



11.20.15

## FEDERAL CIRCUIT CASES

### **Federal Circuit vacates PTAB's inter partes review decision that concluded a petitioner failed to prove claims would have been obvious**

On November 16, 2015, the Federal Circuit vacated a Patent Trial and Appeal Board (PTAB) finding that Ariosa Diagnostics (“Ariosa”) failed to prove the challenged claims of Verinata Health, Inc.’s (“Verinata”) U.S. Patent No. 8,318,430 would have been obvious. The claims of the ’430 Patent are directed to methods of prenatal testing for detecting fetal chromosomal abnormalities.

In two separate IPR petitions Ariosa alleged that all claims of Verinata’s patent would have been obvious in 2010 based on three prior-art references. The PTAB instituted review but ultimately found that Ariosa failed to carry its burden to prove invalidity. Among other things, the Board criticized a second declaration that Ariosa submitted, which relied on a brochure that described nucleotide sequencing using a commercially available instrument. The Board stated:

This testimony, in effect, replaces [teachings of two of the cited references] with [teachings of the brochure], but neither Petitioner nor [the declarant] explains why [the brochure] could not have been presented as part of the asserted ground of unpatentability in the first instance with the Petition. *Therefore we accord this aspect of [the declarant’s] testimony no weight.* (emphasis added)

The Federal Circuit noted that Ariosa’s Petitions and opening declarations cited the brochure to explain the knowledge of skilled artisans at the time. The Court found the PTAB’s decision unclear as to whether the PTAB had refused to consider the brochure for any reason at all, including for what it showed about the background knowledge of a skilled artisan, which would have been legal error. Thus, the Court vacated and remanded for clarification, specifically noting that the PTAB need not take new evidence or even accept new briefing; it was free to control the proceeding on remand as it saw fit to address the Court’s concern.

Ariosa had also challenged the PTAB’s refusal to consider portions of one of the prior-art references that the PTAB found Ariosa had cited only in its Reply submissions. The Federal Circuit found no error in the PTAB’s “rejection of Ariosa’s reliance, in its Reply submissions, on previously unidentified portions of a prior-art reference to make a meaningfully distinct contention.”

*Ariosa Diagnostics v. Verinata Health, Inc.*, Nos. 15-1215; -1226 (Fed. Cir. Nov. 16, 2015)

Author: [Jason Weil](#)

## PATENT TRIAL AND APPEAL BOARD

### **Evidence of General Association Insufficient to Justify Real Party in Interest Discovery**

On November 12, the PTAB denied Patent Owner’s motion for additional discovery related to whether Petitioner had failed to name RPX—a well-known patent risk management company—as a real party in interest. Patent Owner argued that Petitioner has an equity stake in RPX, that counsel for Petitioner allegedly represents RPX, and that publicly available documents supposedly imply a connection between Petitioner and RPX.

The statutory standard to seek discovery in the PTAB is “necessary in the interest of justice.” 35 U.S.C. § 316(a)(5). The PTAB has previously held that a number of factors are important in determining whether discovery requests are “in the interest of justice,” including the likelihood of discovering something useful:

1. More Than A Possibility And Mere Allegation -- The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.
2. *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 26 (PTAB Mar. 5, 2013) (discussing factors).

Here, the PTAB denied Patent Owner's request because it amounted to no more than a mere allegation of some kind of general association between Petitioner and RPX. "The alleged facts presented by Patent Owner during the conference call do not show more than a mere possibility that something useful will be discovered and are therefore insufficient to show beyond mere speculation that discovery would be in the interests of justice."

*Mangrove Partners Master Fund, Ltd. v. Virnetx Inc.*, IPR2015-01046, Paper 18 (PTAB Nov. 12, 2015)

Author: [Romeao Jennings](#)

## CONTACT INFORMATION

If you have any questions regarding this issue of *IP Newsflash*, please contact--

**[Todd Eric Landis](#)**  
[tlandis@akingump.com](mailto:tlandis@akingump.com)  
214.969.2787

**[Michael Simons](#)**  
[msimons@akingump.com](mailto:msimons@akingump.com)  
512.499.6253

[www.akingump.com](http://www.akingump.com)



© 2016 Akin Gump Strauss Hauer & Feld LLP. All rights reserved. Attorney advertising. This document is distributed for informational use only; it does not constitute legal advice and should not be used as such. IRS Circular 230 Notice Requirement: This communication is not given in the form of a covered opinion, within the meaning of Circular 230 issued by the United States Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any tax advice contained in this communication for the purpose of avoiding United States federal tax penalties. In addition, any tax advice contained in this communication may not be used to promote, market or recommend a transaction to another party. Lawyers in the London office provide legal services through Akin Gump LLP, practicing under the name Akin Gump Strauss Hauer & Feld. Akin Gump LLP is a New York limited liability partnership and is authorized and regulated by the Solicitors Regulation Authority under number 267321. A list of the partners is available for inspection at Eighth Floor, Ten Bishops Square, London E1 6EG.

[Update](#) your preferences | [Subscribe](#) to our mailing lists | [Forward](#) to a friend | [Opt out](#) of our mailing lists | [View](#) mailing addresses