

No. \_\_\_\_\_

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IN THE  
**Supreme Court of the United States**

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B/E AEROSPACE, INC.,

*Petitioner,*

v.

C&D ZODIAC, INC.,

*Respondent.*

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On Petition for Writ of Certiorari to the  
United States Court of Appeals  
for the Federal Circuit

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**PETITION FOR A WRIT OF CERTIORARI**

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November 23, 2020

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## QUESTION PRESENTED

As part of the Leahy-Smith America Invents Act (2011), Congress created an *inter partes* review (“IPR”) procedure to allow petitioners to challenge the validity of an issued patent in an administrative proceeding before the Patent Trial and Appeal Board (“Board”). In doing so, Congress carefully balanced the rights of patent owners and the interests of patent challengers by creating an administrative procedure constrained by several important restrictions. One such restriction, set forth in 35 U.S.C. § 311(b), is that a petitioner in an IPR may challenge the patentability of a patent claim “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” (emphasis added). Below, the Board instituted two IPRs and found the challenged claims of B/E Aerospace’s patents unpatentable on the basis of expert testimony, which was in turn based on *unpublished, proprietary* documents that are neither prior-art patents nor printed publications.

The question presented is:

In an *inter partes* review proceeding under 35 U.S.C. § 311(b), does the Board have authority to consider unpatentability on a ground of obviousness that is not “only on the basis of prior art consisting of patents or printed publications?”

**PARTIES TO THE PROCEEDINGS**

Pursuant to Rule 14.1(b)(i), the parties here and in the proceeding in the U.S. Court of Appeals for the Federal Circuit are:

The petitioner is B/E Aerospace, Inc.;

The respondent is Safran Cabin Inc. *f/k/a* C&D Zodiac, Inc.

**RULE 29.6 DISCLOSURE STATEMENT**

B/E Aerospace, Inc., is a wholly owned subsidiary of Rockwell Collins, Inc., which is a wholly owned subsidiary of Raytheon Technologies Corp. (f/k/a United Technologies Corp.).

## STATEMENT OF RELATED PROCEEDINGS

The following proceedings are directly related to this case within the meaning of Rule 14.1(b)(iii):

- *Safran Cabin Inc. f/k/a C&D Zodiac, Inc. v. B/E Aerospace, Inc.*, IPR2017-01276 (P.T.A.B. Sept. 28, 2018)
- *C&D Zodiac, Inc. v. B/E Aerospace, Inc.*, IPR2017-01275 (P.T.A.B. Oct. 23, 2018)
- *B/E Aerospace, Inc. v. C&D Zodiac, Inc.*, No. 2019-1935; 2019-1936 (Fed. Cir. Jun. 26, 2020)
- *B/E Aerospace, Inc. v. C&D Zodiac, Inc.*, No. 2:19-cv-01480-MWF-AFM (C.D. Cal.)

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**PETITION FOR A WRIT OF CERTIORARI**

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B/E Aerospace respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.

**OPINIONS BELOW**

The opinion of the U.S. Court of Appeals for the Federal Circuit is reported at *B/E Aerospace, Inc. v. C&D Zodiac, Inc.*, Nos. 2019-1935, 2019-1936 (Fed. Cir. June 26, 2020).

The opinions of the Patent Trial and Appeal Board of the United States Patent and Trademark Office are reported at *Safran Cabin Inc. f/k/a C&D Zodiac, Inc. v. B/E Aerospace, Inc.*, IPR2017-01276 (P.T.A.B. Sept. 28, 2018), and *C&D Zodiac, Inc. v.*

*B/E Aerospace, Inc.*, IPR2017-01275 (P.T.A.B. Oct. 23, 2018).

### **STATEMENT OF JURISDICTION**

The judgment of the Court of Appeals for the Federal Circuit was entered on June 26, 2020. On March 19, 2020, the Court, in view of COVID-19, extended the time to file a petition for a writ of certiorari to 150 days from the date of the lower court judgment, i.e., to November 23, 2020. Order Regarding COVID-19, 589 U.S. \_\_\_\_ (2020). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

### **STATUTORY PROVISION INVOLVED**

“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.” 35 U.S.C. § 311(b).

