set forth its reasoning in sufficient detail for [the court] to determine what inferences it drew from the petitioner’s submissions”), and *Securus Techs., Inc. v. Global Tel*Link Corp.*, 685 F. App’x 979 (Fed. Cir. 2017) (non-precedential) (reversing and remanding a portion of decision for which the Board provided no explanation for finding several claims obvious)).

Consistent with APA, the PTAB “must, as to issues made material by the governing law, set forth a sufficiently detailed explanation of its determinations both to enable meaningful judicial review and to prevent judicial intrusion on agency authority” (*Rovalma*, 856 F.3d at 1024).

The Federal Circuit has also reversed the PTAB where it invalidated dependent claims that were argued separately without explaining the basis for its decision (see, for example, *Paice LLC v. Ford Motor Co.*, 681 F. App’x 885 (Fed. Cir. 2017) (non-precedential) (reversing invalidity finding of dependent Claim 3, which was not separately addressed in the final written decision)).

Reviewability of Obviousness Determination

The Federal Circuit has given the PTAB’s factual findings substantial deference in reviewing obviousness determinations, which makes the PTAB’s obviousness determinations based on factual queries generally difficult to overturn on appeal. However, the Federal Circuit has noted that the PTAB still “must provide some reasoned basis for finding the claims obvious in order to permit meaningful review by this court.” (*Securus Techs.*, 685 F. App’x at 987 (non-precedential)). In *Securus Techs.*, the Federal Circuit vacated in part and remanded

the PTAB’s obviousness decision, holding that when determining obviousness the PTAB must:

- First, make the necessary findings and have an adequate evidentiary basis for its findings.
- Second, examine the relevant data and articulate a satisfactory explanation for its action, including a rational connection between the facts found and the choice made.

(685 F. App’x at 987.)

In *Securus Techs.*, the PTAB found certain dependent claims obvious and merely provided the following generic sentence as its reasoning: “After consideration of the language recited in [the claims], the Petition, the Patent Owner Response, and the Petitioner’s Reply, as well as the relevant evidence discussed in those papers, we find that one of ordinary skill in the art would have considered these dependent claims obvious over [the asserted art].” The Federal Circuit agreed with the patent owner that “the Board failed to articulate any reasoning for reaching its [obviousness] decision” and remanded for further proceeding. (685 F. App’x at 987.)

The Federal Circuit has also reversed a PTAB obviousness finding where, among other things, the PTAB failed to make factual findings as to whether:

- There was an apparent reason to combine the prior art references.
- A person of ordinary skill in the art would have had a reasonable expectation of success from such a combination.

(*L.A. Biomedical*, 849 F.3d at 1067-68.)

Although the Federal Circuit applies a deferential standard on the PTAB’s fact finding on appeal, it will nonetheless reverse incorrect findings, such as whether an argument was presented in a petition or whether an argument was withdrawn. For example, in *EMC Corp. v. Clouding Corp.*, the Federal Circuit found the PTAB erred in making both findings and reversed a decision of invalidity and remanded for further proceedings (686 F. App’x 857 (Fed. Cir. 2017) (non-precedential)).

The Federal Circuit has also overturned PTAB obviousness rulings that lacked substantial evidence to support a finding of motivation to combine. For example, in *IPR Licensing, Inc. v. ZTE Corp.*, the Federal Circuit reversed an obviousness finding where the record did not provide a reason or show why the references cited or the knowledge of one of skill in the art at the time of the invention would motivate a skilled artisan to alter the standards with a reasonable expectation of success (685 F. App’x 933 (Fed. Cir. 2017) (non-precedential)). Likewise, the Federal Circuit has affirmed a non-obviousness finding where the petitioner failed to prove that a skilled artisan would have been motivated to combine prior art references (see *Arctic Cat, Inc. v. Polaris Indus., Inc.*, 2019 WL 7050133 (Fed. Cir. Dec. 23, 2019) (non-precedential)).

Likewise, the Federal Circuit has reversed obviousness determinations where the PTAB failed to adequately explain its rationale to support an obviousness combination (see, for example, *PersonalWeb Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 993-94 (Fed. Cir. 2017)).

