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- **Other News**

USPTO Released Its 2022-2026 Strategic Plan



with Arnold & Porter Associate
Drew Needham

How would you describe your practice?

New, exciting, and growing every day! I joined Arnold & Porter in October of 2022 after completing a one-year judicial clerkship at the PTAB. Since joining the firm, I have been working with and learning from our incredible team of attorneys on a variety of cases in district court as well as at the USPTO.

How long have you been practicing in front of the USPTO and in front of the PTAB?

I would say that the majority of my experience has been practicing with the USPTO and PTAB, rather than before them. As I mentioned above, I previously served as a judicial law clerk at the PTAB before joining Arnold & Porter. As a judicial law clerk, I worked with many APJs, assisting with their analysis and drafting of orders and opinions. I also had the opportunity to work directly with USPTO Director Vidal and members of the PTAB Executive Team on numerous special projects and policy-related issues. Prior to my clerkship, I served as a student-attorney in my law school's Intellectual Property and Entrepreneurship Clinic, where I advised my clients on IP issues and prosecuted their patent and trademark applications with the USPTO. Since joining Arnold & Porter last year, I have assisted our teams with multiple matters before the USPTO and PTAB, including inter partes reviews and ex parte reexaminations.

Why were you interested in practicing before the PTAB, and how did you get involved in the practice?

After completing my clerkship with the PTAB, I was interested in utilizing the experience I had gained and continuing my work with the PTAB. I recognize the important role that the PTAB plays in the IP legal ecosystem. Compared to other avenues for deciding patent disputes, the PTAB offers stakeholders and practitioners efficient resolution of issues and the opportunity to have APJs with subject matter

expertise deciding the often complex technological issues that arise in many cases. I also enjoy the evolving nature of PTAB practice, with new precedential decisions and policy changes keeping practitioners on their toes and adapting to new developments with novel solutions for their clients.

How would you like to grow your practice before the PTAB?

First on my list is to actually be admitted to practice before the USPTO and PTAB. I am currently in the process of studying for the USPTO's registration exam. In the meantime, I continue to enjoy assisting with our PTAB matters and working with our fantastic group of PTAB practitioners. With every case presenting new and unique issues, I look forward to growing my practice through continued exposure to new matters.

What do you enjoy about practicing at Arnold & Porter?

Without a doubt, the best part of practicing at Arnold & Porter has to be the people. The firm's culture prioritizes community and collaboration, with each member contributing valuable expertise and insight from their experience. As a new attorney at the firm, I have greatly benefited from our collaborative culture and being able to learn from our more experienced attorneys.

What do you like to do in your spare time?

Currently, I enjoy spending most of my spare time with my family. My wife and I recently moved into a new house, where we live with our beautiful seven-month-old daughter, Olivia, and our playful one-year-old labradoodle, Cal. Keeping up with a baby and a puppy as we make a home for our family in the new house has been a great way to spend the vast majority of my free time. However, when I do find the time, I enjoy woodworking, playing golf, and flyfishing.



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Federal Circuit Decisions

Federal Circuit Precedential Decision: The Board Did Not Violate the APA by Changing Its Claim Construction Between the Preliminary Guidance and FWD on a Motion to Amend. [Medytox Inc. v. Galderma S.A., No. 2022-1165 \(Fed. Cir. June 27, 2023\)](#).

The Federal Circuit affirmed the Board's Final Written Decision (FWD) denying the patent owner's motion to amend in a Post-Grant Review. The patent owner alleged that the Board violated the Administrative Procedure Act (APA) by changing its claim construction between its Preliminary Guidance on the motion to amend and the FWD. USPTO Director Vidal (Director) intervened on behalf of the Board to respond to the patent owner's APA challenge.

The Director argued that the Board's Preliminary Guidance on motions to amend, as a part of the Board's Pilot Program, is "preliminary, non-binding in nature." The Director further argued that the difference in standard between a Preliminary Guidance (reasonable likelihood) and FWD (preponderance of the evidence) supports that a Board may change its decision between the two. The Federal Circuit agreed, pointing to the instances where the Board publicly explains the preliminary nature of its views in a Preliminary Guidance.