### **INTRODUCTION**

When Congress passed the Leahy-Smith America Invents Act (2011) (“AIA”), it created the *inter partes* review (“IPR”) procedure as an alternative to challenging the validity of an issued patent in a United States district court. But the IPR procedure was not meant to be a complete substitute for challenging patent validity in a district court. Indeed, the statute establishing the Patent Office’s jurisdiction to conduct IPRs sets forth important

differences between an IPR and a validity challenge in a district court. *See* 35 U.S.C. §§ 311-19.

One difference is that an IPR is strictly limited to grounds “that could be raised under section 102 or 103” of the patent statute. 35 U.S.C. § 311(b). Thus, unlike in a district court, an IPR petitioner cannot assert claims are unpatentable on grounds such as unpatentable subject matter or lack of enablement, which fall under §§ 101 and 112, respectively. *See* 35 U.S.C. §§ 101, 112. Even within §§ 102 and 103, the IPR statute further restricts the grounds for asserting unpatentability to specific types of prior art.<sup>1</sup> Specifically, IPR petitioners may only pursue, and the Patent Office may only institute, “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.***” 35 U.S.C. § 311(b) (emphasis added); 35 U.S.C. § 314(a).

To understand this important restriction on the Patent Office’s authority to conduct IPRs, it is helpful to review §§ 102 and 103 of the patent statute. Section 102, which establishes the novelty standard, identifies five types of prior art (patent, printed publication, public use, on sale, or otherwise available to the public) that can be used to challenge patentability under Sections 102 and 103. 35 U.S.C. § 102(a). Section 311(b), in contrast, limits the types

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<sup>1</sup> The term “invalidity” is typically used in district court proceedings, *see* 35 U.S.C. § 282, whereas the AIA speaks in terms of whether a patent claim is “unpatentable,” *see* 35 U.S.C. § 311(b). The statutory basis for determining whether a patent claim is invalid or unpatentable is the same, however. *See* 35 U.S.C. §§ 102, 103.

of prior art that can form the basis of a grounds of unpatentability in an IPR to only two of these five (patents or printed publications).

In a district court proceeding, a patent challenger may allege the claimed invention was in public use, on sale, or otherwise available to the public before the effective filing date of the patent, even if there are no patents or printed publications establishing public use, sale, or availability. To support a public-use, on-sale, or availability argument, a patent challenger in a district court may rely on evidence other than patents or printed publications, including fact-witness testimony, unpublished or proprietary documents, physical specimens, and circumstantial evidence. And, in on-sale cases, this information may be confidential. In contrast, IPR petitioners may not base a validity challenge on this type of evidence because the IPR statute is clear—an IPR unpatentability ground may be “*only* on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b).

Section 103 establishes the obviousness standard, which this Court most recently addressed in *KSR International Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). The most common obviousness ground under § 103 involves combining multiple prior-art patents or printed publications together to find all the claim elements. For instance, in *KSR*, the district court found that a prior-art patent to Asano taught all the claimed elements except an “electronic sensor” limitation, which was taught in another prior-art patent to Smith, and the district court further found it would have been obvious for a person skilled in the

art to combine Asano with Smith to arrive at the claimed invention. *Id.* at 412-14. This Court agreed. *Id.* at 422-26.

Because this type of obviousness ground—“on the basis of prior art consisting of patents or printed publications”—is limited to these types of prior art, it may properly also be raised in an IPR under § 311(b). *See, e.g., Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2138 (2016) (involving an IPR in which the petitioner challenged patent claims as “obvious in light of three prior patents”). An IPR petitioner may introduce expert testimony to establish the level of ordinary skill in the art, to explain what certain terms would mean to one with ordinary skill in the art, to explain how one of ordinary skill in the art would have understood a prior art disclosure, and to explain *why* a skilled artisan would have been motivated to combine the specific prior-art patents or publications relied upon as prior art as a basis of the ground. But the claim elements themselves must be found in the prior-art patents or printed publications that form the basis of the ground. 35 U.S.C. § 311(b).

