

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING JUNE 16, 2023

Parus Holdings, Inc. v. Google LLC, Nos. 2022-1269 & 2022-1270; (June 12, 2023) (precedential) (3-0); Patent Nos. 7,076,431; 6,952,450; and 9,453,084

Key point(s):

- A patent owner that chooses to show invention prior to date of filing bears the responsibilities that come with that showing, including submitting a response compliant with USPTO rules and regulations.
- A patent owner that attempts to antedate a prior art reference cannot meet its burden of production by “throwing mountains of evidence” without explanation.
- Section 311(b) only dictates the grounds on which an IPR petition may be based, not the issues that may be considered by the Board.

Facts/Background: This matter arises from two IPRs directed at the '431 patent and its child '084 patent. The challenged patents are directed to an interactive voice system that allows a user to request information from a voice web browser. Google asserted Kovatch (WO 2001/050453) and Kurganov (U.S. Patent Pub. No. 2001/0047262), a parent application to the challenged patents, under § 103. Parus argued that Kovatch was not prior art because the claimed inventions were conceived prior to Kovatch's earliest possible priority date. Yet, Parus only minimally cited portions of the record in briefs that allegedly supported the earlier date, and without meaningful explanation. The Board declined to consider Parus's arguments because Parus relied primarily on incorporation by reference, which 37 CFR 42.6(a)(3) prohibits. Parus also argued against Kurganov stating that the claims of the challenged patents were fully described in Kurganov and thus were entitled to its priority date. The Board disagreed, finding that the common specification disclosed a device browsing server that could detect and incorporate new *devices* was inapplicable because the teachings were not interchangeable. Parus appealed.

Holding: Affirmed. On appeal, Parus argued that (1) the Board erred in holding that Kovatch qualified as prior art because it improperly declined to consider Parus's arguments and evidence regarding antedating, and that (2) the challenged claims lack written description support and were not entitled to their earlier priority date. Regarding antedating, Parus argued that IPR provisions require specific and persuasive attorney argument only from the petitioner, not the patent owner. The Federal Circuit agreed, but held that Parus, upon taking an affirmative burden to show antedating, bore the responsibilities of submitting a response compliant with USPTO rules and regulations. Parus further argued that requiring it to include arguments relating to antedating improperly places a burden of persuasion on the patent owner. The appellate court, however, held that when a patent owner attempts to antedate a prior art reference, the patent owner assumes a temporary burden of production that cannot be met by “throwing mountains of evidence” at the Board without explanation or identification of relevant portions. Regarding the written description, Parus argued that the Board exceeded its authority as IPRs are limited in scope to the cancellation of claims based only on § 102 or § 103. The Federal Circuit held that § 311(b) merely dictates the grounds on which an IPR petition may be based, not the issues that may be considered. Lastly, the appellate court held that the Board's decision regarding the lack of written description in the common specification was supported by substantial evidence.

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING JUNE 16, 2023**In re Couvaras, No. 2022-1489 (June 14, 2023) (precedential) (3-0); Patent App. No. 15/131,442****Key point(s):**

- It is prima facie obvious to combine two compositions taught by the prior art to be useful for the same purpose to form a third composition used for the same purpose.
- Reciting the mechanism for known compounds to yield a known result cannot overcome a prima facie case of obviousness, even if the nature of that mechanism is unexpected.
- To establish unexpected results *indicium* to overcome obviousness, an unexpected benefit needs to be shown.

Facts/Background: Couvaras filed the '442 application, which is directed towards methods of increasing prostacyclin release in the systemic blood vessels of a human with essential hypertension to improve vasodilation by co-administering a GABA-a agonist and an Angiotensin II Receptor Blocker (ARB). The application further claimed activating uninhibited GABA-a receptors and relaxing smooth muscle as a result of co-administering the GABA-a agonist and ARB. During prosecution, Couvaras conceded that GABA-a agonists and ARBs are known essential hypertension treatments. The Examiner rejected the application under § 103, agreeing that these two compounds are known essential hypertension treatments and that the claimed results of the compounds' administration are not patentable because they naturally flowed from the claimed administration of known antihypertensive agents. Couvaras appealed to the Board, arguing that the prostacyclin release was unexpected and thus patentable and that objective indicia overcame the prima facie case for obviousness. The Board affirmed the rejection, holding that the increased prostacyclin release was inherent in the obvious administration of the known antihypertension agents and finding that there was no evidence to support a finding of any objective indicia. Couvaras appealed.