The Federal Circuit ultimately affirmed the FWD, finding that the Board did not violate the APA because the Board informed the parties of procedures relevant to its practices, and provided the patent owner an opportunity to be heard.

Federal Circuit Precedential Decision: Objective Evidence of Nonobviousness Lacks Nexus if It Exclusively Relates to a Known Feature. [Yita LLC v. MacNeil IP LLC, 69 F.4th 1356 \(Fed. Cir. 2023\)](#).

The Federal Circuit reversed an FWD finding claims not unpatentable for obviousness based on secondary considerations of nonobviousness because the Board applied the incorrect law in determining a nexus between the claimed invention and the secondary considerations evidence. The Board had found that it would have been obvious for a POSITA to combine prior art references, and that one would have had a reasonable expectation of success in doing so to arrive at the challenged claims. Regardless, the Board found the claims had not been shown obvious because of persuasive evidence of secondary considerations of nonobviousness. Specifically, the Board found that the patent owner was entitled to a presumption of a nexus because the patent owner marketed a product that was coextensive with the claims, despite its finding that an asserted prior art reference taught the single feature on which the secondary consideration evidence was based. The Board reasoned that although the prior art taught that the feature was known, it did not teach that the feature was *well-known*.

First, the Federal Circuit found that "objective evidence of nonobviousness lacks a nexus if it exclusively relates to a feature that was '*known* in the prior art' — not necessarily well-known." (emphasis original). In addition, the Federal Circuit stated: "Where prior art teaches a feature and a relevant artisan would have been motivated to use it in combination with other prior-art teachings with a reasonable expectation of success to arrive at the claimed invention — as the Board here found — a secondary consideration related exclusively to that feature does not logically undermine the inference from those premises that the claimed invention would have been obvious from the full body of prior art just because the feature was not well known."

Second, the Federal Circuit found that secondary considerations evidence can be linked to an individual element or to the combination of claim elements as a whole. The court found it appropriate to "deny[] force to a secondary consideration that is exclusively related to a single feature that is in the prior art."

Finally, the Federal Circuit explained that "the coextensiveness inquiry bears only on the presumption of nexus; it does not decide the overall nexus question," and the presumption inquiry "does not involve the connection between the commercial product and prior art, which governs the final nexus question." In this case, the

Federal Circuit found the connection between the commercial product and the prior art was decisive for rejecting patent owner's secondary considerations argument.

Federal Circuit Precedential Decision: The Board Did Not Err in Finding Certain Challenged Claims Nonobvious Based on Objective Indicia of Nonobviousness. [Medtronic Inc. v. Teleflex Innovations S.A.R.L., Case No. 21-2357 \(Fed. Cir. June 05, 2023\)](#).

The Federal Circuit affirmed the Board's decisions in multiple IPRs, finding that substantial evidence supported the Board's decisions that certain claims were not unpatentable based on objective indicia of nonobviousness.

Medtronic challenged claims of two Teleflex patents related to catheters for treating coronary artery disease. The Board found some of the challenged claims unpatentable and others not unpatentable in light of evidence presented by Teleflex of objective indicia of nonobviousness and nexus to the challenged claims. The Board also granted Teleflex's contingent motions to amend certain claims. In its FWDs, the Board described the decisions as a "close *prima facie* case," and stated that Teleflex's "strong objective evidence of nonobviousness" was able to overcome the close *prima facie* case. Teleflex's objective evidence of nonobviousness included commercial success, solving long-felt needs, industry praise, and copying by competitors. The Board found there was a clear nexus to challenged claims.

On appeal, the Federal Circuit found that there was substantial evidence to support the Board's decisions. Regarding nexus, the Board acknowledged that Medtronic had shown that every element of some of the claims at issue was *individually* known in the prior art, but the Board "correctly concluded this did not preclude nexus where the evidence was 'tied to the combination of features as a whole' and the combination was not previously known." Regarding copying, the Federal Circuit rejected Medtronic's arguments that the Board had insufficient evidence to conclude that Medtronic had copied the patented features in the Teleflex products. The Federal Circuit explained that direct evidence is not required and that "there is more than sufficient circumstantial evidence" through access to and substantial similarities between products.

