



Federal Circuit reverses PTAB decision on inter partes review framework

By Jeffrey Costellia, Kevin Gualano and Shayne Huff

In a ruling last week (Monday), the Federal Circuit examined whether a burden-shifting framework, routinely applied in district court cases, equally applies in the context of inter partes reviews (IPRs). The Federal Circuit ruled that the framework is equally applied and reversed a Patent Trial and Appeal Board decision that held otherwise.

The framework was that of the overlapping ranges precedent, which dictates that the existence of ranges in the prior art that overlap with ranges recited in a claim creates a presumption of obviousness. Put another way, arriving at ranges in a claim that overlap with those in the prior art is viewed, on its face, as routine optimization, and therefore presumptively unpatentable as obvious. In which case, the burden of persuasion is satisfied by the patent challenger when there is no other evidence to question the prior art's disclosure, and the burden of production falls on the patentee to come forward with such evidence.

The patent at issue (U.S. Patent 8,865,921) describes a method of producing 2,5-furan dicarboxylic acid (FDCA) by oxidizing a chemical referred to as HMF or an HMF-derivative under specified conditions, including specific ranges of temperature and oxygen pressure. Ultimately, the obviousness of the claims hinged on whether these ranges, which overlapped with ranges in the prior art, constituted routine optimization (obvious), or lead to unexpectedly increased yields (non-obvious).

Upon review of the arguments and the precedent, the Federal Circuit held that this burden-shifting framework of overlapping ranges equally applies to IPRs. The Federal Circuit held that the patentee had presented "no persuasive arguments supporting a special rule for IPRs," and held that "the same scheme applicable to district court adjudications and PTO examinations controls in IPR proceedings." The Federal Circuit also found that the board's reliance on two earlier Federal Circuit decisions incorrectly considered these decisions in the context of overlapping ranges.

The Federal Circuit then turned to the various arguments and evidence for non-obviousness submitted by the patentee, including unexpected results, meeting long-felt need and a lack of result-effective variables for optimization in the prior art. The Federal Circuit noted the evidence of the patentee was weak.

The court's reasoning

- With respect to the evidence of unexpected results, the Federal Circuit noted that the evidence did not support unexpected results and was not commensurate with the claim scope.
- With respect to the evidence of long-felt need of a commercially viable process, the Federal Circuit cited a lack of commercial scale experiments, noting the patentee failed to explain how the patent's laboratory results would scale to industrial use.
- With respect to the assertion that the prior art failed to recognize the result-effective variables, thus qualifying this as an exception to the optimization parameters, the Federal Circuit noted this exception is only narrowly applied, and the existence of a variable not being sufficiently result-effective is an extremely rare occurrence.

Although the Federal Circuit affirmed that another way to rebut the presumption of obviousness would be to establish that the ranges were overly broad, this did not apply to the current situation.

Takeaways

This case provides clarity as to the burden of proof for issues of obviousness arising from overlapping ranges in the context of IPRs. This clarity will aid in defending or challenging a patent within an IPR, when the patent involves overlapping ranges.

For more information on the content of this alert, please contact your Nixon Peabody attorney or:

- Jeffrey Costellia at jcostellia@nixonpeabody.com or (202) 585-8207
- Kevin Gualano at kgualano@nixonpeabody.com or (312) 425-8526
- Shayne Huff at huff@nixonpeabody.com or (617) 345-1059