In a second type of obviousness ground, which is becoming more common in recent years, a challenger in district court, or as explained below, a post-grant review proceeding, may rely on evidence *other than* patents or printed publications to fill the gap of a missing claim element. This can include both public and confidential on-sale information. For instance, where a prior-art patent or printed publication discloses elements A and B but lacks element C, a challenger in district court may rely on alleged public use, on sale, or public availability of a device

containing element C, without showing that any prior-art patent or printed publication actually disclosed element C.

More recently, the Federal Circuit has even permitted such a missing element to be supplied solely through expert testimony—an expert opines the missing element would have been “common sense” or “general knowledge” at the time of the invention, without showing that it was actually disclosed in any prior-art reference. *See Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1330-31 (Fed. Cir. 2009) (citation omitted); *but see Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1361-67 (Fed. Cir. 2016) (explaining that using “common sense” to supply a missing claim element is unusual and requires a “searching” analysis, a reasoned basis, and supporting evidence).

This second type of obviousness challenge is precisely the type of challenge the America Invents Act prohibits in IPR proceedings because the ground is not “only on the basis of prior art consisting of patents or printed publications.” *See* 35 U.S.C. § 311(b) (limiting IPR petition grounds only to those “that could be raised under section 102 or 103 and *only on the basis of prior art consisting of patents or printed publications.*” (emphasis added)); *see also SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018) (an IPR petition “define[s] the contours of the proceeding”).

Here, the Patent Trial and Appeal Board (“Board”) and the Federal Circuit erroneously permitted Zodiac to present IPR grounds based on

this *second* type of obviousness argument. A missing claim element that was never established on the basis of any prior-art patent or printed publication was, nevertheless, alleged to be “common sense” on the basis of the say-so of an expert who relied solely on ***non-patent, unpublished*** documents for that opinion. These non-patent, unpublished documents are proprietary drawings of aircraft enclosures that both Zodiac and the Board conceded are neither patents nor printed publications. Zodiac used these proprietary drawings to argue that a missing claim element—the “second recess” limitation—was in public use or on sale prior to the claimed invention, and its expert relied on them to assert that the missing element was known at the time. This type of obviousness ground—on the basis of prior art ***other than*** patents and printed publications to establish all of the elements of the claimed invention—is expressly prohibited by 35 U.S.C. § 311(b). Accordingly, the Board and the Federal Circuit erred in allowing Zodiac to pursue this argument in the IPR proceedings below.

This case does not stand alone; rather, it reflects an emerging trend. For the second time in a year, the Federal Circuit has affirmed the Board rendering claims unpatentable as obvious on the basis of evidence expressly prohibited by § 311(b). *See Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330 (Fed. Cir. 2020). The Federal Circuit has begun to expand the Patent Office’s jurisdiction to conduct IPR proceedings beyond the scope authorized by Congress. This Court should correct that error, lest it continue to propagate. For the reasons explained below, this

Court should grant this Petition and set the case for hearing on the merits.

## STATEMENT OF THE CASE

### A. Statutory and Legal Framework

The Leahy-Smith America Invents Act, 35 U.S.C. §§ 311-19, created a process called “inter partes review,” or IPR. An IPR “allows private parties to challenge previously issued patent claims in an adversarial process before the Patent Office that mimics civil litigation.” *SAS Inst.*, 138 S. Ct. at 1352. Unlike civil litigation, however, an IPR petitioner is strictly limited to unpatentability grounds based on anticipation or obviousness. 35 U.S.C. § 311(b). These two grounds are, in turn, governed by § 102 (anticipation) and § 103 (obviousness) of the patent statute. 35 U.S.C. §§ 102, 103.

The provision at issue here further strictly limits the type of prior art (i.e., the materials and knowledge that preceded the invention) that can be used as the basis of an unpatentability ground in an IPR. Specifically, “[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.**” 35 U.S.C. § 311(b) (emphasis added).

