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FEDERAL CIRCUIT

Federal Circuit Lacks Authority to Review Denial of Institution of IPR on Some, but Not All, Raised Grounds

In an appeal of a decision by the Patent Trial and Appeal Board (PTAB) denying the institution of an *inter partes* review (IPR) petition, the Federal Circuit found its hands tied, and held that it has no authority to review PTAB decisions instituting or denying IPR. Under 35 U.S.C. § 314(d), the determination “whether to institute an [IPR] under this section shall be final and nonappealable.” The court held that § 314(d) strips it of jurisdiction to review the PTAB IPR institution decisions.

Shaw petitioned for IPR of all claims of a patent owned by Automated Creel and raised three grounds of invalidity, including anticipation in view of the Payne reference. The PTAB instituted IPR of all claims, but did not institute IPR on the basis of the Payne reference. In its decision instituting IPR, PTAB stated that it denied instituting IPR on the basis of the Payne reference because it was redundant of the other two grounds on which IPR was instituted. Shaw sought review of PTAB’s redundancy decision and argued that the Federal Circuit does have jurisdiction to review PTAB’s authority in deeming a subset of invalidity grounds redundant of the instituted grounds.

In denying a portion of Shaw’s petition for IPR as redundant, PTAB did not consider the substance of the Payne reference or compare it to the other two grounds of invalidity proposed by Shaw. Nor did it make any findings of overlap among the three grounds raised by Shaw. Instead, PTAB merely denied the IPR based on the Payne reference as redundant without specific explanation. Although the court was troubled by PTAB’s lack of specific findings with respect to its conclusion of redundancy, the court held that it lacked authority to review PTAB’s decision to institute IPR on some, but not all, grounds. It reasoned that, under 37 C.F.R. § 42.108(b), denial of a ground is a PTAB decision not to institute IPR on that ground and that, under 35 U.S.C. § 314(d), it lacks jurisdiction to review a PTAB decision not to institute IPR on a particular ground.

Judge Reyna wrote separately to address PTAB’s “unprecedented” “unchecked discretionary authority.” At oral argument, the Patent and Trademark Office argued that PTAB does not have to provide *any* basis for its institution decisions because the director has complete discretion to deny institution. Judge Reyna took exception with PTAB’s unfettered authority and lack of accountability. He urged that PTAB is subject to the Administrative Procedures Act, which requires “reasoned decision making” for agency adjudications. Judge Reyna would require the PTAB to state its findings and conclusions, and the reasons or bases for those findings and conclusions, and not to provide simply a conclusory statement that additional grounds of invalidity are redundant.

Shaw Industries Group, Inc. v. Automated Creel Systems, Inc., 2015-1116, -1119 (Fed. Cir. Mar. 23, 2016).

[Moore (opinion), Reyna (concurring), Wallach]

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DISTRICT COURT

Court “Dislikes” Lawyers’ Use of Social Media to Evaluate Venire

A district court recently addressed whether Internet investigation by counsel about the venire, including searches of social media, should be allowed.

The court discussed three reasons to restrict, if not forbid, Internet searches about the venire by counsel, their jury consultants, investigators and clients. First, the court discussed the potential danger that jurors, upon

learning of counsel's own searches directed at them, to conduct their own Internet searches about the lawyers or about the case, in violation of the court's instructions. This danger is even more acute in high-profile lawsuits, like the one at issue here, which create enormous amounts of online commentary, not all of which is accurate. The second potential danger is that Internet searches could facilitate personal appeals to particular jurors based on information gleaned about an individual's preferences. The court explained that, while jury arguments may employ analogies and quotations, "It would be out of bounds to play up to a juror through such a calculated personal appeal." The third reason is to protect the privacy of the venire, which, as the court explained, is "not a fantasy team composed by consultants, but good citizens commuting from all over the district, willing to serve our country, and willing to bear the burden of deciding a commercial dispute the parties themselves cannot resolve."

Rather than issuing an outright ban, the court requested that both parties voluntarily consent to a ban against Internet research on the venire or jury. In the absence of a complete agreement by the parties, the court instructed that certain procedures would be used. Specifically, at the outset of jury instruction, each side will inform the venire of the specific extent to which they will use Internet searches to investigate and monitor jurors both before and during the trial. At that point, the venire will be given opportunity to modify their privacy settings, if they wish. As the trial proceeds, each side must preserve an exact record of every search and all information viewed, and must immediately report any apparent misconduct by a juror. Finally, no personal appeals to particular jurors may be made at any time during the trial.

Oracle America, Inc. v. Google Inc., 3-10-cv-03561 (N.D. Cal. March 25, 2016) (Alsup, J.).

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PATENT TRIAL AND APPEAL BOARD

PTAB Not Convinced by Petitioner's Argument a Provisional Application's Inherent Disclosures Showed a Patent Qualified as 102(e) Art

A Patent Trial and Appeal Board (PTAB) panel has denied institution of *inter partes* review proceedings because the petitioner did not establish a patent qualified as prior art under 35 U.S.C. § 102(e). PTAB was not persuaded that the putative 102(e) patent's issued claims had written description support in the provisional application from which the patent claimed priority.

In the petition, Benitec Biopharma Ltd. ("Petitioner") asserted the claims of U.S. Patent No. 8,202,846, owned by Cold Spring Harbor Laboratory ("Owner"), were invalid for anticipation by U.S. Patent 7,691,995 ("the Zamore patent") under § 102(e). The technology at issue involves triggering biological responses using ribonucleic acid (RNA) molecules.

PTAB stated that the Zamore patent could qualify as 102(e) art only if Petitioner "demonstrate[d] that the [] provisional application provide[d] written description support for at least one claim of the Zamore patent," citing the Federal Circuit's decision in *Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375 (Fed. Cir. 2015).

In its analysis, PTAB first juxtaposed the claims of the Zamore patent, covering various lengths of RNA, with the description provided in the provisional application. PTAB agreed with Owner that the limitations of the claims in the Zamore patent (ranges of 18–40; 22–28; 18–30; and 18–40 nucleotides) were not found in, or supported by, the disclosure of the provisional application (ranges and specific lengths of 19–22; 21 or 22; and 21 or 40 nucleotides).

Next, PTAB disagreed with Petitioner's argument the Zamore patent claims had inherent support. Petitioner argued that the necessary RNA lengths for the biological responses were "widely known" to a person having ordinary skill in the art (skilled artisan). PTAB stated that claims cannot be supported by "a description that merely renders the invention obvious," and an "allegedly inherent characteristic" must "necessarily flow[] from the teachings of the applied prior art." Noting that Petitioner had not presented any expert opinion about the understanding of a skilled artisan, PTAB was not otherwise convinced by Petitioner's "limited evidence and assertion[s]."

Ultimately, because Petitioner did not show that the Zamore patent qualified as 102(e) art, PTAB found that Petitioner had not established a reasonable likelihood that it would prevail on the asserted ground.

Benitec Biopharma Ltd. v. Cold Spring Harbor Lab., IPR2016-00014, Paper 7 (PTAB Mar. 23, 2016).

[Pollock (opinion), Scheiner, Snedden]

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