

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING NOVEMBER 8, 2019**In re Fought, No. 2019-1126 (November 4, 2019) (precedential) (3-0); Patent Application No. 13/507,528****Key point(s):**

- The preamble is limiting when the body of the claim relies on it for antecedent basis.
- Unless the patentee places the ordinary level of skill in the art in dispute, arguing with particularity how it would alter the outcome, neither the Examiner nor the Board has to articulate the ordinary level of skill in the art.

Facts/Background: The '528 application relates to travel trailers. Claims 1 and 2 in the '528 application each recites "A travel trailer having...". The Examiner rejected claim 1 under 35 U.S.C. § 102(b) as anticipated by U.S. Patent No. 4,049,311 (*Dietrich*), which describes a conventional truck trailer such as a refrigerated trailer, and claim 2 as anticipated by U.S. Patent No. 2,752,864 (*McDougal*), which describes a bulkhead for shipping compartments. Fought argued that a "travel trailer" limited the claims to "a type of recreational vehicle" and, therefore, the reference did not teach the claims. Fought relied on U.S. Patent Application Publication No. 2010/0096873 (*Miller*) as extrinsic evidence regarding the meaning of "travel trailer" and "recreational vehicle." The Examiner maintained his rejections and Fought appealed to the Patent Trial and Appeal Board. In the appeal to the Board, Fought cited *Woodall's RV Buyer's Guide* as additional extrinsic evidence of the meaning of "travel trailer". Fought further argued that the Examiner erred by rejecting the claims without addressing the level of ordinary skill in the art. The Board affirmed the rejection, concluding the term "travel trailer" is a mere statement of intended use that does not limit the claim. The Board did not address Fought's argument that the Examiner was required to specify the level of ordinary skill in the art. Fought appealed.

Holding: Reversed and remanded. On appeal, Fought argued that "[a] travel trailer having . . ." is not merely a preamble because it does not use a transition word and, therefore, is a limitation in the claims. The Federal Circuit disagreed, finding that the word "having" performed the role of a transition between the preamble and body of the claim. Fought argued that even if "travel trailer" is part of the preamble, it is limiting because limitations in the body of the claims reciting "the travel trailer" rely on "[a] travel trailer" for antecedent basis and for structural limitations. The appellate court agreed, disagreeing with the PTAB that "travel trailer" is simply a statement of intended use and not a structural limitation. The reviewing court held that *Miller* and *Woodall's* distinction of travel trailers in terms of towability and having living space rather than cargo space are structural differences, concluding that the Board's fact findings regarding the extrinsic evidence were not supported by substantial evidence. A "travel trailer" is a specific type of recreational vehicle and *Dietrich* and *McDougal*, which disclose cargo trailers and shipping compartments, do not anticipate the claims. However, the Federal Circuit rejected the argument that the Board also erred because it failed to explicitly state the level of ordinary skill in the art. Although claims are interpreted in light of the specification as it would be interpreted by one of ordinary skill in the art, unless the patentee places the level of ordinary skill in the art in dispute and explains with particularity how the dispute would alter the outcome, neither the Board nor the examiner needs to articulate the level of ordinary skill in the art.

Telefonaktiebolaget LM Ericsson v. TCL Corp., Nos. 2017-2381; 2017-2385 (November 7, 2019) (precedential) (3-0); Patent No. 6,029,052

Key point(s):

- New evidence can be submitted more than one month after an IPR is instituted if material and there is sufficient reason why it was not submitted earlier, and the opposing party is not prejudiced.
- A library document is publicly accessible when it has been meaningfully indexed/catalogued.
- A reference does not teach away by discussing advantages and disadvantages of an alternative.

Facts/Background: Ericsson's '052 patent claims "a direct conversion receiver" that allows receiving multiple frequency bands without duplicating hardware and involves using frequency dividers as phase shifters. TCL petitioned for Inter Partes Review of the '052 patent. The PTAB instituted review. In the petition, TCL presented an article by Jentschel *et al.* published in a German technical journal showing a cover date of May/June 1996. The '052 patent was filed July 1, 1997. Ericsson showed that the journal issue did not reach a UCLA library until October 1996, and argued that the article was not prior art because it was not publicly available more than one year before Ericsson's effective filing date. TCL submitted a declaration by a librarian in Germany (the "Michel Declaration") establishing the article was inventoried by the library on June 18, 1996 and was shelved 1-2 days after. Ericsson objected to the Michel Declaration, arguing that PTAB rules require that a party seeking to submit new information more than one month after institution must show why the information could not reasonably have been obtained earlier and would be in the interest of justice. Ericsson argued that TCL was not diligent because TCL did not look for declarant until after Ericsson objected to the article. The Board admitted the Michel Declaration, accepting TCL's explanation of the difficulty in finding a witness with knowledge of record-keeping in Germany in 1996 and also willing to travel to the US to be deposed. The Board then held that the article in combination with Japanese patent applications JP947 and JP755 rendered the challenged claims obvious. Ericsson appealed.