Medtronic did not challenge the Board's other findings of objective indicia. The Federal Circuit concluded that, "[w]eighing this objective evidence along with all the other evidence relevant to obviousness, we agree with the Board's determination that Medtronic failed to prove the [challenged claims] obvious by a preponderance of the evidence." The Federal Circuit also rejected Medtronic's additional arguments concerning the Board's *prima facie* analysis, the substituted claims, and other issues. The Federal Circuit affirmed the Board's decisions.

Director Review Decision

Non-Precedential Director Review Decision: Patent Owner Did Not Forfeit Ability To Argue Against AAPA, but Petitioner's Use of AAPA Was Appropriate. [SolarEdge Technologies Ltd. v. SMA Solar Technology AG, IPR2020-00021, Paper 34 \(PTAB June 8, 2023\)](#).

On June 8, 2023, the Director issued a *sua sponte* Director review decision modifying in part the Board's FWD and clarifying issues related to applicant admitted prior art (AAPA).

On March 19, 2021, the Board issued its first FWD, finding that the petitioner had not shown that the challenged claims are unpatentable because the petitioner had improperly relied on AAPA as the basis for the challenges. Petitioner filed a rehearing request, and the Board issued a Rehearing Decision on October 25, 2022. In the Rehearing Decision, the Board relied on the Federal Circuit's decision in *Qualcomm v. Apple*, 24 F.4th 1367 (Fed. Cir. 2022) and the 2022 USPTO Memorandum titled "Updated Guidance on the Treatment of Statements of the Applicant in the Challenged Patent in Inter Partes Reviews Under § 311" (2022 AAPA Guidance Memo). On rehearing, the Board found that the petitioner's use of AAPA in combination with other prior art references was not improper in light of *Qualcomm* and the 2022 AAPA

Guidance Memo. The Board also agreed with the petitioner that the patent owner had forfeited its ability to argue that the AIPA was not “well-known,” because the patent owner did not raise the counterargument until the oral hearing. The patent owner subsequently filed a Rehearing Request and a POP request.

On *sua sponte* review, the Director agreed with the Board’s application of *Qualcomm* and the 2022 AIPA Guidance Memo. The Director noted that the Federal Circuit’s decision in *Qualcomm* held that “it is ... impermissible for a petition to challenge a patent relying on solely AIPA without also relying on a prior art patent or printed publication.” The Director further explained that the 2022 AIPA Guidance Memo accords with *Qualcomm*’s holding and permits an IPR petition to rely on AIPA in combination with one or more prior art patents or printed publications. Reaching the same conclusion as the Board, the Director found that the petitioner’s use of AIPA was proper because the ground was based on a combination of AIPA with prior art patents.

The Director disagreed with the Board’s decision regarding whether the patent owner had forfeited its arguments that the AIPA was not well-known. The Director explained that arguments that are not timely raised are generally not considered. However, in a circumstance like the present case, in which the Board *sua sponte* raised the issue of whether the AIPA was well-known through questions at the oral hearing and determinations in the first FWD, arguments related to the issue should not have been considered forfeited. As such, the Director modified in part the Board’s decision related to forfeiture.

Despite modifying the Board’s decision and finding that the patent owner had not forfeited the right to argue that the AIPA was not well-known in the art, the Director ultimately found that the evidence presented was insufficient to support the patent owner’s argument. The Director found the challenged patent’s reference to the “prior-art” system qualifies that system as AIPA available for the petitioner’s use in the Petition. The Director further found the patent owner’s arguments to the contrary were supported by conclusory expert testimony and speculation based on review of a limited universe of prior art. Because such conclusory expert testimony is entitled to little evidentiary weight, the Director found that there was insufficient evidence to support the patent owner’s contention that the AIPA was not well-known.

Notable Board Decisions

Board Denies Motion to Terminate IPR; Collateral Estoppel and Claim Preclusion Do Not Apply to Previous District Court Findings. [*Patent Quality Assurance LLC v. VLSI Technology LLC*, IPR2021-01229, Paper 128 \(PTAB June 3, 2023\)](#).

On June 2, 2023, the Board denied the patent owner’s Motion to Terminate IPR2021-01229, holding that claim preclusion and estoppel based on a parallel district court proceeding did not apply.

