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PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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In IPR, It's What, Why, and How That Makes Your Case

By the Banner & Witcoff PTAB Group

September 10, 2018 — *Inter partes* reviews (IPRs) are canceling patent claims.ⁱ In all likelihood, at some time in the future, practically any and every patent owner's patent of significance could be involved in an IPR challenge before the Patent Trial and Appeal Board. IPR is the efficient way to challenge patents.

Most IPR challenges are reportedly obviousness challenges. Obviousness is supposed to allow an "expansive and flexible" approach to patent validity.ⁱⁱ The U.S. Supreme Court in the case *KSR* faulted the Court of Appeals for the Federal Circuit's past test of obviousness that required a "teaching," "suggestion," or "motivation" for a combination of prior art references (the "TSM" test) as based on several flaws. The TSM test had the flaws (1) of looking only to the problem the patentee was trying to solve, (2) looking only to the elements of the prior art designed to solve the known problems, (3) refusing proof of obviousness by a showing that a combination of elements was obvious to try, and (4) overemphasizing hindsight bias instead of giving factfinders recourse to common sense.ⁱⁱⁱ

KSR had a variety of statements of various ways that obviousness could be analyzed, proven, and found. These resulted in the U.S. Patent and Trademark Office including in the Manual of Patent Examining Procedure (MPEP) (at § 2143) a group of rationales A through G for resolving questions of obviousness. The rationales were apparently meant to "capture" *KSR*'s various ways of getting at obviousness.

The rationales are:

- (A) Combining prior art elements according to known methods to yield predictable results;

- (B) Simple substitution of one known element for another to obtain predictable results;
- (C) Use of known technique to improve similar devices (methods, or products) in the same way;
- (D) Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
- (E) “Obvious to try” – choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
- (F) Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art;
- (G) Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

Each rationale A-G of MPEP § 2143 tells not only patent examiners but IPR petitioners how they may structure their obviousness cases. For example, with rationale A, an IPR petitioner may prove eight factors. In the following quotation, where the explanation is directed toward patent examiners as they write their patent application rejections—“Office personnel”—a requirement is stated for resolution of the “*Graham* factors,” four in number,^{iv} and an additional four factors:

A. Combining Prior Art Elements According to Known Methods To Yield Predictable Results

To reject a claim based on this rationale, Office personnel must resolve the *Graham* factual inquiries. Then, Office personnel must articulate the following:

- (1) a finding that the prior art included each element claimed, although not necessarily in a single prior art reference, with the only difference between the claimed invention and the prior art being the lack of actual combination of the elements in a single prior art reference;
- (2) a finding that one of ordinary skill in the art could have combined the elements as claimed by known methods, and that in combination, each element merely performs the same function as it does separately;
- (3) a finding that one of ordinary skill in the art would have recognized that the results of the combination were predictable; and

(4) whatever additional findings based on the *Graham* factual inquiries may be necessary, in view of the facts of the case under consideration, to explain a conclusion of obviousness.

Each rationale A-G has the four *Graham* factors, and an extra three to five factors. Rationale G is the one and only rationale with only 3 non-*Graham* factors, (1) teaching, suggestion, or motivation, (2) reasonable expectation of success, and (3) whatever else is needed.

The MPEP's exposition of rationales and factors to prove obviousness is all well and good. Any one or several rationales could be used in IPRs to present obviousness cases. But imagine the petition, or PTAB final argument, or any legal argument for that matter, that hits on as many as nine bullet points, or even only as many as seven. Imagine an argument where different claims require different combinations of references, as often happens, with each combination requiring a different set of nine to seven bullet points. In a case of three different combinations, that would require 27 to 21 bullet points to be covered.

A TV ad airing now imagines a person in hell, a hell of being tied to a chair and forced to sit through a presentation with PowerPoint slides. Hell at the PTAB for a PTAB judge would be a PowerPoint presentation with 27 to 21 bullet points, or even nine to seven points. Just looking at one PowerPoint slide of the eight bullet points of MPEP rationale A, below, is wearying, and predictive of a long, tiring march through many points, words, and slides:

First ground of obviousness

1. Scope and content of the prior art.
2. Difference between the claimed invention and the prior art.
3. Level of skill in the art.
4. Objective considerations.
5. The prior art's inclusion of each element claimed, the only difference being the lack of actual combination of the elements in a single prior art reference.
6. One of ordinary skill in the art could have combined the elements as claimed by known methods, and in combination, each element merely performs the same function as it does separately.
7. One of ordinary skill in the art would have recognized that the results of the combination were predictable.
8. Additional findings based on the *Graham* factual inquiries, in view of the facts of the case under consideration.

