

PTAB Strategies and Insights

May 2019



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The *PTAB Strategies and Insights* newsletter provides timely updates and insights into how best to handle proceedings at the USPTO. It is designed to increase return on investment for all stakeholders looking at the entire patent life cycle in a global portfolio.

This month, we cover three topics:

- We discuss the Board's explanation why the indefiniteness analysis may differ depending on whether infringement or validity is being addressed;
- We highlight why the Board distinguished the precedential NHK decision when instituting trial in Amazon;
- We discuss the latest in a long line of Federal Circuit decisions finding a petitioner had no standing to appeal.

We welcome feedback and suggestions about this newsletter to ensure we are meeting the needs and expectations of our readers. So if you have topics you wish to see explored within an issue of the newsletter, please reach out to me.

To view our past issues, as well as other firm newsletters, please click [here](#).

Best,
Jason Eisenberg

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INDEFINITENESS DOES NOT DICTATE VALIDITY INDEFINITENESS AT PTAB

By: [Jason D. Eisenberg](#)

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The Board requested briefing directed to whether they must terminate a proceeding if a court determines a claim term is indefinite.

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By: [Jason D. Eisenberg](#)

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On November 19, 2018, the court in the New Jersey Action granted Mylan's and Dr. Reddy's motion for summary judgment of invalidity, holding, they could construe the term "target" as "set as a goal," thereby finding the claims of the '698 and '208 patents invalid as indefinite when applying the court's construction of the term "target" to accused products. '272IPR, Pap. 35, p. 4. The Board noted "the New Jersey Action determined that the target clauses limit the claims, and focused on the difficulty a potential infringer might have in determining what acts constitute infringement." *Id.* at p. 5. "We interpret the issued claims and determine whether prior art patents and printed publications anticipate the claims or render them obvious." *Id.* "[U]nlike a U.S. district court, we do not determine whether the claims comply with § 112, ¶ 2, for infringement purposes." *Id.* at p. 6. The Board noted "we are not required to reach the same determinations as the district court." *Id.* at p. 8. And held "we cannot reach the same determination as the district court here, as the district court's determination is based on applying its claim construction to determine infringement, and we are limited to addressing in an *inter partes* review whether the challenged claims are patentable 'on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.'" *Id.* Finally, responding to the Patent Owner's judicial resources argument, the Board held "[t]hese proceedings...are not in their early stages and, contrary to Patent Owners' position, we find that terminating these *inter partes* reviews at this time would waste the significant resources that the parties and the Board already have expended on the proceedings." *Id.* at 10. Namely, since the proceedings were already instituted, they should continue.

[Of note, similar decisions were entered in [IPR2017-01995](#) (Patent 9,220,698 B2) and [IPR2018-01341](#) (Patent 9,393,208 B2)]

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In IPR2018-01498, the Board considered patent owner's Section 314 arguments regarding denial based on filing a petition late into the Section 315(b) period of a parallel district court litigation. '498IPR, Paper 13, pp. 7-11. The Board first stated: "The statute does not set forth any basis for treating petitions differently depending on which day within that year they are filed, nor does Patent Owner identify any authority supporting such an interpretation. Thus, the fact that the Petition was filed near (but before) the end of the § 315(b) period does not, by itself, support denial of institution." *Id.* at p. 8. Then noted that "Petitioner acknowledges that it waited to file the Petition 'to try to better understand the asserted claims, the bases for the infringement allegations [by Patent Owner], and to identify relevant prior art.' ... whether that can be characterized as seeking 'tactical advantage' ... we are not persuaded it constituted improper conduct or warrants denial of institution." *Id.* at pp. 8-9.

Finally, the Board did not find that being in discovery was "late stages" as defined in NHK and other decisions stating they "agree with Petitioner that the present case is distinguishable from both NHK and Mylan...In NHK, the corresponding district court case was 'nearing its final stages' in that the district court had already issued claim constructions, and expert discovery was set to end in less than two months...Similarly, in Mylan, the related district court case was in an 'advanced stage' in that the district court had already issued claim constructions, and the trial date was less than four months away." *Id.* at pp. 10.

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The Court found both arguments AVX made for standing unpersuasive.

AVX first argued that Section 315(e) estopped AVX from being able to attack validity of the surviving claims if Presidio ever sues AVX on the patent. This Court stated it already rejected this argument in [Phigenix](#) and [JTEKT](#). And, the Court stated the issue was not properly before them whether Section 315(e) barred a party not currently in a law suit from being able to assert invalidity if a suit were later filed. Rather, the Court held “If, in the future, a live controversy over the upheld claims arises between Presidio and AVX, and if either an infringement action or declaratory judgment action involving those claims is filed in district court, AVX can, in such an action, test whether § 315(e) bars it from raising the obviousness challenges that the Board reviewed and rejected.”

AVX next argued the partial loss “injures AVX because the decision reduces AVX’s ability to compete with Presidio. AVX relies on decisions that, in nonpatent contexts, have found ‘competitor standing’ to challenge certain government actions.” The Court disagreed stating “the rationale for finding standing in those cases does not carry over to support standing in the present context, where AVX has no present or nonspeculative interest in engaging in conduct even arguably covered by the patent claims at issue.” The Court explained “[i]n all the cases to which we have been pointed in which standing rested on competitive harm, the challenged government action nonspeculatively threatened economic injury to the challenger by the ordinary operation of economic forces.” In the patent context, the Court stated “[a] patent claim could have a harmful competitive effect on a would-be challenger if the challenger was currently using the claimed features or nonspeculatively planning to do so in competition, i.e., if the claim would block the challenger’s own current or nonspeculative actions in the rivalry for sales.”

The Court went on to summarize its current litany of cases finding and not finding standing from PTAB appeals. In the end, standing requires inevitability of an infringement suit or some “undertaking or planning activity that gives it a concrete stake in obtaining an adjudication of unpatentability.”

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