UNITED STATES PATENT AND TRADEMARK OFFICE

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

MEMORANDUM

DATE: June 9, 2022

TO: Members of the Patent Trial and Appeal Board

FROM: Katherine K. Vidal Katherine Kelly Vidal
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

SUBJECT: UPDATED GUIDANCE ON THE TREATMENT OF STATEMENTS OF THE APPLICANT IN THE CHALLENGED PATENT IN INTER PARTES REVIEWS UNDER § 311

Introduction

Under 35 U.S.C. § 311(b), inter partes reviews (IPRs) may be instituted only "on the basis of prior art consisting of patents or printed publications." IPR petitions sometimes rely on statements in the specification of the challenged patent, which are generally referred to as "admissions," "applicant-admitted-prior-art," or "AAPA." This Memorandum sets forth the United States Patent and Trademark Office's (USPTO) interpretation of § 311(b) and the extent to which admissions may be used in IPR proceedings. This Memorandum supersedes prior guidance, expressly the August 18, 2020, "Treatment of Statements of the Applicant in the Challenged Patent in Inter Partes Reviews Under § 311" (2020 Guidance). The guidance in this Memorandum shall be followed by all members of the Patent Trial and Appeal Board (PTAB or Board).[1]

[1] This Memorandum does not apply to requests for ex parte reexamination made pursuant to 35 U.S.C. § 301, et seq.

Caption Health Ex1054
Caption Health v. UBC
IPR2025-01422

The Director issues this Memorandum under her authority to issue binding agency guidance to govern the Board's implementation of statutory provisions. *See, e.g.*, 35 U.S.C. 3(a)(2)(A); SOP2 at 1-2.

Guidance

35 U.S.C. § 311(b) provides:

(b) Scope.—

> A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

Section 311(b) limits the prior art that may be used as "the basis" of an IPR proceeding to "patents or printed publications."

After the issuance of the 2020 Guidance, the Federal Circuit issued its decision in *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. 2022), addressing the extent to which admissions can be used in IPR proceedings. The court concluded, consistent with the 2020 Guidance, that under § 311, "'patents or printed publications' that form the 'basis' of a ground for *inter partes* review must themselves be prior art to the challenged patent" and not the challenged patent itself or any admissions therein. *Qualcomm*, 24 F.4th at 1374. The court clarified that, because admissions are not prior art and therefore cannot form the basis of an IPR, it is "impermissible for a petition to challenge a patent relying on solely AAPA without also relying on a prior art patent or printed publication." *Id.* at 1377; *see, e.g.*, *Sony Corp. v. Collabo Innovations, Inc.*, IPR2016-00940, Paper 7, at 30 (PTAB Oct. 24, 2016) (denying institution of claim 1 as anticipated by AAPA); *LG Electronics, Inc. v. Core Wireless Licensing S.A.R.L.*, IPR2015-01987, Paper 7, at 18

(PTAB March 24, 2016) (denying institution on ground alleging obviousness of claims 16-28 based solely on AAPA).

Evidence of the skilled artisan's knowledge, however, remains fundamental to a proper obviousness analysis. *See KSR Int'l Co. v. Teleflex, Inc.*, 550 U.S. 398, 401 (2007); *Randall Mfg. v. Rea*, 733 F.3d 1355, 1362-63 (Fed. Cir. 2013) ("the knowledge of such an artisan is part of the store of public knowledge that must be consulted when considering whether a claimed invention would have been obvious"); *Dystar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1367 (Fed. Cir. 2006). The Federal Circuit has explained that because a properly conducted § 103 inquiry "necessarily depends" on the knowledge possessed by the ordinarily-skilled artisan, such knowledge must be considered in an IPR, notwithstanding the provisions of § 311(b):

> Although the prior art that can be considered in inter partes reviews is limited to patents and printed publications [under § 311], it does not follow that we ignore the skilled artisan's knowledge when determining whether it would have been obvious to modify the prior art. Indeed, under 35 U.S.C. § 103, the obviousness inquiry turns not only on the prior art, but whether "the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious . . . to a person having ordinary skill in the art to which the claimed invention pertains." 35 U.S.C. § 103. Regardless of the tribunal, the inquiry into whether any "differences" between the invention and the prior art would have rendered the invention obvious to a skilled artisan necessarily depends on such artisan's knowledge.

See Koninklijke Philips v. Google, LLC, 948 F.3d 1330, 1337-39 (Fed. Cir. 2020).

Admissions are "permissible evidence in an *inter partes* review for establishing the background knowledge possessed by a person of ordinary skill in the art" and "provide a factual foundation as to what a skilled artisan would have known at the time of invention." *Qualcomm*, 24 F.4th at 1376.

