Thursday, March 26, 2020

On Tuesday, the Patent Trial and Appeal Board (PTAB) designated two decisions precedential and one as informative explaining the circumstances under which the Board will exercise its discretion under 35 U.S.C. § 325(d) and 35 U.S.C. § 314(a) to deny petitions. The cases analyzed situations where the prior art and invalidity arguments advanced by Petitioner were similar/identical to those previously considered by the examiner and where the timing of a final decision may coincide with another body’s findings (e.g., a district court trial) regarding validity. These cases provide guidance to Petitioners and Patent Owners alike about how to construct discretionary denial arguments, in particular regarding the appropriate way to address art that may or may not be cumulative to already-considered references.

In Advanced Bionics LLC v. MED-EL Elektromedizinische Gerate GmbH[1], the Board recognized that the factors previously set forth in Becton, Dickinson[2] are highly factual, and thus a second step is necessary to determine if the Board should exercise its discretion to deny review. The Board established the following two-part framework under 325(d): “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the
same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.”[3]

The Board also made additional clarifications regarding the Becton, Dickinson factors. For instance, when considering factors (a) and (b) which pertain to art evaluated “during examination,” they should be read broadly and would apply to “any proceeding, including prior AIA proceedings.”[4]

With regards to factor (c), although it “evaluates ‘the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection,’ the focus should be on the record when determining whether the Office erred in evaluating such art or arguments.”[5]

In evaluating the petition at issue, the Board found that while some of the prior art included had been looked at by the examiner, the art not considered was **substantially the same** to the art that was. In moving on to the second part of the new framework, the Board found that Advanced Bionics had not “demonstrate[d] that the examiner erred in the evaluation of the prior art, for example, by showing that the examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the office was material to the patentability of the challenged claims.”[6] Thus, the Board denied review, finding that Advanced Bionics “has not persuaded us that the examiner erred by failing to consider” the prior art cited by the petition.[7]

In **Oticon Medical AB v. Cochlear Ltd.**[8], the Board considered both 325(d) and 314(a). Patent Owner alleged that Petitioner’s prior art reference was the same or cumulative to the prior art cited by the Examiner during prosecution.[9] While almost all of the references were the same as those relied upon by the examiner’s rejections, Petitioner added another reference, Choi, that had never before been considered by the office.[10] The Board found that Choi, despite describing a similar physical structure to the grooves in its screw, had structurally different grooves that served a different purpose and provided an advantage over the Examiner’s reference, which Petitioner actually relied upon as part of the motivation behind the proposed combination.[11] The Board therefore found Choi not to be cumulative to the art already considered. Petitioner’s reliance on the distinction between Choi and the other reference helped the Board reason that not only was Choi not cumulative, it was used in a different way than the Examiner’s rejection that the Applicant had overcome, and the petition therefore did not overlap already distinguished art and arguments.[12] The Board further relied upon the fact that it appeared that “the Examiner was simply not aware of Choi’s teaching in this regard.”[13]

The Board in **Oticon Medical** further reasoned that there was no basis for denial under 35 U.S.C. 314(a). Despite arguing that the co-pending district court case between the parties would be resolved or in the process of resolution by the time any final decision could be issued by the Board, the Patent Owner failed to provide the Board with a schedule setting forth a trial date.[14] The mere allegation that “discovery is well underway” was insufficient to persuade the Board to deny the timely filed petition.[15]
Lastly, the Board designated *Puma North America Inc. v. Nike Inc.*[16] as an informative decision. There, the Board relied on a thorough analysis of the *Becton, Dickinson* factors in deciding whether to exercise its discretion under 325(d) to deny institution. The Board denied institution because the prior art was identical to that reviewed by the examiner and because Puma failed to “demonstrate[] persuasively that the Examiner erred”[17] in granting the patent in light of the same prior art presented in the petition. Merely mirroring back the same references and same motivation to combine that the Applicant overcame during prosecution, absent an articulation of an error on the part of the Examiner, was insufficient for Petitioner to obtain institution.[18]

The basic practice points for Petitioner and Patent Owner are evident from these decisions, but a perhaps overlooked tool here for Patent Owner is the ability to use supplemental examination to strengthen issued patents against later-filed *inter partes* AIA proceedings. This is especially true where a Patent Owner becomes aware of information post-issuance that on its own and/or in combination with already considered references may arguably raise a substantial new question of patentability.


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