Reviewability of New Patentability Challenge Ground

The Federal Circuit has held that the PTAB violated the APA by not permitting the patent owner to file a sur-reply or provide oral argument at the hearing to address the petitioner’s new factual assertion raised for the first time in the reply (*In re Nuvasive, Inc.*,

841 F.3d 966 (Fed. Cir. 2016) and see Legal Update, PTAB Must Give Patent Owner an Opportunity to Respond to New Assertions Raised in Petitioner's Reply: Federal Circuit ([w-004-2020](#))).

Reviewability of One-Year Bar

In *Wi-Fi One, LLC v. Broadcom Corp.*, an *en banc* Federal Circuit held that the one-year time bar under 35 U.S.C. § 315(b) is reviewable on appeal (878 F.3d 1364 (Fed. Cir. 2018)). In so holding, the court overruled its decision in *Achates Reference Publ'g, Inc. v. Apple Inc.*, where a panel held Section 315(b)'s time bar not to be reviewable on appeal, concluding that the time bar is merely a procedural limit on when certain parties must file for review and does not relate to the PTAB's ultimate authority to invalidate a patent (803 F.3d 652, 657-58 (Fed. Cir. 2015), *overruled by Wi-Fi One, LLC v. Broadcom Corp.*, 878 F.3d 1364 (Fed. Cir. 2018)).

The *Wi-Fi One* court noted that, in *Cuozzo*, the Supreme Court ruled that, by its language, 35 U.S.C. § 314(d) bars judicial review of decisions only under that section, that is, where the patent owner either:

- Merely challenges the USPTO's determination under 35 U.S.C. § 314(a) that the information presented in the petition shows that there is a reasonable likelihood of success with respect to at least one challenged claim.
- Grounds its claim in a statute "closely related" to that decision to institute IPR under 35 U.S.C. § 314(a).

(*Cuozzo*, 136 S. Ct. at 2142.)

Noting the strong presumption in favor of judicial review of agency actions, the *Wi-Fi One* court reasoned that, unlike the specific language in Section 314, Congress did not clearly and convincingly indicate through the AIA its intent to prohibit judicial review of the time bar under Section 315(b). For more information, see Legal Update, PTAB IPR Time-Bar Decisions are Subject to Judicial Review: Federal Circuit ([w-012-5505](#)).

However, on June 24, 2019, the US Supreme Court granted partial certiorari regarding the whether 35 U.S.C. § 314(d) permits appeal of PTAB time bar decisions under 35 U.S.C. § 315(b) (see *Click-to-Call Technologies, LP v. Ingenio, Inc.*, 2018 WL 3893119 (Fed. Cir. Aug. 16, 2018) *cert. granted in part sub nom. Dex Media, Inc. v. Click-to-Call, et al.*, 2019 WL 2348884 (U.S. Jun. 24, 2019)(No. 18-916)).

Reviewability of CBM Analysis

Under 37 C.F.R. § 42.304(a), a petition for CBM review must demonstrate that the challenged patent meets the definition of a "covered business method." Section 18(d)(1) of the AIA defines a covered business method as one "that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions." The USPTO has defined a "covered business method" to encompass patents claiming activities that are financial in nature, incidental to a financial activity, or complementary to a financial activity (77 Fed. Reg. 48734, 48735 (Aug. 14, 2012) and see *Versata Dev. Grp., Inc. v. SAP Am., Inc.*, 793 F.3d 1306, 1325 (Fed. Cir. 2015)).

On appeal of a final written decision in a CBM proceeding, the *Versata* court found reviewable the question of whether the PTAB:

- Correctly took jurisdiction over the patent at issue as a covered business method patent.
- Was authorized to rely on 35 U.S.C. § 101 in CBM cases.

(*Versata*, 793 F.3d at 1318-19, 1329 and see Legal Update, Federal Circuit Affirms *Versata's* Claims are Unpatentable in Substantial Review of PTAB's First CBM Decision ([0-617-2486](#))).

In *Unwired Planet, LLC v. Google Inc.*, the Federal Circuit reversed the PTAB's CBM determination, holding that "the Board's reliance on whether the patent claims activities 'incidental to' or 'complementary to' a financial activity as the legal standard to determine whether a patent is a CBM patent was not in accordance with the law." (841 F.3d 1376, 1379 (Fed. Cir. 2016), *cert. denied*, 138 S. Ct. 1693 (2018)), and see Legal Update, PTAB Must Use Only Statutory Definition to Classify Covered Business Method Patents: Federal Circuit ([w-004-6546](#)). The court noted that the statute's definition of covered business method is paramount, and "the Board's application of the 'incidental to' and 'complementary to' language from the USPTO policy statement instead of the statutory definition renders superfluous the limits Congress placed on the definition of a CBM patent" (*Unwired Planet*, 841 F.3d at 1382).

