



Federal Circuit: PTAB May Not Institute on Grounds Left out of IPR Petition

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Factual Background

Koninklijke Philips N.V. (“Philips”) sued Google LLC (“Google”) for infringing U.S. Patent No. 7,529,806 (“the ’806 patent”). The ’806 patent identified a hybrid approach to delivering digital content for playback on a device. Prior technologies included a downloading approach, which required the user to fully download the content before playing it back, and a streaming approach, which required integration between client and server software. The hybrid approach allowed the media player itself to choose from alternative formats, eliminating the need for integration, and split the content into smaller files so that the user could listen to the first portion of the content while downloading the remaining portions.

The prior art included an SMIL 1.0 reference, which taught specifying a set of alternative files from which a media player can choose and instructing the media player to play a list of files in sequence. However, SMIL 1.0 did not disclose a way to specify timing for playback of a particular media file relative to the timing of downloading another media file. Also in the prior art was the Hua reference, which disclosed “pipelining,” a method of dividing media into multiple segments and playing one segment while downloading a subsequent segment to allow for continuous playback.

Google filed an IPR petition with two grounds. First, Google alleged that claims 1-7 and 9-11 were anticipated by SMIL 1.0. Second, claims 1-11 would have been obvious over SMIL 1.0 in light of the “general knowledge” of a person having ordinary skill in the art (POSITA). Google supported its claim of general knowledge by citing Hua and an expert declaration to show that pipelining was well known at the time.

The PTAB instituted the IPR on three grounds: the two grounds in the petition and an additional ground of obviousness based on SMIL 1.0 and Hua. The PTAB concluded that although Google had not shown that any of the claims were anticipated, it had shown that the claims were obvious over SMIL 1.0, and so the claims were also obvious over both SMIL 1.0 and Hua.

Two of the issues that the Federal Circuit considered on appeal were (1) whether the PTAB erred by instituting the IPR on the third ground because it was not in the petition and (2) whether the PTAB erred in finding the claims obvious over SMIL 1.0 by relying on “general knowledge” to supply a missing claim limitation. The court found that the PTAB erred in the first instance and did not err in the second.

The Court’s Analysis

The Federal Circuit found that the PTAB erred by instituting the IPR on a new ground. The statutory language gives the PTAB the power to initiate an IPR only on the basis of an underlying petition. Citing *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018), the court noted that “it’s the petitioner, not the Director, who gets to define the contours of the proceeding,” and so the PTAB cannot institute on a ground not found in the petition. Citing Federal Circuit precedent, Google argued that the PTAB could deviate from the petition provided that they gave reasonable notice of the new arguments and an opportunity for the patentee to be heard. The court, however, noted that the cited precedent only addressed whether the PTAB can rely on evidence not raised in the petition to support grounds raised in the petition.

The Federal Circuit found no error in the PTAB relying on “general knowledge” to supply a missing claim limitation. The court explained that, although 35 U.S.C. § 311(b) limited IPRs to “prior art consisting of patents or printed publications,” it does not follow that a POSITA’s knowledge, which is not prior art, should be ignored in an obviousness analysis. The court also rejected the argument that relying on general knowledge would violate *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1366 (Fed. Cir. 2016), which held that the PTAB could not rely on common sense to support a missing limitation where that reliance was based merely on “conclusory statements and unspecific expert testimony.” The court distinguished *Arendi* because the PTAB here relied on expert evidence corroborated by Hua in concluding that pipelining was in a POSITA’s general knowledge, and Philips offered no evidence to rebut that conclusion.

Koninklijke Philips N.V. v. Google LLC, 2019-1177 (Fed. Cir. Jan. 30, 2020).

Practice Tip:

Petitioners should expressly identify a separate ground in the IPR petition for each prior art combination it wishes the PTAB to consider, and patent owners facing an IPR petition should challenge the PTAB's consideration of any grounds not set forth in the petition. When a petitioner wishes to rely on general knowledge of a POSITA to support an obviousness combination, and in particular to supply a missing claim limitation, the petitioner should show such knowledge with specific expert testimony and corroborating evidence.

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