Although the AIA does not define “printed publication[],” there was already a substantial body of authority on its meaning under § 102. A reference will be considered a printed publication “upon a satisfactory showing that such document has been

disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art, exercising reasonable diligence, can locate it . . . .” *In re Wyer*, 655 F.2d 221, 226 (C.C.P.A. 1981) (citation omitted); *see also Blue Calypso, LLC v. Groupon, Inc.*, 815 F.3d 1331, 1348 (Fed. Cir. 2016) (“[P]ublic accessibility’ has been called the touchstone in determining whether a reference constitutes a ‘printed publication’ bar under 35 U.S.C. § 102(b).” (quoting *In re Hall*, 781 F.2d 897, 898-99 (Fed. Cir. 1986))).

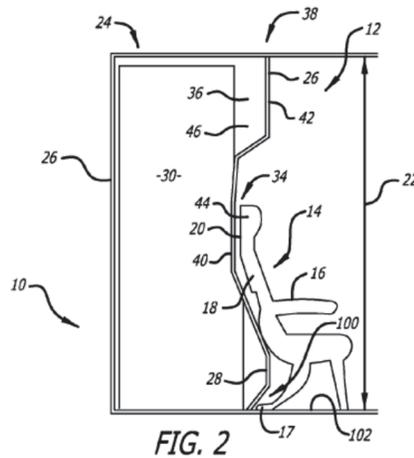
35 U.S.C. § 311(b) not only limits the basis of an IPR petition, it also confines the authorized scope of an IPR proceeding. An IPR petition defines “each claim challenged” and “the grounds on which the challenge to each claim is based.” 35 U.S.C. § 312(a)(3). The Patent Office is authorized to institute an IPR proceeding based only on “information presented in the petition filed under section 311.” 35 U.S.C. § 314(a). As this Court has explained, an IPR is “guided by a petition,” and “the petitioner, not the Director, . . . gets to define the contours of the proceeding.” *SAS Inst.*, 138 S. Ct. at 1355. Accordingly, under 35 U.S.C. § 314(a), the grounds set forth in an IPR petition, which are expressly restricted by § 311(b), establishes the outer bounds of the IPR proceeding.

## **B. Proceedings Before the Board**

In April 2017, Zodiac filed two IPR petitions challenging certain claims of B/E Aerospace’s U.S. Patent Nos. 9,073,641 (“the ’641 patent”) and 9,440,742 (“the ’742 patent”). These patents are

directed to aircraft lavatory enclosures with a unique shape and construction that confer several advantages, including freeing up additional space in the cabin for passenger seating and seat maneuverability. The only limitation in dispute in this appeal is the “second recess” limitation that is recited in each of the challenged claims. For instance, claim 1 of the ’641 patent recites a lavatory unit with a forward wall portion that contains a “*second recess* configured to receive at least a portion of [an] aft-extending seat support.” App. 522 (emphasis added).

Figure 2 of the patents shows an example of the claimed “second recess” (labeled 100) for an aft-extending seat support (labeled 17):

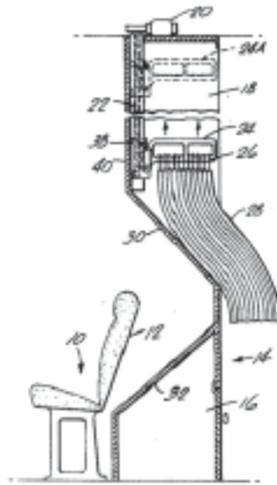


App. 487 (Fig. 2); App. 511 (Fig. 2).

In its IPR petitions, Zodiac argued, *inter alia*, that the challenged claims would have been obvious under 35 U.S.C. § 103(a) on the basis of prior art consisting of U.S. Patent No. 3,738,497 (“Betts”), in

view of disclosures in the challenged patents referred to by Zodiac as “Admitted Prior Art.” App. 259-288.<sup>2</sup>

Betts, titled “Silent Drive Coat Hanger Rack Mechanism,” is directed to the design and operation of a coat rack, as shown in Figure 1 of Betts below.



App. 243. Betts discloses a first recess for an upper seat back. It is undisputed that Betts does not disclose a “second recess” for a seat support in a lavatory enclosure, or in any other type of enclosure. As the Board acknowledged in its Final Written Decisions, “Petitioner [Zodiac] does not contend that the Admitted Prior Art or Betts alone discloses the second recess.” App. 37, 97.

