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PATENTS

The Use of Applicant Admitted Prior Art in IPR Petitions



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Admissions made by the patentee, either in the patent specification or during the course of prosecution, identifying a particular work as “prior art” can be relied upon for both anticipation and obviousness determinations. *Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1354, 66 U.S.P.Q.2d 1331 (Fed. Cir. 2003); *Constant v. Advanced Micro-Devices Inc.*, 848 F.2d 1560, 1570, 7 U.S.P.Q.2d 1057 (Fed. Cir. 1988); see also *Reading & Bates Construction Co. v. Baker Energy Re-*

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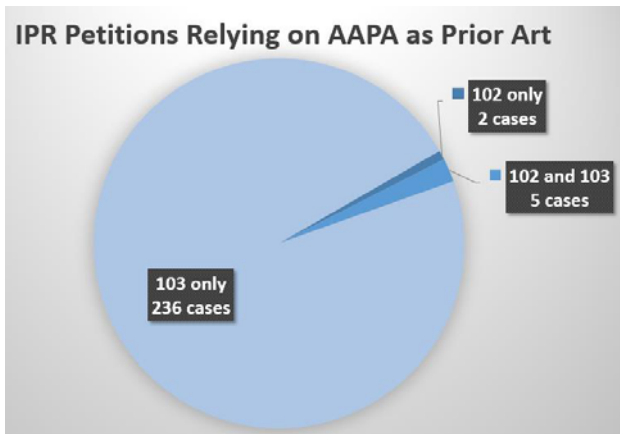
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sources Corp., 748 F.2d 645, 650, 223 U.S.P.Q. 1168 (Fed. Cir. 1984). However, whether such Applicant Admitted Prior Art (AAPA) can also be used as “prior art” in an inter partes review (IPR) is unclear because 35 U.S.C. § 311(b) states that a “petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent . . . only on the basis of prior art consisting of patents or printed publications.” (emphasis added).

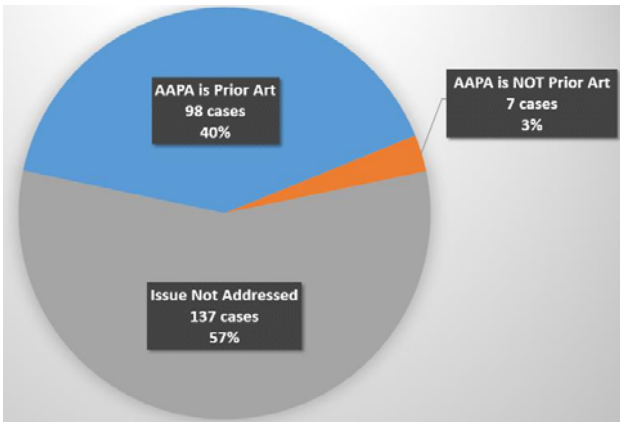
Here, we explore how the Patent Trial and Appeals Board has considered AAPA when a petitioner has relied upon AAPA as part of one or more of its grounds in its IPR petition requesting the Board invalidate a patent (Grounds). We conclude with our recommendations for both petitioners and patent owners based on how the Board has decided on this issue.

As a part of this effort, we have reviewed all of the IPR petitions to date that have relied on AAPA as part of their Grounds. Our analysis identified 243 total petitions that utilized AAPA as a prior art reference, either as an anticipatory reference or as part of an obviousness challenge. Specifically, seven petitions relied on AAPA as anticipatory prior art and 241 petitions relied on AAPA as part of an obviousness challenge. (In other words, five of the petitions relied on AAPA as both anticipatory prior art as well as a part of an obviousness challenge.)

However, in approximately 57 percent of these IPR petitions (137 of the 243 petitions), the Board did not reach a conclusion regarding whether AAPA is prior art under Section 311(b). Instead, trial was either instituted



or denied for other reasons. For example, trial was instituted based on other proposed Grounds or trial was denied based on claim construction issues. The Board agreed the AAPA was prior art in the overwhelming majority of the 105 cases where it did reach a conclusion. As shown below, the Board found the AAPA was prior art in 98 of these 105 IPR petitions and found the AAPA was not prior art in just seven petitions.



The first instance where the AAPA was successfully used as prior art was in IPR2012-0005. There the Board found that “claims 1-17 of the ‘215 patent are unpatentable under 35 U.S.C. § 103(a) over Kidoguchi, Nakamura, Fujimoto, Shibata *and the Admitted Prior Art.*” IPR2012-00005, Final Written Decision, Paper 68, p. 64 (emphasis added). The patent owner did not challenge whether the AAPA was prior art in that proceeding.

Petitioners subsequently relied upon AAPA in 53 additional petitions before a patent owner challenged whether AAPA can be utilized as prior art under Section 311(b). In IPR2014-00309, the Board noted that “Saint-Gobain’s challenge to Admitted Prior Art as beyond the scope of Section 311(b) appears to be a case of first impression since enactment of AIA.” IPR2014-00309, Final Written Decision, Paper 83, p. 21. The Board provided three alternative lines of reasoning for why AAPA is prior art under Section 311(b):

- (1) statements within the four corners of the challenged patent that constitute admissions may be considered “prior art consisting of patents” for purposes of Section 311(b); or,
- (2) Section 311(b) was intended to narrow the scope of statutory prior art listed under 35 U.S.C. § 102, but was not intended to restrict our ability to consider Admitted Prior Art, which is not listed expressly under Section 102, but has

nevertheless traditionally been considered by the Office as prior art; or alternatively (3) even if Admitted Prior Art is not treated as a prior art reference per se for purposes of Section 311(b), Saint-Gobain’s admission nevertheless constitutes background knowledge that may be imputed to a hypothetical person of ordinary skill for purposes of an obviousness analysis. See *Randall Mfg. v. Rea*, 733 F.3d at 1363 (non-applied art may be considered as background information known to a person of ordinary skill in the art).

