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PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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Your *Inter Partes* Review Petition and its Proof – Couldda, Wouldda ... Shouldda

By the Banner & Witcoff PTAB Group

June 4, 2018 – *Inter partes* review (IPR) petitions are the rage for challenging patents, especially those asserted in litigation. Chances are that you will be involved in an IPR, either in one you file, or one filed against you.

Most of the IPR challenges are reportedly obviousness challenges. That makes sense, since anticipation by a single reference is often difficult to prove. It takes rigorous attention to the detail of the claims and the content of the reference. In contrast, obviousness is supposed to allow an “expansive and flexible” approach to patent validity, *KSR Intern. Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 1739 (2007).

So to participate in an IPR, you should tune up on obviousness. Of course, the Supreme Court and the Court of Appeals for the Federal Circuit have at times parted ways over the law of obviousness. *KSR* is the prime example. The Federal Circuit had reversed a district court summary judgment of patent invalidity. It had held that the district court failed the “teaching, suggestion, or motivation” (“TSM”) test. The Supreme Court reversed the Federal Circuit, demoting TSM to one of many sub-tests for obviousness. *KSR* was 11 years ago, and the Federal Circuit has decided many cases since. So you should not only tune up on obviousness, such as in *KSR*, but also tune up on what the Federal Circuit is currently telling the Patent Trial and Appeal Board (PTAB) about PTAB obviousness decisions.

KSR faulted the TSM test for refusing to consider a “couldda,” as you will see, based on several flaws. The TSM test had the flaw (1) of looking only to the problem the patentee was trying to solve, rather than any need or problem known in the field and addressed by the patent (known problems, plural). 127 S.Ct. at 1742. It had the flaw (2) of looking only to the elements of the prior art designed to solve the

known problems, rather than any and all prior art elements with obvious uses to solve the problems, even if the relevant uses were not their primary uses. *Id.* It (3) refused proof of obviousness by a showing that a combination of elements was obvious to try, rather than allowing of proof of obviousness to try, based on design needs or market pressures to solve problems, a finite number of potential solutions, and success resulting from the trying. *Id.* It (4) overemphasized hindsight bias instead of giving factfinders recourse to common sense. *Id.* The Court stated:

If a person of ordinary skill in the art can implement a predictable variation, and would see the benefit of doing so, [obviousness] likely bars its patentability. Moreover, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond that person's skill. A court must ask whether the improvement is more than the predictable use of prior art elements according to their established functions.

In the specific case before it, the *KSR* court found a patent claim invalid for obviousness because it saw little difference between the patent claim and the prior art, concluded a person of ordinary skill “could have combined” the prior art “in a fashion encompassed by” the claim, and concluded the person “would have seen the benefits of doing so.” *Id.* at 1743. So the Supreme Court resolved that obviousness based on obviousness to try—a “couldda”—was obviousness, so long as it was a “couldda” based on design needs or market pressure, a finite number of potential solutions, and success from trying. And, perhaps also with a “wouldda” being required—a “wouldda” that the person of ordinary skill “would have” seen the benefits of combining the prior art in a way encompassed by the claims under consideration. *Id.*

So now, consider a notable recent Federal Circuit decision reversing a PTAB invalidity decision of obviousness and terminating the case in favor of validity: *DSS Tech. Mgmt., Inc. v. Apple Inc.*, Nos. 2016-2523 (Fed. Cir. March 23, 2018). A DSS patent related to wireless connections between a personal digital assistant (PDA) and peripherals. As “base station” and “mobile units,” they used radio (RF) to connect. Time slots were assigned to each peripheral, for sending and receiving data. In other time periods, circuits could be powered down. A claim stated that operating this way, both the PDA and the peripherals had so-called “low duty cycle RF bursts.” This provided low power consumption, “particularly for the peripheral[s].” Prior art had all this, with one exception: it didn’t have time slots and power conservation for a base unit. It had these for mobile units. In an IPR started by Apple, the PTAB held the claim at issue obvious, because a person of ordinary skill would have been motivated to apply the time slots and power consumption to a base station, and doing so would have been within ordinary skill and ordinary creativity.

Instead of affirming, the Federal Circuit reversed. The PTAB, it said, had used “ordinary creativity” as “a gap-filler.” It was filling, it said, “a missing claim limitation.” That could not be done in the case, it said, because it could be done only when the limitation at issue was “unusually simple,” and the

technology was “particularly straightforward.” The Federal Circuit concluded that the PTAB opinion was deficient, lacking “a sufficient explanation for its conclusions.” And with that resolved, the Federal Circuit said it could not find in the record any more reasoned explanation for the PTAB decision than the deficient explanation it had described. Or that Apple had argued for other evidence that might remedy the defects the Court found with the PTAB decision. That meant, the Court said, that the case was over, and would not return to the PTAB. It was over, and Apple had simply lost.

Parts of this Federal Circuit *DSS* decision appear to be remarkably at odds with *KSR*. The prior art had the base station of the claims, and it had “low duty cycle RF bursts” applied to similar devices, peripherals. They were so similar, they were in one prior art reference together. Adding the bursts to the base station gives every appearance of being a matter of “implement[ing] a predictable variation,” something a person of ordinary skill could do, and would have seen the benefit of doing. *KSR* says “if so, [obviousness] likely bars its patentability.” The bursts also appear to have been “a technique ... used to improve one device,” a peripheral, that a person of ordinary skill would recognize would improve the base station in the same way. *KSR* says “using the technique is obvious” because using it was not beyond ordinary skill. A question not apparently asked is “whether the improvement is more than the predictable use of prior art elements according to their established functions.”

The only real flaws in the PTAB *DSS* decision appear to be that it relied too much on a “couldda” and did not also rely on a “wouldda”—did not demonstrate that a person of ordinary skill would have seen the benefit of improving the base station with bursts, or demonstrate that such a person would recognize the bursts would improve the base station. It did not prove all the details of the new combination being obvious to try, by showing either design needs or market pressures to solve problems, or a finite number of potential solutions. It had success resulting from the trying, but it needed a showing of the person of ordinary skill seeing the value of the combination.

The lesson here is a “couldda, wouldda, shouldda.” *KSR* said a “couldda” meant “likely” obviousness. With *DSS*, the Federal Circuit is adding a “shouldda” from *KSR*’s further “woulddas.” Apple and the PTAB “shouldda” put a “wouldda” with their “couldda.” And if your obviousness theory at the PTAB is a “couldda,” so should you. A “couldda” without a “wouldda” isn’t obviousness in some Federal Circuit cases, or arguably even in the Supreme Court’s *KSR*.

For more information on this PTAB Highlights alert, please contact its specific author and reviewer, Charles Shifley and Michael Cuviallo, or any of the many lawyers at Banner & Witcoff.

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