Board panels should determine whether the petition relies on admissions in the specification in combination with reliance on at least one prior art patent or printed publication. *Qualcomm*, 24 F.4th at 1377. If an IPR petition relies on admissions in combination with reliance on one or more prior art patents or printed publications, those admissions do not form "the basis" of the ground and must be considered by the Board in its patentability analysis. *Id.*

A patentee's admissions regarding the scope and content of the prior art under § 103 can be used, for example, to: (1) supply missing claim limitations that were generally known in the art prior to the invention (for pre-America Invents Act (AIA) patents) or the effective filing date of the claimed invention (for post-AIA patents); (2) support a motivation to combine particular disclosures; or (3) demonstrate the knowledge of the ordinarily-skilled artisan at the time of the invention (for pre-AIA patents) or the effective filing date of the claimed invention (for post-AIA patents) for any other purpose related to patentability. *See Qualcomm*, 24 F.4th at 1376; *see also Koninklijke Philips*, 948 F.3d at 1337-1338.

Admissions may include statements in the specification of the challenged patent such as "It is well known that . . . ," "It is well understood that . . . ," or "One of skill in the art would readily understand that . . . ," or may describe technology as "prior art," "conventional," or "well-known." *See McCoy v. Heal Sys., LLC*, 850 F. App'x 785, 789 (Fed. Cir. 2021) (non-precedential) (finding it was not an error for the Board in an IPR proceeding to accept the specification's own assertions of what was "conventional" and therefore well known in the art). Of course, parties may dispute the significance or meaning of statements in the specification or other evidence, including disputing whether

specification statements constitute admissions or evidence of the background knowledge possessed by a person of ordinary skill in the art. For example, petitioners may rely on certain language in the specification identified *supra* (e.g., "It is well known that . . . ") as evidence of what a skilled artisan would have known at the time of the invention, and a patent owner can choose to dispute whether the petitioner has accurately characterized the evidence it cites (e.g., offer evidence or argument that a statement in the specification does not reflect such knowledge or is not an admission). Either side may present expert testimony in support of its position. The Board shall adjudicate such disputes and determine whether the specification (or other evidence that is not "prior art consisting of patents or printed publications") properly constitutes evidence of the skilled artisan's knowledge at the time of the invention. Such situations are likely to be highly fact-specific, and the Board can address them as they arise.

Because the Federal Circuit has made clear that it is appropriate in an IPR to rely on admissions in an obviousness analysis (*Qualcomm*, 274 F.4th 1376), Board panels should not exclude the use of admissions based on the number of claim limitations or claim elements the admission supplies or the order in which the petition presents the obviousness combination (e.g., prior art modified by admission or admission modified by prior art). Rather, Board panels should review whether the asserted ground as a whole as applied to each challenged claim as a whole relies on admissions in the specification in combination with reliance on at least one prior art patent or printed publication.

While 37 CFR § 42.104(b)(4) states that a petition "must specify where each element of the claim is found in the prior art patents or printed publications relied upon," this does not foreclose the limited use of admissions described in this Memorandum.

Section 42.104(b) specifies what petitions must contain and requires specific information from the parties to ensure orderly proceedings, but does not narrow the scope of IPR petitions further than § 311 itself does. For example, § 42.104(b)(3) requires that petitioners include their construction of claim terms. Nevertheless, the Board does not deny petitions under § 42.104 in which petitioners assert that terms should be given their ordinary meaning. Similarly, the Board should not deny a petition in which an applicant points to general knowledge and/or a patentee's admissions regarding the scope and content of the prior art to satisfy a claim limitation. *See American Farm Lines v. Black Ball Freight Serv.*, 397 U.S. 532, 539 (1970) ("it is always within the discretion of a court or an administrative agency to relax or modify its procedural rules adopted for the orderly transaction of business before it"); *see also* 37 CFR § 42.5(b) (stating that "[t]he Board may waive or suspend a requirement of parts 1, 41, and 42").[2]

In addition to the use of admissions as described above, other AIA provisions support using evidence outside of prior art patents or printed publications when assessing §§ 102 or 103 issues in an IPR. *Qualcomm*, 24 F.4th at 1375-1376. For example, 35 U.S.C. § 312(a)(3)(B) states that an IPR petition can include "affidavits or declarations of supporting evidence and opinions." Section 314(a) indicates that the decision whether to institute the requested IPR should consider such supporting evidence. *See* 35 U.S.C. § 314(a) (the Director may institute if "the <u>information</u> presented in the petition" meets the applicable standard) (emphasis added). Similarly, § 316(a)(3) permits the USPTO to promulgate regulations to permit the submission of "supplemental information" by the

[2] While § 42.104 does not narrow the scope of permissible petitions under § 311, neither does it broaden it. The basis of every petition must be one or more prior art patents or printed publications.

petitioner. *See* 37 CFR § 42.123 (providing for the filing of supplemental information). Consistent with § 311, these provisions allow for an important, but limited, role for evidence other than prior art patents and printed publications in IPRs. *Qualcomm*, 24 F.4th at 1375-1376.