Id. Hence, while this decision was non-precedential, it endorsed the conclusion that AAPA does indeed qualify as prior art under Section 311(b). In fact, after this decision, petitioners invoked the use of AAPA in 69 additional cases. The Board addressed whether AAPA qualifies as prior art in 21 of those cases and found, either implicitly or explicitly, that AAPA is prior art under Section 311(b). Notably, although the patent owner challenged whether AAPA can serve as prior art in IPR2014-00518, -00519, -00892, -00893, and -00895, the Board nevertheless issued final written decisions invalidating certain claims relying on AAPA as part of an obviousness Ground.

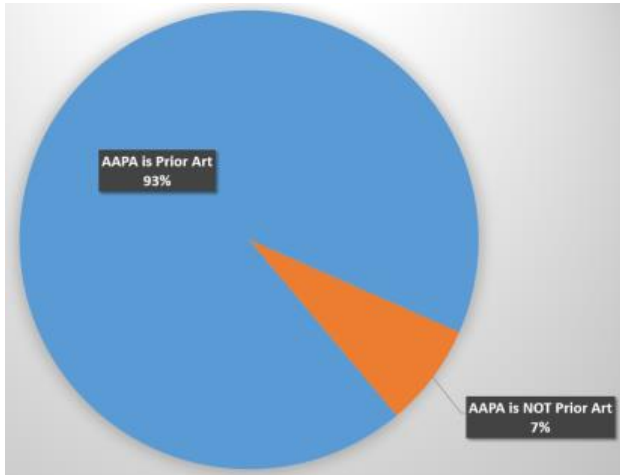
Then, in IPR2015-00741, -00743, -00744, and -00746, the patent owner challenged the petitioner’s use of AAPA as being “not based on prior art patents or printed publications, such that the Petition fails to comply with statutory and regulatory requirements.” IPR2015-00741, Decision on Institution, Paper No. 8, p. 5. Here, the Board agreed with the patent owner and denied institution. *Id.* at 10. However, the Board’s reason for denying institution was based on the fact that the petitioner attempted to rely on “later-dated statements of experts and inventors on behalf of the applicant/patent owner in other proceedings asserting that certain technology (outlined in the specification and elsewhere) was publicly known at the time of the patent filing” as being part of the AAPA. *Id.* at p. 6.

Thereafter, with three exceptions (IPR2015-01987, IPR2016-00098, and IPR2016-00940), the Board continued to allow the use of AAPA as prior art. In IPR2016-00098, the Board found that the alleged admitted prior art the petitioner was relying on was actually a challenge based on product prior art. In the remaining two cases, the Board simply stated that AAPA does not qualify as prior art under Section 311(b) and provided only limited explanations to support this conclusion.

Notably, when a petitioner challenges the claims using AAPA as an anticipatory Ground, the petitioner has never been successful in getting the petition instituted. See IPR 2015-00741, -00743, -00744, -00746, and IPR2016-00940. In fact, in IPR2016-00940, the Board denied institution even though the patent owner did not specifically challenge whether AAPA is a “*prior art consisting of patents or printed publications.*” (However, the patent owner did argue “that the portions of the Specification asserted by Petition to be ‘admitted prior art,’ are not actually prior art. Prelim. Resp. 14-18.” IPR 2016-00940 Institution Decision at p. 30, fn.10. Essentially, the patent owner argued that statements in the Background section do not automatically become admitted prior art unless the specification clearly indicates it is prior art. The Board stated that “[b]ecause we do not institute on this ground, we need not resolve this issue for purposes of this Decision.” *Id.*)

In summary, of all of the cases in which the Board opined on whether AAPA is prior art under Section 311(b), the Board has overwhelmingly found (93 per-

cent of the time) that AAPA is prior art under Section 311(b).



To date, the U.S. Court of Appeals for the Federal Circuit has not addressed this issue.

Accordingly, until the Federal Circuit or the Board issues a precedential opinion that provides further clarity

regarding whether the AAPA is prior art, a petitioner should consider whether AAPA (i.e., prior art admitted in the patent specification itself) should be included as part of the Grounds in preparing the IPR petition. If the petitioner includes AAPA, the petitioner should limit its reliance on the AAPA to admissions made in the patent specification itself and not try to include “later-dated statements of experts and inventors on behalf of the applicant/patent owner in other proceedings asserting that certain technology (outlined in the specification and elsewhere) was publicly known at the time of the patent filing.” IPR2015-00741, Decision on Institution, Paper No. 8, p. 6. Moreover, it appears that the Board is more receptive to allowing the use of AAPA as prior art when the AAPA is included in an obviousness combination rather than used as an anticipatory prior art.

A patent owner should continue to challenge whether AAPA qualifies as prior art under Section 311(b) and preserve the issue all the way up through appeal. More importantly, however, patent owners should be careful regarding any admissions or characterizations of information as prior art when drafting patents or communicating with the PTAB regarding a patent application.