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# PTAB HIGHLIGHTS

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## At the PTAB in IPR, Is There a New Dawn, a New Day, on Secondary Considerations? Some, But Not All, Should be Feeling Good

By Charles W. Shifley

May 2, 2017 — A recent *IP Law360* article on important Patent Trial and Appeal Board (PTAB) decisions in early 2017 reported on *World Bottling Cap LLP v. Crown Packaging Technology Inc.* The article stated that this case gave hope to patent owners wanting to use secondary considerations to defeat an *inter partes* review (IPR) challenge to their patents. The article quoted a comment of the final decision, “In summary, although we find that petitioner has offered evidence in support of obviousness, we find that patent owner has offered compelling evidence of secondary considerations of nonobviousness.” The case is IPR2015-01651, the decision was in the IPR’s Paper 34 entered January 19, 2017, and quotations are from Paper 34 at 2.

So is this a new dawn, a new day, on secondary considerations such that we should be feeling good? Consider the case further before you get too jazzed.

*World Bottling Cap* concerned, as you could expect, bottle caps. *Id.* at 3. The patent covered a cap made of thinner, harder steel than compared to conventional caps. *Id.* The thickness went from the conventional range of 21 to 23 to a range of 16 to 18, all in millimeters. The hardness went from a conventional 61 to 62, on a scale that put numbers to hardness, the “30T” scale. *Id.* Notably, the patent did not broadly claim caps made with these new numbers, 16 to 18 and 62. *Id.* at 4. It confined itself to a cap with these numbers, some conventional features, and a “recessed circular groove.” *Id.*

The PTAB found that “the differences between the prior art and the claimed invention are minimal.” Paper 34 at 14. It also found that the only difference between an item of prior art, “Wagner,” and the invention was “that Wagner does not disclose the hardness of its steel.” *Id.* But the trend in the crown cap industry, the PTAB said, was “to use progressively harder materials.” *Id.* And, “[t]he harder steels were known,” including a steel with a hardness of 62.5. *Id.*

Surprise, the PTAB did not conclude for obviousness. Reasons included secondary considerations, including commercial success and industry praise. *Id.* at 17-24. The patent owner demonstrated a connection, a nexus, between the secondary considerations and the success and praise. *Id.* at 17-19. The patent owner demonstrated commercial success by proving growing sales in a market that was in transition, opening widely to new entrants, who were larger competitors with greater economies of scale. *Id.* at 19-21. The patent owner's sales grew 7 percent in market share. *Id.* The PTAB distinguished this sales growth from simple displacement of the sales of past products. *Id.* Growth, it said, proved success, while replacement would have proved only "a typical obsolescence curve as one version of a product replaces another." *Id.* at 19-20. The patent owner proved industry praise by proving a praising press release from a major customer, awards from an industry publication, and governmental praise. *Id.* at 13.

So patent owners wanting to use secondary considerations to defeat an IPR challenge should feel good and have hope, no? A decision was made against obviousness in an IPR, for reasons including secondary considerations. But patent owners should maybe feel good—but maybe not. The PTAB decision included more than proof of secondary considerations and nexus. It included an industry in which "the next level of thinner, harder steel was known," and "there was suggestion to use it," but "no one did." *Id.* at 23. Further, the IPR record included "persuasive [expert] testimony explaining the technical challenges of using harder steel ... which [was] corroborated" by the testimony of a second expert. *Id.* at 23. The testimony was that "the harder steel *simply did not work*" (emphasis in original), *id.*, "there was a technical roadblock to using harder steel"—and remember the groove? The technical roadblock "was overcome by adding grooves." *Id.* at 23-24.

It is good to see a patent owner use secondary considerations to overcome an obviousness challenge in IPR. And owners with secondary considerations to prove should feel good and have reason to hope, at least those who can also prove a technical roadblock overcome by a claimed feature that is beyond the major thrust of the patent challenge (grooves vs. hardness here). To such owners, it is not an old dawn, or an old day. But those owners with secondary considerations and without a technical roadblock to prove, persuasively, should not be so quick to be feeling so good, just because of *World Bottling Cap*.

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