Holding: Affirmed. On appeal, Ericsson argued it was prejudiced by the Board's admission of the Michel Declaration and that it lost the opportunity to amend its claims. The Federal Circuit held that the Board did not abuse its discretion because the evidence was reasonably viewed as material, and because Ericsson had opportunity to respond with briefing, to produce contrary evidence, and to depose the declarant. The Federal Circuit also disagreed with Ericsson's argument that the Michel Declaration did not provide substantial evidence that the article was publicly available. The appellate court distinguished the facts here from precedent in which a student thesis in a library, that had not been meaningfully catalogued or indexed, was held not to be publicly accessible. The Michel Declaration established that the article had been indexed and was in a journal periodical that had been published for at least 30 years, so substantial evidence support the Board's obviousness finding. Ericsson also argued that the article teaches using resistive-capacitive phase shifters and teaches away from using frequency dividers as phase shifter. The Federal Circuit disagreed, stating that although the article discussed advantages and disadvantages of RC phase shifters and frequency dividers as phase shifter, the article did not teach away because it did not criticize, discredit, or discourage using frequency dividers.

Bedgear v. Fredman Bros. Furniture Company, Inc., Nos. 2018-2082; 2018-2083; 2018-2084 (November 7, 2019) (non-precedential); Patent No. 6,029,052

Key point(s):

- Under *Arthrex*, USPTO ALJs are inferior officers, and cases raising the constitutionality issue are to be remanded for rehearing by properly appointed judges.
- Some members of the Federal Circuit believe *Arthrex* wrongly interpreted Supreme Court precedent and, specifically, that there is no requirement to remand the cases for rehearing.

Facts/Background: Bedgear appealed from the final written IPR decisions.

Holding: Vacated and remanded. On appeal, Bedgear argued that the decisions exceeded the scope of the Patent Trial and Appeal Board's authority and violate the Constitution's Appointments Clause. The Federal Circuit agreed, pointing to *Arthrex, Inc. v. Smith & Nephew, Inc.*, No. 18-2140 (Fed. Cir. Oct. 31, 2019), and remanded the case for proceedings consistent with *Arthrex*. In a concurring opinion, two judges agreed that they were bound to follow *Arthrex*, but argued that *Arthrex* was wrongfully decided on the issue of remedy. *Arthrex* held that the removal provisions of title 5 are unconstitutional as applied to the appointment of Administrative Patent Judges ("APJs") and that the unconstitutional removal provision may be severed from the remainder of the statute to render the APJs inferior officers and remedy the constitutional appointment problem. The *Arthrex* majority held past actions by APJs that were not constitutionally appointed at the time the decision was rendered were invalid and must be remanded for a new hearing before a new panel. The concurring Judges argued that the *Arthrex* majority improperly made the application of its decision prospective only, and that the application of the decision should be retroactive also. Importantly, the concurring opinion disagreed with the *Arthrex* analysis that a prior Supreme Court case *Lucia v. SEC*, 585 U.S. ____ (2018) mandates remanding for a new hearing. In *Lucia*, the Supreme Court held that SEC ALJs are not inferior officers and were unconstitutionally appointed. The SEC issued an order ratifying the prior appointments; however, the Supreme Court held that the appropriate remedy was a new hearing before a properly appointed official. The concurring opinion here distinguished *Arthrex* from *Lucia* because in *Arthrex*, the fix was the judicial interpretation of the statute, not an agency fix. The concurring opinion relied on *Reynoldsville Casket Co. v. Hyde*, 514 U.S. 749 (1995) and *Harper v. Virginia Dep't of Taxation*, 509 U.S. 86 (1993) as holding remedies to the Appointments clause should apply retroactively, instead of only prospectively. Therefore, the concurring opinion believes that with the judicial remedy based on the statutory construction, the PTO ALJs were retroactively properly appointed and that their prior decisions are not invalid.

Polidi v. Lee., No. 2018-2277 (November 8, 2019) (non-precedential); Patent No. 6,029,052**Key point(s):**

- The Federal Circuit has jurisdiction over claims that arise under federal patent law. Claims for declaratory judgment under 28 U.S.C. 2201, monetary damages under *Bivens*, and relief under the RICO statute, do not arise under federal patent law.

Facts/Background: Polidi was disbarred in North Carolina. Polidi was then excluded from practicing before the USPTO in a reciprocal proceeding. Polidi petitioned for judicial review of the USPTO's decision. The district court affirmed the USPTO decision and dismissed his petition for judicial review. The Federal Circuit affirmed the district court's decision. Polidi then filed a civil action in Virginia state court alleging various tort claims against USPTO officials and the United States based on the assertion that Polidi did not receive due process in the reciprocal proceeding. That case was removed to federal district court, where Polidi amended his complaint to add claims for declaratory judgment, monetary damage, and relief under the RICO statute. The district court dismissed the claims against the United States for lack of subject matter jurisdiction on the ground of sovereign immunity, and noted the claims were also barred under the doctrine of claim preclusion. The district court dismissed the claims against the USPTO officials for lack of subject matter jurisdiction on the ground of absolute quasi-judicial immunity. The district court dismissed the claims in the alternative because Polidi's complaint failed to allege a plausible due process claim. Polidi appealed.