In *Secure Access, LLC v. PNC Bank National Association*, the Federal Circuit again reversed the PTAB's CBM determination, holding that the focus of the CBM eligibility analysis should be on the *claimed* invention rather than on potential uses of the invention: "[T]he statutory definition of a CBM patent requires that the patent have a claim that contains, however phrased, a financial activity element." (848 F.3d 1370, 1381 (Fed. Cir. 2017) *cert. granted and vacated as moot*, 138 S. Ct. 1982 (2018)). "[J]ust because an invention could be used by various institutions that include a financial institution, among others, does not mean a patent on the invention qualifies under the proper definition of a CBM patent" (*Secure Access*, 848 F.3d at 1382). However, the US Supreme Court granted certiorari and vacated the Federal Circuit's judgment as moot with instructions to remand to the PTAB to vacate its decision because the PTAB had ruled the challenged claims unpatentable in an IPR proceeding, which the Federal Circuit affirmed, and the time for petitioning for certiorari had passed (138 S. Ct. 1982 (2018)). Since the Supreme Court denied certiorari in *Unwired Planet*, the net result is that the new standard for CBM review as announced in *Unwired Planet* remains the law, at least for now.

Reviewability of Non-Instituted Grounds

The Federal Circuit has held that the PTAB's decision not to institute certain asserted grounds as redundant is not reviewable (*Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293, 1297-99 (Fed. Cir. 2016) and Legal Update, No Jurisdiction to Review PTAB Decision That Some IPR Grounds Are Redundant: Fed. Cir. ([w-001-7776](#))). Notably, the court held that 35 U.S.C. § 315(e) did not estop the petitioner from bringing its non-instituted arguments in either the USPTO or the district courts (*Shaw Indus.*, 817 F.3d at 1300).

On April 24, 2018, the Supreme Court held that when the USPTO institutes an IPR it must issue a final written decision addressing the patentability of all of the claims the petitioner challenged in the petition (*SAS Inst.*, 138 S. Ct. 1348). For more information on the effect of the Supreme Court's decision on PTAB proceedings, see Legal Update, USPTO Releases Guidance Concerning PTAB Proceedings After *SAS v. Iancu* ([w-014-4999](#)).

Reviewability of Wrong Decision on Assignor Estoppel

In *Husky Injection Molding System v. Athena Automation Ltd.*, the Federal Circuit dismissed an appeal from the PTAB for lack of jurisdiction, finding that under 35 U.S.C. § 314(d) it could not review the question of whether assignor estoppel prevented the appellee from seeking an IPR (838 F.3d 1236, 1246-47 (Fed. Cir. 2016) and compare *Oil States*, 138 S. Ct. at 1372 (“When reviewing the Board’s decision, the Federal Circuit assesses the Board’s compliance with governing legal standards de novo and its underlying factual determinations for substantial evidence.” (internal quotations omitted)).

Due Process and APA violations

In *Cuozzo*, the Supreme Court made it clear that it left open the possibility for review of a final written decision where a petition fails to give “sufficient notice” creating a due process problem with the entire proceeding. In particular, the *Cuozzo* court noted that:

- Its interpretation of the AIA does not enable the USPTO to act outside its statutory limits by, for example, canceling a patent claim for “indefiniteness under Section 112” in *inter partes* review.
- Such “shenanigans” may be properly reviewable in the context of 35 U.S.C. § 319 and under the APA, which enables reviewing courts to set aside agency action that is “contrary to constitutional right,” “in excess of statutory jurisdiction,” or “arbitrary [and] capricious.” (136 S. Ct. at 2141-42.)

Since the *Cuozzo* decision, the Federal Circuit has followed the Supreme Court’s guidance and found that such violations are reversible error. In *Rovalma*, the Federal Circuit reaffirmed its prior holding rejecting “the Director’s broad assertion that the Board could raise any argument that could have been included in a petition.” Nonetheless, in *Rovalma*, the Federal Circuit confirmed that the PTAB “may use a party’s own submissions against it, even if the opposing party bears the burden of persuasion.” (856 F.3d at 1027-28 (citing *In re Magnum Oil Tools Int’l Ltd.*, 829 F.3d 1364 (Fed. Cir. 2016)).)