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<sup>2</sup> Zodiac’s two petitions were substantially identical with respect to this ground, and the Board’s decisions were likewise substantially identical with respect to this ground. For simplicity, this Petition will cite only to IPR2017-01275.

To fill this gap created by the missing “second recess” element in both Betts and the Admitted Prior Art, Zodiac relied on testimony from its expert, who, in turn, relied on several proprietary drawings and third-party declarations that allegedly showed this element was known in the art. App. 183-85, 264-68 (citing App. 429-33 ¶¶ 186-92). These proprietary drawings consisted of:

- “SAS MD-90 Aft-Storage” drawings cited in a declaration of Scott Savian
- “737 and 747 Storage” drawings cited in a declaration of Vince Huard
- “KLM Crew Rest” drawings cited in a declaration of Paul Sobotta

App. 185, 268, 433. B/E disputed that these drawings disclosed the claimed “second recess.”

But it is undisputed that these drawings are not “prior art consisting of patents or printed publications” because they were not publicly available at the relevant time. *See* App. 44, 103 (Board acknowledging in its Final Written Decision that “the drawings . . . may have been confidential as Patent Owner notes . . .”).<sup>3</sup>

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<sup>3</sup> Indeed, the SAS MD-90 Aft-Storage drawings bear a “PROPRIETARY NOTICE” stating that “THIS MATERIAL MUST NOT BE REPRODUCED OR COPIED OR OTHERWISE DISCLOSED IN WHOLE OR IN PART WITHOUT THE SPECIFIC APPROVAL OF C&D AEROSPACE.” The “737 and 747 Storage” document bears a similar notice.

Zodiac's expert acknowledged that the products described in each of these three proprietary drawings were "not available as prior art in this [IPR] proceeding." App. 432 ¶ 192. Nevertheless, he stated they: "inform[ed]" his opinion of invalidity by "confirming" that it would have been obvious to modify prior-art designs by including recesses for seat supports in lavatory enclosures. *Id.* Mr. Anderson's testimony establishes that Zodiac's challenge was, at least in part, "on the basis of" these materials.

B/E Aerospace timely moved to exclude these proprietary drawings because they are not "prior art consisting of patents or printed publications" as required by 35 U.S.C. § 311(b) of the IPR statute. App. 67-68. The Board, however, denied this motion. According to the Board, even if the proprietary drawings were not available as part of an IPR ground, they were "germane" to an argument that "adding a second recess was well known in the art, even if only in the internal, non-public documents of multiple parties in the industry." App. 68 n. 14, 123 n. 14. The Board further reasoned prior-use and on-sale evidence could properly be assessed in the context of a "common sense argument"—i.e., the contention that it would have been "common sense" to include a second recess, ***irrespective of whether there was any such teaching in prior art consisting of a patent or printed publication.*** See App. 37-46, 98-105.

On the basis of this information, the Board canceled all challenged claims in the '641 and '742 patents, finding that the "second recess" element, missing in both Betts and the Admitted Prior Art,

would have been obvious in view of the purported knowledge of a person of ordinary skill at the time of the invention. App. 28, 87. In reaching this decision, the Board expressly relied on the testimony of Zodiac's expert that the "second recess" limitation was known in the art. App. 37-47, 98-105. The Board also relied extensively on the proprietary drawings submitted by Zodiac, reproducing them in the Final Written Decisions and discussing them in detail. *See id.* The Board agreed with Zodiac that "it does not matter that the three enclosures [depicted in the proprietary drawings] were not available as prior art in these proceedings, or prior art at all, as long as they are evidence of what was known in the art." App. 38, 98.

### **C. B/E Aerospace's Petition for Rehearing**

B/E Aerospace timely requested rehearing in both IPRs, arguing, *inter alia*, that the Board "misapprehended and/or overlooked the statute defining the scope of IPRs, 35 U.S.C. § 311(b)," by relying on non-patent, unpublished drawings and expert testimony to supply a missing claim element. App. 133. The Board denied these petitions, stating in part:

We did not combine Admitted Prior Art/Betts with the public use/on sale references. Instead, we specifically rejected Patent Owner's attempt to frame Petitioner's challenge in that manner. Our analysis focused on whether Petitioner established adequately that the second recess would have been obvious as a matter of common

sense under the high standard set forth in *Arendi* and *K/S HIMPP v. Hear-Wear Technologies, LLC*, 751 F.3d 1362, 1365 (Fed. Cir. 2014). We concluded that Petitioner met that standard based not only on the citation to second recesses in the public use/on sale references, but also on the rationale and related analysis provided by Petitioner’s expert . . . .

