

Selecting the best invalidity ground in an inter partes review

Perkins Coie's Amy Simpson, Kevin Patariu and Babak Tehranchi examine the best approach to take when preparing a petition for *inter partes* review

A successful petition for *inter partes* review (IPR) reflects a variety of considerations, including claim construction, selection of prior art and whether to use an expert declaration. This article focuses on a key consideration in preparing a petition – whether the grounds for invalidity challenge should be based on 35 USC § 102 or § 103, or a combination of both.

§ 102 grounds considerations

In patent litigation, a § 102 reference is the preferred invalidity challenge. However, this does not always hold true for IPRs. Indeed, over the past four years, the PTAB's scrutiny of § 102 reference has increased, thus resulting in fewer § 102 grounds being instituted.

As an initial matter, the quality of prior art search results will determine whether a single reference can arguably be used as a basis for an invalidity challenge under § 102. Typical prior art searches for litigation can yield dozens of references, each with particular drawbacks. Prior art searches targeted for an IPR need to focus on returning a smaller set of higher-quality references that disclose most, if not all, limitations of the challenged claims. An ideal prior art reference:

- Addresses the same problem as the challenged claim;
- Uses similar terminology;
- Has express, detailed disclosure of each claim element; and
- Is a close technical match to the technology of the challenged claim.

Practitioners working with third-party prior art searchers should establish these factors as requirements for prior art search results. Practitioners also need to proactively analyse interim prior art search results with these factors in mind. Given these requirements, trying to find a single reference to challenge validity under § 102 is likely to increase the

overall costs of the search.

Additionally, it is not enough that all of the limitations are simply present in the reference. "[T]he prior art reference – in order to anticipate under 35 USC § 102 – must not only disclose all elements of the claim within the four corners of the document, but must also disclose those elements 'arranged as in the claim.'"¹ Thus, the prior art search should also consider whether all of the limitations are disclosed in the same embodiment in the prior art reference.

Key tip: be wary of the increased cost of finding a single prior art reference.

Risks of inherency argument. When a reference comes close to qualifying under § 102, there is a temptation to rely on inherency or a favourable claim construction to address weaknesses in the reference. Both strategies come with significant risks. Inherency "may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient."² Relying on inherency requires that the petitioner must prove the limitation is inherent, and it is far from guaranteed that a PTAB panel will accept the argument.

Claim construction risks. Proposing an incorrect claim construction may result in a denial of the petition. Moreover, even if a favourable claim construction is adopted in the institution decision, the panel is free to change it in the final written decision, which could result in a finding of validity over the prior art in the petition. If the construction of a term is in doubt, it would be better to present § 102 grounds relying on prior art that discloses alternatives covering all possible claim constructions, or to present the same reference in a § 103 ground.

Key tip: arguing incorrect claim construction has potential for unintended outcomes.

Multiple 102 grounds. Petitioners have considered presenting multiple § 102 grounds in the same petition, each with its own strengths and weaknesses, as a substitute for presenting a single strong § 102 ground. This may not be a solution at all, because the panel may decide to institute trial on the first ground and refuse to institute a trial on the remaining grounds, citing efficiency reasons. Thus, the order in which a petitioner presents the grounds is important.

If all of the foregoing issues can be addressed, there are many advantages to using a single reference in a § 102 ground. For example, arguments that the prior art teaches away from the invention or is not recognised as solving the problem solved by the claimed invention are not relevant to analysis of a proposed rejection under § 102. A ground based on § 102 avoids a lengthy explanation of motivation to combine two or more references, saving word count and allowing the petition to focus on the teachings of the reference itself.

Key tip: a single strong § 102 ground is preferable to presenting several grounds.

§ 103 grounds considerations

Relying on a single prior art reference, or a combination of more than two references, to formulate an obviousness position can be a winning recipe that bypasses some of the previously described issues associated with anticipation grounds of invalidity. However, obviousness positions have their own pitfalls.

As a starter, some practitioners believe that presenting an obviousness position based on a single prior art reference is inherently weak because it is an admission that the relied-upon reference is not perfect. While this assumption may hold true for litigation proceedings that involve a jury (or a judge that may not be experienced in handling patent cases), it is rarely an issue at the patent office proceedings, which involve experienced patent examiners

and judges. In fact, as most seasoned patent prosecutors would attest, it is much harder to argue against obviousness rejections (based on a single reference or multiple references) than anticipation rejections during the original prosecution of most patents.