A key concern is whether the parties had “notice” and “an adequate opportunity to address” arguments being relied upon by the

PTAB in its final written decision. In *Belden Inc. v. Berk-Tek LLC*, the Federal Circuit ruled that the PTAB “‘may not change theories in midstream without giving respondents reasonable notice of the change’ and ‘the opportunity to present argument under the new theory’” (805 F.3d 1064, 1080 (Fed. Cir. 2015)). The Federal Circuit therefore has reversed decisions that rely on grounds that were not the subject of proper notice to the parties and which the parties had no adequate opportunity to address (see, for example, *EmeraChem Holdings, LLC v. Volkswagen Group of Am., Inc.*, 859 F.3d 1341, 1348-52 (Fed. Cir. 2017)).

Improper Denial of Motion to Amend

In *Aqua Products, Inc. v. Matal*, the Federal Circuit reversed the PTAB for systematically applying the wrong “burden of persuasion” on motions to amend (872 F.3d 1290 (Fed. Cir. 2017) (en banc) and see Legal Update, PTAB Must Consider IPR Motions to Amend Without Placing Burden of Proof on Patent Owner: Federal Circuit ([w-010-7644](#))). Therefore, there will likely be more challenges under *Aqua Products* to prior denials of motions to amend that applied the wrong burden of persuasion. For a useful discussion of PTAB practice after *Aqua Products*, see *Western Digital Corp. v. SPEX Technologies, Inc.*, IPR2018-00082, IPR2018-00083, Order, *Information and Guidance on Motions to Amend* 37 C.F.R. § 42.5, Paper 13 (PTAB Apr. 25, 2018); see also USPTO, Memorandum “Guidance on Motions to Amend in view of *Aqua Products*” (Nov. 21, 2017)).

PROCEDURE ON REMAND

In November 2017, the USPTO released a revised Standard Operating Procedure No. 9 (SOP 9) to provide guidelines on how the PTAB will handle decisions on cases from remand from the Federal Circuit (see SOP 9 (rev. 1)) available on the PTAB’s Resources and Guidance webpage). In particular, the revised SOP 9 addresses when the PTAB should consider taking additional briefing, additional evidence, and additional oral argument, depending upon the type of error found by the Federal Circuit requiring appeal. The following chart included in SOP 9 summarizes this guidance:

Remand Scenario	Additional Briefing	Additional Evidence	Oral Argument
Erroneous Claim Construction	Yes, unless the claim interpretation to be applied on remand was proposed by one of the parties and the effect thereof has been fully briefed	No, unless the evidence is insufficient to afford due process	No
Failure to Consider the Evidence	Yes, unless the evidence was fully briefed on the record	No	No
Inadequate Explanation by the Board	No, unless the briefing on the issues is inadequate for the Board to have made a decision in the first instance	No	No
Erroneous Application of Law	Yes, unless the law was fully briefed on the record but not reflected in Board decision	No	No
Lack of Due Process/ Denial of APA rights	Yes	Yes, for parties whose rights have been violated, unless additional briefing on evidence of record is sufficient to afford due process	Yes, if necessary to afford due process
Improper Consideration of the Arguments	Yes, unless argument is fully briefed in the record	No	No

SOP 9 cautions that these particular remand scenarios:

- Are provided for exemplary guidance only.
- Do not reflect all scenarios that have been or may result from remands by the Federal Circuit.

As a result of the Federal Circuit's decision in *Aqua Products v. Matal*, the Court upheld the motion to amend practice before the PTAB, which in turn results in another scenario not contemplated by SOP 9 (872 F.3d 1290 and see Legal Update, PTAB Must Consider IPR Motions to Amend Without Placing Burden of Proof on Patent Owner: Federal Circuit ([w-010-7644](https://www.federalcourts.gov/w-010-7644))).

Finally, as a result of the Supreme Court's decision in *SAS Inst.* (138 S. Ct. 1348), it is unclear how remands for appeals of partially instituted cases will be handled where the petitioner did not appeal the failure of the PTAB to issue a final written decision on the non-instituted claims and/or challenges.

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