Prior to Patent Quality Assurance (PQA) filing a petition for review of U.S. Patent No. 7,523,373 (’373 patent) on July 7, 2021, district court litigation resulted in a jury verdict that Intel had infringed five claims of the ’373 patent. Intel did not present arguments of invalidity of the ’373 patent to the jury, and on May 10, 2022, the district court entered final judgment. Between the jury verdict and the entering of final judgment, Intel filed a petition for review of the ’373 patent and joined PQA’s IPR.

The patent owner asserted that claim preclusion bars Intel from challenging the claims of the ’373 patent in this IPR and filed a Motion to Terminate the IPR as to Intel. Intel responded by arguing that claim preclusion does not apply to IPRs under the America Invents Act (AIA); the Board agreed. The Board explained the general principles of claim preclusion, which prevents relitigating issues that were or could have been raised during a first action that resulted in a final judgment, when a second action involved the same claim as the first. Preclusion also applies to compulsory counterclaims and when the claim or defense is essentially

a collateral attack on the first judgment. The patent owner claimed that Intel's involvement in the IPR is a collateral attack on the district court infringement verdict.

The Board proceeded to analyze Congress's intent in passing the AIA, specifically § 315(e). The Board held that, while an IPR's invalidity result can lead to claim preclusion in a district court proceeding, Congress intended this preclusion to be one-directional and for claim preclusion to not apply to IPRs in these circumstances. As such, the Board denied the patent owner's motion for termination.

Board Panel Issues Decision With Two APJs Concurring in the Result but Not the Reasoning.
[Pelican Biothermal v. VFA-Q-TEC AG, PGR2021-00085, Paper 35 \(PTAB June 16, 2023\).](#)

On June 16, 2023, the Board issued a decision granting the patent owner's Motion to Amend and finding certain challenged claims to be unpatentable. We include this case in our review not for the issues involved or the substance of the Board's reasoning in rendering its decision, but because only one member of the three judge panel concurred in the reasoning. The other two APJs merely concurred in the result, providing no other explanation or details beyond writing "I concur in the result." Concurrences and dissents are fairly rare in PTAB decisions, and even rarer are cases in which the rationale supporting the decision only receives the support of one-third of the panel.

Other News

USPTO Released Its [2022-2026 Strategic Plan](#)

The USPTO recently published its 2022-2026 Strategic Plan, laying out the USPTO's mission, vision, and five broad goals for the next five years. As the plan explains, the USPTO's mission is "to drive U.S. innovation, inclusive capitalism, and global competitiveness," with a vision for "unleashing America's potential." Below is a summary of a few key aspects of the plan that PTAB practitioners should be aware of.

One of the Strategic Plan's goals is to "promote the efficient delivery of reliable IP rights." The USPTO's objectives for this goal relate to improving pendency of patent and trademark applications while optimizing the application processes to increase efficiencies. The USPTO also aims to "issue and maintain robust and reliable patents that incentivize and protect innovation." The Strategic Plan explains that the PTAB plays a "key role in providing an efficient system for amending or voiding any patent claims that overreach and stunt innovation, inclusive capitalism, and global competitiveness."

Another goal is promoting the protection of IP against new and persistent threats. This goal looks to provide stable, reliable, and predictable IP rights for patent and trademark owners by protecting them from fraud, theft, and abusive practices. The Strategic Plan discusses the role and importance of the PTAB in protecting patents from fraudulent and abusive behaviors. This aligns with the goals of the America Invents Act, "to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation cost." The USPTO will also continue outreach and education with stakeholders regarding PTAB proceedings, as well as issue precedential and informative decisions to enhance procedural clarity.

PTAB practitioners and other stakeholders should be aware of the policies, objectives, and strategies contained within the Strategic Plan. The plan provides valuable insight into the decision-making process involved in recent changes and the possible changes to expect in the years to come.

Questions/Comments?

Contact a member of our Editorial Committee



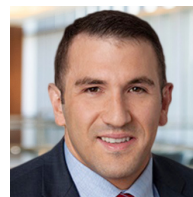
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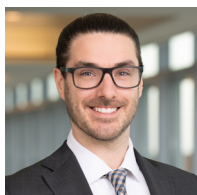
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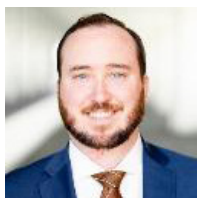
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