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More March Madness: PTAB Slams Petitioner and Insufficient IPR Petition

By Craig W. Kronenthal

March 31, 2016 – In a final written decision of an *inter partes* review (IPR), the Patent Trial and Appeal Board (PTAB) finds the petition did not meet statutory and regulatory requirements (including 35 U.S.C. § 312(a)(3) and 37 C.F.R. §§ 42.104(b) and 42.22(a)(2))¹ and slams the petitioner for varying its positions throughout the proceeding. The decision highlights the importance of a well-drafted petition and pitfalls that petitioners should be aware of when presenting alternative theories.

[IPR2015-00066 – Kingston Technology Company, Inc. v. Imation Corporation \(Paper 19, March 24, 2016\)](#)

The petitioner filed a petition requesting *inter partes* review of a patent directed to a memory card with two interfaces — one for connecting to a device and one for connecting to a host. The petition alleges that certain claims of the patent were anticipated by a reference that discloses two different embodiments of a dual-interface memory card. The petition, however, does not clearly indicate whether the petitioner relies on both embodiments or just the second embodiment. Although the petition cites to a couple of elements in the reference's first embodiment, most of the support and citations for the petitioner's anticipation contentions relate to the reference's second embodiment.

At the oral hearing, the petitioner argued that the first embodiment of the reference anticipates claims of the patent. In the decision, the PTAB slams the petitioner for its untimely arguments. The PTAB explains that trial was only instituted on the basis of elements in the reference's

¹ PDFs for the Patent Laws and Patent Rules with the text of these statutory and regulatory requirements may be found at <http://www.uspto.gov/patent/laws-regulations-policies-procedures-guidance-and-training>.

second embodiment, and therefore, anticipation by the reference's first embodiment is not on the table. The PTAB states that if it were to invalidate the claims based on the first embodiment, such decision would violate the Administrative Procedure Act (APA) requirements by not allowing the patent owner reasonable notice and an opportunity to argue that the first embodiment does not anticipate the claims. Notably, the PTAB cited the recent Federal Circuit decision in *Dell Inc. v. Accelaron, LLC*, No. 2015-1513 (Fed. Cir. Mar. 15, 2016)² in which the Federal Circuit came down on the PTAB for violating the APA. The fact that the PTAB in this case took note of this Federal Circuit decision could be an early indication that the PTAB will look to the APA for guidance more often.

Putting the APA issue aside, the PTAB still determines that the petition fails to satisfy 35 U.S.C. § 312(a)(3) and 37 C.F.R. §§ 42.104(b)(4)-(5) and 42.22(a)(2) because "the Petition fails: (1) to specify sufficiently where each limitation of [several challenged claims] are found in the first embodiment [], (2) to identify sufficiently specific supporting portions of [the] first embodiment, and (3) to provide an adequately detailed explanation of the significance of any cited evidence or elements in the first embodiment." In short, the petition's lack of cites to the reference's first embodiment doomed the petitioner's later reliance on the first embodiment.

After rejecting the petitioner's arguments relying on the first embodiment, the PTAB goes on to chastise the petitioner for varying its position relying on the second embodiment. The PTAB notes that the petitioner, throughout the proceeding, pointed to different elements in the reference's second embodiment for the "host connector" feature of a challenged claim. The petitioner was apparently attempting to articulate alternative theories for how the reference's second embodiment anticipates the challenged claim. During the oral hearing, the petitioner asserted that the challenged claim is anticipated by the second embodiment in different ways depending on how the term "host connector" is construed.

In the decision, the PTAB acknowledges that generally petitioners are free to argue alternative positions, but explains that the petition here fails to sufficiently articulate the alternative theories. The PTAB notes that the petitioner did not proffer a construction of the term "host connector" upon which the alternative theories turn and determines that the petition fails to satisfy the requirements of 35 U.S.C. § 312(a)(3) and 37 C.F.R. §§ 42.104(b)(3)-(4) and 42.22(a)(2) with respect to its reliance on the reference's second embodiment. The PTAB further states that the failure of the petitioner to clearly articulate the alternative theories until the oral hearing also "deprives the Patent Owner of adequate notice and opportunity to respond" under the APA.

This case is also remarkable in that the petitioner, in its reply, set forth a new obviousness ground contingent on the PTAB construing a claim in a way that undercut the petitioner's anticipation ground. Although the PTAB notes that conditions of the petitioner's contingent argument were not met, the PTAB explains that it would not have altered the asserted and instituted grounds in this case.

There are a number of takeaways here. This decision illustrates the importance of identifying alternative grounds before filing an IPR petition and ensuring that a petition clearly puts forth the

² This case was discussed in another Banner & Witcoff *PTAB Highlight* that may be found at http://bannerwitcoff.com/_docs/library/articles/PTAB%20Highlights.Shifley.03.17.16.pdf.

alternative grounds. Further, if alternative grounds are identified, petitioners should consider presenting constructions of claim terms upon which alternative grounds might turn. Petitioners should also be careful not to mix up separate embodiments of a reference or to present new arguments at an oral hearing. Lastly, petitioners and patent owners alike should consider the impact of APA requirements on their post-grant proceedings. For example, patent owners would be well-served to understand how the notice and opportunity to respond to requirements of the APA could be used to fend off a petitioner's arguments at oral hearing.

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