Holding: Dismissed. The Federal Circuit held it does not have jurisdiction over the appeal because none of Polidi's claim "arises under" federal patent law. The appellate court declined to transfer the case, instead dismissing it, because the panel held the complaint was frivolous and therefore, transfer would not be "in the interest of justice". The Federal Circuit opined that Polidi's declaratory judgment and monetary claims were premised on the assertions that the USPTO violated his due process rights in his disciplinary hearing. Since those assertions were raised and decided in the prior case, they were barred by issue preclusion. Finally, the reviewing court held Polidi's RICO claim to be facially without substance.

In re Motupalli., No. 2019-1889 (November 8, 2019) (non-precedential); Patent Application No. 13/516,443**Key point(s):**

- If an appeal brief does not expressly address each ground of rejection, later challenges to those rejections are waived.
- Challenges to a ground of rejection in an appeal brief cannot be made only by incorporation by reference from the appendix.

Facts/Background: Mr. Motupalli is the inventor of the '443 application entitled "Necktie-Imitating Persona Extender/Environment-Integrator and Method for Super-Augmenting a Persona to Manifest a Pan-Environment Super-Cyborg or Wedded Avatar of Christ with eThrone for Global Governance". The Examiner rejected claims under 35 U.S.C. § 112 paragraph 1 for lack of enablement and paragraph 2 for indefiniteness, and rejected the claims under 35 U.S.C. § 101 as directed to patent-ineligible subject matter. Mr. Motupalli appeal to the Patent Trial and Appeal Board. The Board affirmed the Examiner's rejections. This appeal followed.

Holding: Affirmed. The Federal Circuit held that Mr. Motupalli waived certain arguments challenging the enablement rejection because his opening brief intentionally omitted those arguments. The Federal Circuit held that Mr. Motupalli waived most of his other arguments because the arguments were not expressly made in the brief, but simply incorporated by reference from the appendix. Although a pro se appellant's failure to address each ground of rejection expressly may be excused where the reasons for appeal are sufficiently clear, the appellate court declined to do so finding that they were not sufficiently clear to enable effective review. The appellate court found the remaining arguments unpersuasive and affirmed the Board.

Airbus S.A.S. v. Firepass Corp., No. 2019-1803 (November 8, 2019) (precedential) (3-0); Patent No. 6,418,752

Key point(s):

- Background prior art, and other evidence cited by the parties, should be considered when analyzing whether a prior art reference qualifies as analogous art, even where the evidence is not itself part of the obviousness combination.

Facts/Background: The '752 patent is directed to a fire prevention and suppression system that prevents and extinguishes fires using breathable air instead of water, foam, or toxic chemicals. A low-oxygen, but normal pressure, atmosphere (*e.g.*, 16.2% oxygen instead of 20.94% oxygen in natural air) inhibits fire ignition and combustion, yet remains breathable for humans. Airbus filed an Inter Partes Reexamination (IPR) challenging claims of the '752 patent. The patent owner, Firepass, presented new claims. During the IPR, the Examiner rejected the new claims as obvious over the *Kotliar* reference, an earlier issued patent from the same inventor as the '752 patent, in view of other prior art. Firepass appealed the rejection to the Board. After a first appeal on jurisdiction issues, the IPR was remanded to the PTAB for consideration of Airbus's challenge to the new claims.

At the Board, Firepass argued that the *Kotliar* reference was not analogous art because it is directed to a low-oxygen atmosphere for athletic training (*e.g.*, simulating training at altitude) and not fire prevention. *Kotliar* did not reference fire prevention at all. Airbus argued, in support of the rejection, that several background prior art references (not part of the Examiner's obviousness rejection) demonstrated that it was well known in the art that a reduced oxygen environment would be both breathable and fire suppressive, and that *Kotliar* was analogous art. The Board reversed the Examiner, finding that *Kotliar* was not analogous art. The Board declined to consider the background prior art references because they were not part of the Examiner's rejection. Airbus appealed.

Holding: Vacated and remanded. The Federal Circuit noted that *Kotliar* could qualify as analogous art under either of two tests: "(1) whether the art is from the same field of endeavor, regardless of the problem addressed and, (2) if the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved." The reviewing court held that the Board's conclusion for test 1, that *Kotliar* was not in the same field of endeavor, was supported by substantial evidence. But the Court held that the Board erred in its test 2 analysis by failing to take into account the background prior art references proffered by Airbus, even though the references weren't part of the Examiner's rejection: "[A]n analysis of whether an asserted reference is analogous art should take into account any relevant evidence in the record cited by the parties to demonstrate the knowledge and perspective of a person of ordinary skill in the art."