

BANNER&WITCOFF

# PTAB HIGHLIGHTS

New developments in post-issuance proceedings

[bannerwitcoff.com](http://bannerwitcoff.com)

## Finally, the PTAB Gets Told to Give Patent Owners in IPR Some Due Process

By Charles W. Shifley

March 17, 2016 — As short a time period as *inter partes* reviews have existed, since they first started in 2012, patent owners have learned that they are often unlikely to get due process in IPRs from the Patent Trial and Appeal Board. This is a common complaint among them, and has resulted in several appeals, including one attempt to get the issue to the Supreme Court. Patent owners can get little notice of the specifics by which their patent claims will be invalidated, and little opportunity to respond to the specifics.

Finally, the Federal Circuit has given the PTAB a case back with a message that it has failed to give due process to a patent owner. Patent owners may hope that the PTAB learns from the experience, and does not consider it an isolated situation.

In *Dell Inc. v. Accelaron, LLC*, No. 2015-1513 (Fed. Cir. March 15, 2016), the Federal Circuit considered a PTAB decision with more wrinkles than usual, but as usual, claims to be canceled. An Accelaron patent at issue there concerned a computer-network “appliance” with a board, connectors, and hardware modules like a CPU module, power module, and similar component modules. The modules are fitted so they can be removed and replaced while the appliance remains on, or is “hot.” There is also a chassis, and “caddies.” The caddies are said to provide airflow to the chassis, front-to-rear. In a wrinkle, the PTAB confirmed the validity of some claims. Two claims were canceled. As to one, Accelaron complained of lack of notice and opportunity to be heard. As seen in many other PTAB appeals, the Patent Office defended the PTAB, asserting it did nothing wrong.

But here were the facts as the court found them. The writer of the petition, Dell, challenged the claim at issue for due process as anticipated, by a reference “Hipp.” It stated caddies were found in an “articulating door” that Hipp had. Acceleron responded. Dell replied, and in its reply, argued that caddies are found not only in the door, but in power-supply mounting mechanisms. Acceleron asked the PTAB for a call with them, and authorization to move to strike the argument about the mechanisms, or in the alternative, file a sur-reply. The PTAB *refused the call* and denied authority to move to strike.

As if that were not bad enough, Dell arrived at the oral argument only to argue that caddies were another place in Hipp — an unlabeled structure in Hipp that Dell called “slides.” Acceleron disagreed that the structure was caddies, but again sought a remedy for a new argument, with an objection at the hearing. But in its final decision, the PTAB agreed with Dell that slides were present in Hipp and were caddies. The PTAB canceled the claim.

Arriving at review of the PTAB actions as stated, the Federal Circuit vacated, remanded, and gave the PTAB a lesson on notice and opportunity to be heard. The Federal Circuit brought to bear the [Administrative Procedures Act](#), which is considered one of the most important U.S. administrative laws, and should always be remembered by all involved to apply to PTAB practices. The “APA,” the Federal Circuit held, imposes the requirements that the Patent Office inform the patent owner of the matters of fact and law asserted in a proceeding, provide opportunity for submission of facts and arguments, and provide a hearing and decision on notice of appropriate matters. The Federal Circuit noted the PTAB rules themselves prevented arguments at the oral hearing that were anything but arguments relied on in the filed papers of the IPR. In this case, the Federal Circuit stated, the PTAB denied Acceleron its procedural rights by relying on a factual assertion introduced into the proceeding only at oral argument, long after Acceleron could meaningfully respond.

Patent owners could fairly ask how the PTAB and the Patent Office could think this was an acceptable situation, since it wasn't. A remand, unfortunately, likely returns the patent to the same PTAB panel, and does so only with the instruction to hold “appropriate proceedings.” But hopefully, the Patent Office defense of the PTAB at the Federal Circuit was only a matter of the agency advocating for itself once the proceeding went outside the agency. And perhaps even more hopefully — perhaps even wistfully — the PTAB will finally recognize that patent owners deserve what the rules require, which is PTAB reliance on only the arguments presented in the parties' papers. Maybe the PTAB will also recognize that the APA provides the power of enforcement behind the rules.

For more Banner & Witcoff *PTAB Highlights*, please click [here](#).

*The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office's Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly,*

*Banner & Witcoff will offer frequent summaries of the board's significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.*



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

© Copyright 2016 Banner & Witcoff, Ltd. All Rights Reserved. The opinions expressed in this publication are for the purpose of fostering productive discussions of legal issues and do not constitute the rendering of legal counseling or other professional services. No attorney-client relationship is created, nor is there any offer to provide legal services, by the publication and distribution of this edition of PTAB Highlights.