

## *Inter Partes Means Inter Partes*

**HUNTING TITAN, INC. V. DYNAENERGETICS EUROPE GMBH, IPR2018-00600,**  
**(P.T.A.B. JUL. 6, 2020)**

By: Barry Irwin & Ifti Zaim | July 21, 2020

On July 6, the PTO's Precedential Opinion Panel ("POP") [held](#) that when examining proposed amended claims in AIA trials, PTAB panels *may* raise grounds for rejection *sua sponte*, but *should* do so only in rare circumstances and with adequate notice. In this, the fourth opinion issued by the POP, a body formed to rule on issues of "exceptional importance" to the PTAB, the POP vacated the original panel's decision rejecting patent owner DynaEnergetics' proposed amended claims as anticipated even though the petitioner, Hunting Titan, had not advanced any anticipation theory, and granted DynaEnergetics' motion to amend. The decision thus makes clear that although the PTAB can interject its own grounds against proposed amended claims, AIA trials remain principally adversarial proceedings to be guided by the parties' advanced grounds and arguments.

First addressing whether the panel *could* *sua sponte* raise grounds for rejecting proposed claims, DynaEnergetics argued that it could not in view of the Supreme Court's decision in *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018), and particularly the Supreme Court's admonitions that trial proceedings should be adversarial and guided by the grounds raised by the parties. The POP, however, held otherwise, relying upon the Federal Circuit's recent decision in *Nike, Inc. v. Adidas AG*, 955 F.3d 45 (Fed. Cir. 2020), to dispose of the issue. Specifically, the POP relied upon the Federal Circuit's delineation between the authority of PTAB panels when adjudicating a petition's challenges against the original claims from their authority to examine proposed amended claims, where the panel should not be constrained to the petitioner's advanced arguments and theories.

However, the POP further held that the panel *should* raise grounds *sua sponte* only in certain rare circumstances, such as when the adversarial system could not be relied upon to bring the best arguments to light (e.g. where a party withdraws or does not oppose a motion to amend), or where there is readily identifiable and persuasive evidence of unpatentability. Further, the POP held that the PTAB must notify parties of any such grounds to be raised *sua sponte*, reiterating the Federal Circuit's suggestion in *Nike* that either requesting supplemental briefing regarding the PTAB's proposed grounds or requesting that the parties be prepared to discuss the grounds at an oral hearing would satisfy the notice requirement of the Administrative Procedures Act.

The POP held that in this case, as a matter of policy, the panel below *should not* have raised its own anticipation ground because the adversarial system had not broken down (emphasizing the petitioner's admissions that omitting the anticipation ground was a strategic decision) and the evidence of anticipation was not sufficiently clear. To concerns that the PTO may be forced to issue claims it knows to be unpatentable due to error by a party, the POP counters that the public interest is best served by a well-functioning adversarial system and that only the petitioner would be estopped from further challenges. Notably absent, however, was any discussion addressing the presumption of validity that would attach to the issued amended claims. The POP further held that regardless of whether the panel should have raised the anticipation ground, it failed to provide adequate notice to the parties, thus preventing the parties from developing the record.