App. 135.<sup>4</sup>

In a footnote, the Board asserted that although it relied expressly on Zodiac’s “common sense” argument and the proprietary design drawings in reaching its obviousness decision, its decision also could have been supported without this evidence. App. 136 n.1. Specifically, the Board asserted that Zodiac’s “argument and evidence, including the testimony of [Zodiac’s] expert, support the conclusion that the challenged claims are obvious under a traditional obviousness approach that does not rely on the ‘common sense’ rationale supported by public use/on sale references.” *Id.* Even if the proprietary drawings were stripped away, and the portions of Zodiac’s expert declaration relying on those drawings were omitted, as the Board attempted to do in its footnote, the gap of the missing “second recess” limitation would be filled only “on the basis of” Zodiac’s expert’s unsupported opinion. This is not “prior art consisting of patents or printed publications.” The Board failed to explain how relying

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<sup>4</sup> The *Arendi* and *K/S HIMPP* decisions will be discussed in more detail below.

on the bare opinion of an expert to satisfy a missing claim limitation is permitted under 35 U.S.C. § 311(b), which allows an obviousness ground in an IPR to be “*only* on the basis of prior art consisting of patents or printed publications.”

#### **D. The Federal Circuit’s Decision**

In a consolidated appeal, B/E Aerospace appealed the Board’s Final Written Decision to the Federal Circuit. This appeal presented the direct issue whether 35 U.S.C. § 311(b) permits the Board to supply a claim element missing from an obviousness ground on the basis of materials that undisputedly are not “prior art consisting of patents or printed publications?”

The Federal Circuit declined to reach this § 311(b) issue because it found that the Board “did not rely on the [proprietary] design drawings when it found the challenged claims obvious.” App. 15. Citing the Board’s footnote 1 denying rehearing, the Federal Circuit reasoned that the Board “found the challenged claims obvious under a ‘traditional obviousness approach’” for which “it relied on expert testimony” independent of the design drawings. App. 15 (citing App. 136, n.1).

Even were this true (which is doubtful given the Board’s extensive reliance on the proprietary design drawings in its Final Written Decisions), the Federal Circuit failed to explain how expert testimony alone—i.e., the bare opinion of an expert that a missing limitation would have been “well known in the art” (App. 432 ¶ 192) or a “well-known solution” (App. 356-

57 ¶ 75)—constitutes a “patent[] or printed publication[]” under 35 U.S.C. § 311(b). It cannot. Being allegedly “well known” is a basis beyond prior art consisting of patents and printed publications. Thus, the Federal Circuit’s decision leaves the central question unresolved—whether 35 U.S.C. § 311(b) allows the Board in an IPR to adjudicate unpatentability on a ground of obviousness that is not “only on the basis of prior art consisting of patents or printed publications?”

## **REASONS FOR GRANTING THE PETITION**

### **A. The Federal Circuit’s Decision Contradicts the Unambiguous Language of 35 U.S.C. § 311(b) by Allowing IPR Unpatentability Challenges on the Basis of Evidence Other Than Prior-Art Consisting of Patents or Printed Publications**

What happened below is clear. Zodiac used the backdoor of expert testimony to introduce *non-patent, unpublished, proprietary drawings* into these IPRs as a basis for its obviousness ground. It could not present these proprietary drawings as a basis of its obviousness ground in its petitions because 35 U.S.C. § 311(b) expressly prohibits them. Instead, Zodiac characterized this same, inadmissible evidence as being “well known in the art” (App. 432 ¶ 192) and a “well-known solution” (App. 356-57 ¶ 75), in an expert declaration, as an end-run around the statute. In its petitions, Zodiac proposed an obviousness ground with a missing element—the “second recess”

limitation. In fact, Zodiac never even tried to establish the “second recess” limitation on the ground of the combination of Betts and the Admitted Prior Art. It is not present. Instead, Zodiac tried to use expert testimony to supply this missing element on the basis of the unpublished, proprietary drawings that are strictly forbidden under § 311(b) from forming *any part* of the basis of an IPR obviousness ground. And when challenged on rehearing, the Board backfilled with an otherwise unsupported expert declaration.

