

**PRESENTED AT**

**12<sup>th</sup> Annual Advanced Patent Law Institute**

March 9-10, 2017  
Alexandria, VA

## **The Top 5 PTAB Trial Developments of 2016**

**Scott A. McKeown**

Scott A. McKeown  
Oblon, McClelland, Maier & Neustadt,  
LLP  
Alexandria, VA

[smckeown@oblon.com](mailto:smckeown@oblon.com)  
703.412.6297

There were many decisions in 2016 that affected trial practices under the America Invents Act (“AIA”). For example, the Supreme Court’s Decision in *Cuozzo Speed Techs., LLC v. Lee* settled years of seemingly endless debate on the propriety of the Patent Trial & Appeal Board’s (“PTAB”) claim construction rubric. *See generally Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131 (Jun. 20, 2016). There, by endorsing the Board’s use of the Broadest Reasonable Interpretation (“BRI”) claim construction standard, the high court squelched a key rallying cry of PTAB critics and simultaneously reinforced the legitimacy of AIA trial proceedings. Yet, while the *Cuozzo* challenge to BRI was noteworthy in a broader sense, the BRI debate is not expected to change AIA trial practices in significant regard. For practitioners, the *real* impact in 2016 came from the Federal Circuit’s recalibration of AIA trial practices, the majority of which was recalibrated based on the Administrative Procedures Act (“APA”).

The APA was enacted in 1946, is codified at 5 U.S.C. §§ 551-559, and governs administrative agencies’ internal procedures. Specifically, the APA establishes how federal agencies can propose and establish regulations and grants judiciary oversight over the actions of federal agencies. The PTAB is an adjudicative body within the United States Patent and Trademark Office (“USPTO”), an administrative agency, that conducts trials, renders decisions in interferences, and hears appeals from adverse examiner decisions in patent applications and re-examination proceedings. Thus, because the PTAB hears formal administrative adjudications, such as post-grant proceedings under the AIA, proceedings in front of the PTAB are subject to the procedural requirements of the APA.

The fact that the APA governs AIA trial practice was of particular importance in 2016. In fact, the majority of the most important cases of 2016, five of which are discussed below,

directly or indirectly reinforce the mandates of the APA in assessing acceptable AIA trial practices or relate to the authority conveyed to agencies under the AIA.

The first of the five major 2016 Federal Circuit cases that impact practitioners before the PTAB is *Unwired Planet, LLC v. Google Inc.*, a CBM dispute relating to the statutory authority conveyed to the agency under Section 18 of the AIA. *Unwired Planet, LLC v. Google Inc.*, 841 F.3d 1376 (Fed. Cir. 2016). While this decision does not directly reference the APA, it relates to the PTAB's statutory authority. Specifically, the decision includes statutory analysis that is an application of the mandate of 5 USC § 706(2)(C), which provides that "[t]he reviewing court shall ... hold unlawful and set aside agency action, findings, and conclusions found to be ... in excess of statutory jurisdiction, authority or limitations, or short of statutory right."

#### **5. *Unwired Planet, LLC v. Google Inc.***

Since 2012, the PTAB has reined in its definition of a covered business method ("CBM") patent under Section 18 of the AIA. In early CBM decisions, it was enough for the patent specification to reference some incidental or complimentary financial service aspect for the PTAB to find CBM eligibility. Since those early decisions, however, the PTAB has recalibrated its CBM eligibility analysis. Today, the Board increasingly seeks out claim language explicitly related to financial transactions/services.

In *Unwired Planet*, the Federal Circuit had occasion to consider CBM eligibility in the context of one of those earlier PTAB decisions and rejected the notion that a passing reference to a financial application was enough to convey CBM eligibility. In its decision, the Federal Circuit focused on the definitional scope applied by the PTAB for assessing CBM patent eligibility. Specifically, Judge Reyna noted that the Board did not apply the statutory definition of CBM patents. *Unwired Planet, LLC*, 841 F.3d at 1380. Rather, the Board's standard originated in a

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

## Title search: The Top 5 PTAB Trial Developments of 2016

Also available as part of the eCourse

[2017 Advanced Patent Law \(USPTO\) eConference](#)

First appeared as part of the conference materials for the  
12<sup>th</sup> Annual Advanced Patent Law Institute session

"PTAB Practice and Impacts of Recent Federal Circuit Decisions"