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PTAB: Applicant-Admitted Prior Art Out of Bounds in IPR, If Used as Basis for Challenge

Apr 29, 2022

Reading Time : **2 min**

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The petitioner challenged a patent related to a cochlear implant system with an external sound processor and a permanently integrated rechargeable power source. Ground 1 of the IPR asserted that all claims of the challenged patent were obvious based on applicant-admitted prior art ("AAPA") in combination with a prior art patent. In particular, the petitioner cited figures that were labeled "Prior Art" and admissions in the patent specification regarding a prior art cochlear implant system and prior art behind-the-ear sound processor.

On August 19, 2020, shortly after the IPR petition was filed, the Director of the USPTO issued binding guidance on the treatment of statements by the applicant in a patent challenged in IPR. The Director considered the statutory language of 35 U.S.C. § 311(b), which authorizes IPR "only on the basis of prior art consisting of patents or printed publications." The USPTO guidance states that admissions about prior art in the challenged patent cannot form the "basis of" an IPR challenge because a patent cannot be prior art to itself. But where an IPR challenge is properly based on one or more prior art patents or printed publications, the PTAB may consider AAPA as factual evidence of the general knowledge of a person having ordinary skill in the art ("POSA") by, for example, supplying missing claim limitations and supporting the motivation to combine particular disclosures.

In view of this guidance—and the Federal Circuit's endorsement in *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. 2022)—the PTAB found that the petitioner improperly relied on AAPA as the basis of an obviousness ground of the IPR. The petitioner relied on AAPA alone to provide several structural and functional limitations of the claimed invention. The

petitioner also framed AAPA as the "foundation or starting point" of the asserted ground, citing AAPA for the known cochlear implant system and using the other prior art patent to supply missing claim elements. Having found that AAPA was the basis of this asserted ground for IPR, the PTAB then concluded that it lacked jurisdiction to consider the merits of this ground. The PTAB rejected the patent owner's argument that once IPR is instituted the PTAB must issue a final written decision on every ground raised in the petition, including those that are outside the PTAB's statutory authority.

Turning to three other obviousness grounds that did not rely on applicant-admitted prior art, the PTAB concluded that the petitioner had proven the unpatentability of all challenged claims.

Practice Tip: A petitioner should exercise caution when relying on admissions about the prior art drawn from a patent specification to challenge that patent. If these applicant admissions are needed to support an obviousness challenge in an IPR, the petitioner should base its challenge on a prior art patent or publication and use AAPA to supply a factual foundation as to what a POSA would have known at the time of the invention, for pre-AIA patents, or at the effective filing date of the invention, for post-AIA patents.

MED-EL Elektromedizinische Geräte Ges.m.b.H. v. Advanced Bionics AG, IPR2020-01016, Paper 42, IPR2021-00044, Paper 40 (PTAB Mar. 31, 2022).

Categories

Patent Trial & Appeal Board | Inter Partes Review | 35 U.S.C. § 311(b)

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