Fortunately for PTAB judges, good PTAB lawyers use the “power,” “magic,” and “rule” of “threes” to organize their presentations.^v They have found a way to argue about obviousness in three and only three parts. They argue a “what,” “why,” and “how” of obviousness. They use three and only three bullet points: what, why, and how. They do this, in part, by selecting MPEP rationale G, and only rationale G, the TSM test, for their cases.

The “what” of the good lawyers’ presentations, of course, is the matter of what the case is all about. The “why,” as should be thought, is the matter of TSM. It is the answer to the question “why” the references would have been combined. And the “how,” to the extent needed, is how the references would have been combined.

“What” covers all the necessary matters of describing what the claims in dispute are about, what interpretation the claim terms are to get, what the prior art references disclose, what the level of skill was, what is the evidence of objective considerations, and what is in controversy between the parties. The “what” of level of skill is usually a perfunctory reference to lack of controversy between the parties. The “what” of objective considerations is usually an indication there aren’t any such considerations in the evidence. That leaves within the “what” sub-topics to be discussed in another group of “three”: what the claims are about, what is the interpretation, and what is in the prior art. The controversies between the parties can be sprinkled among the sub-topics of “what,” or made their own sub-topic and last.

“Why” covers all aspects of TSM, explaining why there is a teaching, suggestion, or motivation in the prior art, why a teaching, suggestion, or motivation would have caused a combination of the references, why there would have been an expectation of success, and why the combination is not a result of hindsight.

Less important in most cases, “how” wraps up with whatever explanations are necessary about how prior art references would have been combined. Any controversy over any alleged lack of physical fit of the references, teaching away, or principle of operation gets covered under “how.”

Arguments in three parts do in fact have a power, magic, and rule to them. They express a depth of analysis. They do not require a death march through a long list of factors. At their beginnings, when their three points are stated or listed in summary, they indicate a coming argument will not be a time in PowerPoint hell. Three parts implies brevity. Three parts implies two transitions, equivalent to two refreshing intermissions. Three points are easy to keep in mind, as three implies a beginning, a middle, and an end. As three-part arguments are presented, you know you either have only three points to hear, or just two, or soon, just one.

In IPR, none of the rationales A-G of the MPEP (and *KSR*) should be overlooked for their potential to lead to a successful obviousness case. Each one has its place, dependent on the facts of a case. Still, for most cases, good lawyers fall back from all of rationales A-F, move ahead on rationale G, TSM, and organize cases around the “What,” “Why,” and “How” of the cases. Good PTAB lawyers use threes to present and succeed in their cases.

As much as possible, this PTAB Highlight has been organized in threes. Hopefully it has been easy to follow and retain. In IPR, and hopefully here, it’s what, why, and how that makes your case.

For more information on this or any other PTAB or IPR topic, please contact the author, Charles Shifley, the reviewer, Craig Kronenthal, or any Banner & Witcoff lawyer.

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The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office's Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer frequent summaries of the board's significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



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ⁱ PTAB AIA Trial Statistics April 2018 at 11, at

https://www.uspto.gov/sites/default/files/documents/trial_statistics_20180430.pdf. The institution rate is 62 percent, meaning that 65 percent of 62 percent or 40 percent of challenged claims are canceled.

ⁱⁱ *KSR Intern. Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 1739 (2007).

ⁱⁱⁱ 127 S.Ct. at 1742.

^{iv} These come from *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

^v <http://www.businessinsider.com/using-the-power-of-three-to-your-marketing-advantage-2013-5>

<http://www.creativekeys.net/storytellingpower/article1017.html>

[https://en.wikipedia.org/wiki/Rule_of_three_\(writing\)](https://en.wikipedia.org/wiki/Rule_of_three_(writing))