

## Federal Circuit Cracks Down on PTAB Twice in One Week for Blindsiding Patent Owners

*Oren Tech., LLC, v. Proppant Express Inv. LLC, 2019-1778 (Fed. Cir. July 23, 2021)*  
*Qualcomm Inc. v. Intel Corp., 2020-1589 (Fed. Cir. July 27, 2021)*

By Joe Saltiel & Daniel Zhang | July 29, 2021

In two recent opinions, the Federal Circuit (“CAFC”) reversed the Patent Trial and Appeal Board’s (“PTAB”) invalidation of 42 claims across two patents because of the PTAB’s “violat[ion] of a patent owner’s procedural rights” under the Administrative Procedure Act (“APA”). In both opinions, the CAFC stated that “the APA imposes particular requirements on the PTO regarding timely notice and the opportunity to respond to matters of fact and law asserted.” But, in neither case did the PTAB give the patent owners proper notice and opportunity to respond to arguments that the PTAB relied on in invalidating their patent claims.

In *Oren*, a petitioner filed an *inter partes* review (“IPR”) arguing that U.S. Patent No. 9,403,626 (the ‘626 patent) was obvious in view of the Smith publication (“Smith”). Specifically, the petitioner argued that while Smith did not disclose the exact claim limitation, it would have been designed to meet that limitation because of safety factors that one should consider during manufacture. The PTAB rejected the petitioner’s safety factor argument, but nevertheless, determined that Smith could be modified to meet the claim limitation and found the claims obvious on that basis. The petitioner did not argue that Smith could be modified in its IPR petition. Nor did the PTAB raise the modification theory in its institution decision. Thus, the patent owner did not have an opportunity to address whether Smith could be modified as determined by the PTAB. The CAFC found it improper to invalidate a claim without giving the patent owner an opportunity to address the basis for invalidation. Because the PTAB impermissibly “repurpose[ed] the theory of a motivation to modify” Smith, the CAFC reversed the PTAB’s findings of obviousness.

In *Qualcomm*, the parties to an IPR agreed to the construction of the claim term “plurality of carrier aggregated transmit signals” such that it required an increased bandwidth. In deeming the contested claims of U.S. Patent No. 9,608,675 (“the ‘675 patent”) obvious, the PTAB construed this term differently such that it did not require an increased bandwidth. Neither party was aware of the PTAB’s adopted construction or had an opportunity to respond to it. Bewildered, the CAFC stated that “it is difficult to imagine either party anticipating that already-interpreted terms were actually moving targets . . . [and] it is unreasonable to expect parties to brief or argue agreed-upon matters of claim construction.” Because the PTAB “failed to provide [the patent owner] adequate notice and opportunity to respond” where the PTAB “diverged from its agreed-upon” claim construction, the CAFC reversed the PTAB’s findings of obviousness.

When reviewing PTAB decisions, patent owners should carefully consider whether their procedural rights have been violated because they have not been given adequate notice or opportunity to respond to the basis relied on by the PTAB. Accordingly, it is important for patent owners to track arguments and claim constructions raised by both the opposition and the PTAB so as to identify any improper invalidating theories that may raise grounds for appeal.