The Patent Trial and Appeal Board (Board), in a decision designated as precedential, found that a Patent Owner’s substitute claims were patentable in view of evidence of secondary considerations even though the prior art weighed in favor of obviousness. *Lectronics, Inc. v. Zaxcom, Inc.*, Case No. IPR2018-01129 (PTAB Jan. 24, 2020) (Deshpande, APJ.) (designated precedential on Apr. 14, 2020).

This dispute began when Lectronics filed a petition for *inter partes* review (IPR) on six claims for one of Zaxcom’s patents. After institution, Zaxcom filed its Patent Owner Response and a Contingent Motion to Amend, where it proposed six substitute claims in the event the board found the original patent claims invalid. The patent at issue was related to wireless recording technology. Of particular significance, Zaxcom submitted evidence that the claims at issue were incorporated into “products for which the inventors . . . received the Emmy Award, the Technical Achievement Award from the Academy of Motion pictures Arts and Sciences and other industry praise . . . .”

The board began its analysis with the original patent claims, finding that the asserted prior art disclosed each limitation. Before concluding its analysis, the
Board considered the objective *indicia* of nonobviousness asserted by the Patent Owner. The Board noted that in order for it to accord substantial weight to objective *indicia* of nonobviousness, the Patent Owner “must establish a nexus between the evidence and the merits of the claimed invention.” To show a nexus, the patentee must show (1) that the objective evidence is tied to a specific product and (2) that such product embodies the claimed features and is coextensive with the patent claims. Even if Patent Owner cannot meet the requirements for a presumption of nexus, the Patent Owner can still show nexus if it can show the evidence of secondary consideration is the direct result of the claimed features. Ultimately, the Patent Owner was unable to prove nexus under either standard, so the Patent Owner’s evidence was dismissed, and the board held the original patent claims were invalid.

Turning to the substitute claims, the Board found the claims were properly raised before board and the prior art weighed in favor of obviousness. As a result, the Board again considered the Patent Owner’s evidence of secondary considerations.

This time the Board found the Patent Owner established the requisite nexus. Notably, the Board did not find there was a presumption of nexus because the Patent Owner failed to provide an analysis showing its products were coextensive with the challenged claims. Notwithstanding, the Board found the Patent Owner established a nexus because the evidence submitted was directly related to the subject matter added by amendment to the substitute claims. Therefore, the Board considered the Patent Owner’s objective *indicia* of nonobviousness and concluded that the claims were patentable in view of the prior art.

**Practice Note:** This case highlights how amending claims in an IPR proceeding combined with strong evidence of secondary considerations can overcome the prior art asserted in the IPR petition.

In original prosecution similar considerations apply. In *Ex parte Whirlpool Corp.*, Case No. 013-008232, and *Ex parte Thompson*, Case No. 2011-011620 (both designated as informative), the Board relied on secondary considerations in appeals from examiner rejections. In each of these cases, the Board found that objective evidence of a successful commercial product and industry praise saves claims from being invalidated.

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