Holding: Affirmed. On appeal, Couvaras argued (1) the Board erred in affirming the motivation to combine asserted by the Examiner, (2) the claimed mechanism is unexpected and the Board erred in deeming it inherent, and (3) the Board erred in weighing the objective indicia of nonobviousness. Regarding motivation to combine, the Federal Circuit rejected Couvaras's argument and held that it is prima facie obvious to combine two compositions taught by the prior art to be useful for the same purpose to form a third composition used for the same purpose. Couvaras had conceded that GABA-a agonists and ARBs are known in the art, useful to alleviate hypertension, and that the prior art teaches the combination of ARBs with other types of antihypertension agents to improve treatments. Regarding the mechanism-of-action argument, reciting the mechanism for known compounds to yield a known result cannot overcome a prima facie case of obviousness, even if the nature of that mechanism is unexpected. Regarding Couvaras's objective indicia argument, the reviewing court held that to establish unexpected results *indicium* to overcome obviousness, Couvaras needed to show an unexpected benefit, but did not provide evidence of. Further, Couvaras did not provide sufficient, if any, evidence to support any other objective indicia.

FEDERAL CIRCUIT SUMMARY FOR WEEK ENDING JUNE 16, 2023**In re Universal Electronics, Inc., No. 2022-1757 (June 14, 2023) (nonprecedential); Patent App. No. 14/282,785****Key point(s):**

- An argument not made to the Board is forfeited during a subsequent appeal to the Federal Circuit.

Facts/Background: Universal filed the '785 application directed towards methods for displaying advertising content. Claim 1 requires a device and a second app installed on the device that functions to display the advertising content as an overlay. The Examiner rejected the application under § 103 citing three prior art references, including Hu (U.S. Pat. Pub. No. 2013/03034817) and Gardner (U.S. Patent Pub. No. 2008/0319852). Hu describes a method of operation of a content delivery system that can overlay an advertisement over content streamed on a display, along with a first device, second device, a third device, and an overlay module. The sole dispute is whether Hu teaches placing the overlay module on the third device. The Board affirmed the Examiner's rejections, finding that Hu does teach placing the overlay module on the third device. This appeal followed.

Holding: Affirmed. Universal argued that a separate passage in Hu states that the overlay module is implemented in the first device or second device, not the third device. Additionally, Universal states that the Board did not identify a motivation to combine Hu with Gardner.

The Federal Circuit rejected Universal's argument regarding the separate passage in Hu, stating that Hu does not state that the overlay module *cannot* be installed on the third device and that Hu is reasonably understood to indicate that it can be so installed. Further, the Court rejected Universal's motivation to combine argument, stating that the Examiner had found such a motivation from Gardner and that Universal did not challenge that finding in its appeal to the Board. By not arguing against the motivation to combine before the Board, Universal was depriving the Examiner of notice that such an issue had to be addressed and, as such, Universal forfeited the argument.

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Optolum, Inc. v. Cree, Inc., No. 2022-1511 (June 12, 2023) (nonprecedential); Patent Nos. 6,154,844; 6,804,780; 8,079,086; and 9,189,621

Key point(s):

- Prosecution history disclaimer and estoppel are questions of law.

Facts/Background: Optolum filed suit against Cree, asserting that Cree infringed its patents. After a jury returned a verdict in favor of Cree, Cree moved for attorney's fees arguing that this was an exceptional case because Optolum pursued legal theories regarding brand value and willfulness having no basis in law or fact. The district court denied Cree's motion, finding that Optolum did not litigate its incremental brand value theory in an unreasonable manner, nor did Optolum act unreasonably in pursuing willful infringement at trial. Cree appealed.

Holding: Affirmed. The Federal Circuit held that, though there may be room for debate regarding statements made during prosecution that sit at the core of the case, prosecution history disclaimer and estoppel are questions of law on which the Court agrees with the district court.