Nonetheless, it is important for a petitioner not to overlook the shortcomings of the reference(s) used for an obviousness position. In several decisions, the PTAB has highlighted this need by advocating for an obviousness analysis under *Graham v John Deere Co*, 383 US 1 (1966).³ The four *Graham* factors for an obviousness inquiry are:

- The scope and content of the prior art;
- Any differences between the claimed subject matter and the prior art;
- The level of skill in the art; and
- The evidence of the so-called secondary considerations.⁴

While most IPR petitions adequately cover the first and third factors, they often fail to address directly the differences between the prior art and the claim feature(s) at issue under the third *Graham* factor. In order to increase the chances of institution (or favourable final decision) for an obviousness position, a petitioner is best advised to explain the plausible differences between the claim limitations and the teachings of the prior art, and explain why those differences would be obvious to a person of ordinary skill in the art (POSITA).

Key tip: focus on explaining differences between prior art and claim limitations.

Multiple references. When multiple references are used, the petition must also articulate how the missing elements of one reference are cured by the other references, how to carry out such a combination and the motivation for a POSITA to make the combination. Craft these explanations carefully and artfully so that while providing sufficient details to convince the PTAB, they do not appear overly simplified or overly complicated.

Expert declarations. The need for detailed explanations in an obviousness ground further highlights the importance of an accompanying expert declaration. While a declaration that merely mimics the positions in the petition has a limited value,⁵ a robust and detailed declaration can bolster the petition and provide credibility for the position. A well-written expert declaration is a valuable companion to an IPR petition and further expands the petitioner's ability to fill in some of the missing details omitted or presented in a condensed form in the petition.⁶

Key tip: a strong expert declaration can do some heavy lifting in an obviousness position.

Inconsistencies. Another important step in formulating a successful obviousness position is to fully analyse the inconsistencies or contrary teachings in the references to ensure that they do not contradict or teach away from the proposed combination. A savvy patent owner can exploit any such contrary teachings to rebut the petitioner's obviousness position.⁷

Finally, many IPR petitions often omit the fourth *Graham* factor in addressing the secondary considerations⁸ because the board decisions, up to this point, have largely ignored this factor at the institution stage. In cases where secondary indicia of non-obviousness have been raised in a prior or concurrent proceeding, it is important for the petitioners to address those issues. The analysis of secondary considerations becomes even more critical if the patent owner has been successful in rebutting obviousness positions in the prior proceedings.⁹

§ 102 and § 103 combined strategy

Petitioners often consider presenting § 102 and § 103 grounds in the same petition to increase the likelihood of institution. If the § 103 ground relies on the same prior art as in the § 102 ground, the § 103 ground may serve to highlight the weaknesses in the § 102 ground prior art. Moreover, the panel may choose to institute a trial on only one of the two grounds, resulting in a trial on the weaker of the presented grounds. Presenting multiple grounds with overlapping references may put further pressure on meeting the word-count limitation of the petition. If the petitioner insists on presenting overlapping references in § 102 and § 103 grounds, it may be preferable to present the grounds in separate petitions.

Key tip: combining § 102 and § 103 grounds carries more drawbacks than benefits.

Summary

The choice between selecting invalidity positions based on § 102 or § 103 largely depends on the quality of the prior art reference.

A perfect prior art reference, which discloses each claim limitation in the recited order and avoids risky inherency arguments, can produce a convincing anticipation ground while avoiding lengthy explanations in both the petition and the expert declaration. Finding such prior art, however, may not always be possible or usually comes with greater cost and time investments.

Obviousness grounds, based on a single prior art reference, are a bona fide alternative

to anticipation and allow more flexibility in crafting arguments to account for any differences between the prior art teaching and the claim limitations. Combining additional references to present an obviousness ground is another option that can be equally powerful if accompanied by a detailed and persuasive explanation of motivations to combine, analysis of *Graham* factors and a helpful expert declaration.

Footnotes

1. *Net Moneyin v Verisign*, 545 F.3d 1359, 1369 (Fed Cir 2008).
2. *In re Robertson*, 169 F.3d 743, 745 (Fed Cir 1999).
3. See, eg, CBM2012-00002, Paper 66; IPR2012-00005, Paper 68; IPR2013-00418, Paper 38; IPR2015-01586, Paper 7; IPR2016-00322, Paper 11.
4. *KSR Intern Co v Teleflex Inc*, 550 US 398, 421 (2007).
5. See 37 CFR § 42.65, see also, IPR2015-01356, Paper 7; IPR2015-00323, Paper 13.
6. While there are no page or word limits for an expert declaration, an IPR petition is limited to 14,000 words and CBM and PGR petitions are each limited to 18,700 words.
7. *Takeda Chem Indus, Ltd v Alphapharm Pty, Ltd*, 492 F.3d 1350, 83 USPQ2d 1169 (Fed Cir 2007).
8. See *Graham*, 383 US at 17; *Leapfrog Enters, Inc v Fisher-Price, Inc*, 485 F.3d 1157, 1162 (Fed Cir 2007).
9. IPR2015-01279, Paper 11; IPR2015-00405, Paper 13; IPR2013-00265, Paper 13.

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