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PTAB Strikes from IPR Record References Introduced After Institution that Purportedly Showed State of the Art

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By: Jonathan James Underwood, Rachel J. Elsby, Rubén H. Muñoz

The Board instituted an *inter partes* review challenging U.S. Patent No. 6,547,394 (the "394 Patent"), which relates to an ophthalmic medical device that uses a blue LED to examine a patient's eye for epithelial defects.

Patent Owner filed a timely Response, to which Petitioner filed a Reply with 19 exhibits. Patent Owner then moved to strike the entire Reply and accompanying exhibits on the basis that the Reply improperly raised three new theories. Ultimately, Patent Owner prevailed on the first and third of its three challenges.

Patent Owner's first challenge concerned Petitioner's use in the Reply of a reference, Nishizawa, to show that the prior art generally taught an element having a certain function that the Board found—based on its construction at institution—was not necessarily disclosed in Petitioner's only reference for that element, Devonshire. Although Nishizawa was listed on the face of the '394 Patent, Petitioner had not submitted or discussed it until filing the Reply. The Board rejected Petitioner's assertion that Nishizawa was only being used to show the state of the art at the time of the invention. The Board explained that by relying on Nishizawa as evidence that the prior art taught the element, and arguing that a person of ordinary skill in the art would have been motivated to use this element, Petitioner had implicitly framed Nishizawa as an alternative to Devonshire. As such, Petitioner had presented a new rationale not asserted in the petition.

In the second challenge to the Reply, Patent Owner argued that Petitioner had improperly cited two exhibits to rebut Patent Owner's expert's testimony. The Board rejected Patent

Owner's arguments that the two exhibits were untimely for not responding to the expert's testimony. The Board explained that while the sufficiency or strength of the exhibits was yet to be determined, Petitioner could not have anticipated the expert's testimony, and therefore properly included the exhibits as part of the Reply.

Patent Owner's third challenge concerned two claims for which Petitioner had not shown a reasonable likelihood of success with respect to unpatentability at institution, but that the Board had included in the trial following the edicts of *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348 (2018). Petitioner's Reply referred to the prosecution history of an application in the same family as the '394 Patent. In that application, the examiner had made an obviousness rejection of two pending claims that were, according to Petitioner, the same as the two claims in the '394 Patent. Petitioner argued that despite not including any arguments in the petition premised on the prosecution history, the examiner's rejection showed the state of the art, and so were properly cited for the first time in the Reply. The Board found that Petitioner was seeking to use common knowledge as an alternative to a cited reference, Longobardi, used in an obviousness combination. The Board explained that such "gap-filling" was not allowed. Moreover, Petitioner could have raised the argument previously, and the Reply did not address the Institution Decision's issue of whether Longobardi inherently disclosed the subject matter of the claims.

To rectify Petitioner's transgressions, the Board took a targeted approach, rejecting Patent Owner's proposed remedy of striking the Reply in its entirety. The Board precluded the parties from presenting any written or oral arguments relating to the improper sections.

Practice Tip:

A petitioner should carefully scrutinize potential weaknesses in both prior art and claim construction positions set forth in its IPR petition. Where a claim element is susceptible to alternative constructions, or the prior art might not necessarily disclose the element, petitioner should capture the variations with specific prior art references and include those in the petition. Similarly, a patent owner should scrutinize a petitioner's reply to ensure that petitioner has not attempted to leverage a reference as showing the general state of the art in order to fill gaps that the Board identified at institution.

Haag-Streit AG v. Eidolon Optical, LLC, Case IPR2018-01311, Paper 31 (Sept. 5, 2019)

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