If Petitioners are permitted to do this, the express limitations of Section 311(b) are frustrated. If an IPR ground not “on the basis of prior art consisting of patents and printed publications” can be asserted on the basis of expert testimony alleging it was “well known in the art,” the statute’s requirement that claims may be challenged “only on the basis of prior art consisting of patents or printed publications” has no effect. 35 U.S.C. § 311(b) (emphasis added).

In its decisions denying rehearing, the Board attempted to salvage its Final Written Decisions by reasoning that (1) it found the expert’s testimony persuasive before it had considered the proprietary drawings, and (2) it could have alternatively applied a “traditional” approach that relied on expert testimony alone. App. 135-36, 136 n.1. But this does not cure the problem. Section 311(b) contains no traditional-approach-exemption to its express limitations. And, contrary to the Board’s assertion, an obviousness analysis that relies solely on expert testimony *and no other evidence* to fill the gap of a missing claim element is in no way “traditional.” Rather, it is alarming. *See Arendi*, 832 F.3d at 1363-

64; *K/S HIMPP*, 751 F.3d at 1365. This type of expert-based obviousness ground may be permissible in a district court proceeding, where the type of evidence that can be used to show obviousness is not limited to prior art consisting of patents and printed publications. *See, e.g., Perfect Web*, 587 F.3d at 1330-31. But it is *not* permissible in an IPR. Expert testimony alleging an explicit claim limitation was “well known in the art” is not a patent or a printed publication and, therefore, cannot supply a missing claim element in an IPR obviousness ground. 35 U.S.C. § 311(b). Even were it true that the Board relied solely on expert testimony to supply the missing “second recess” limitation, this reliance would violate § 311(b) because the expert’s testimony about what was “well known in the art” is neither a patent nor a printed publication.

“Where a statute’s language carries a plain meaning, the duty of an administrative agency is to follow its commands as written, not to supplant those commands with others it may prefer.” *SAS Inst.*, 138 S. Ct. at 1355. As written, § 311(b) clearly commands that an IPR petitioner may challenge the patentability of one or more claims of an issued patent “***only on the basis of prior art consisting of patents or printed publications.***” 35 U.S.C. § 311(b) (emphasis added).

The meaning of the word “only” in § 311(b) is clear and undisputable. It means the enumerated bases that follow are to the exclusion of everything else. *See* BLACK’S LAW DICTIONARY 1088 (6th ed. 1990) (“**Only.** Solely; merely; for no other purpose; at no other time; in no otherwise; along; of or by itself;

without anything more; exclusive; nothing else or more.”). Thus, the phrase “*only* on the basis of prior art consisting of patents or printed publications” means that every other potential basis for an unpatentability ground under §§ 102 and 103 is excluded. Unpublished, proprietary drawings are excluded as a basis for an IPR challenge. Physical specimens are excluded. Fact testimony demonstrating public use or sales activity is excluded. More importantly, unsupported expert testimony asserting a missing claim element was “well known in the art” is excluded. In short, *everything* is excluded as the basis of an IPR ground except “prior art consisting of patents or printed publications.” There can be no other reasonable reading of this language.

Taking the Board’s Final Written Decisions at face value, it is clear the Board relied upon unpublished, proprietary design drawings, and third-party declarations—or at least unsupported expert testimony—to find that the claimed “second recess” limitation would have been obvious. Zodiac failed to establish this obviousness ground only on the basis of any prior-art patent or printed publication. First, the Board cited the testimony of Zodiac’s expert, who recited the problem the invention solved, then opined that the invention was the obvious solution to this problem:

[A] person of ordinary skill in the art would recognize that as a seat is moved further aft the seat support necessarily is also moved further aft. As the seat is moved aft the feet of the seat support may come into contact with the lower section of the wall. Creating

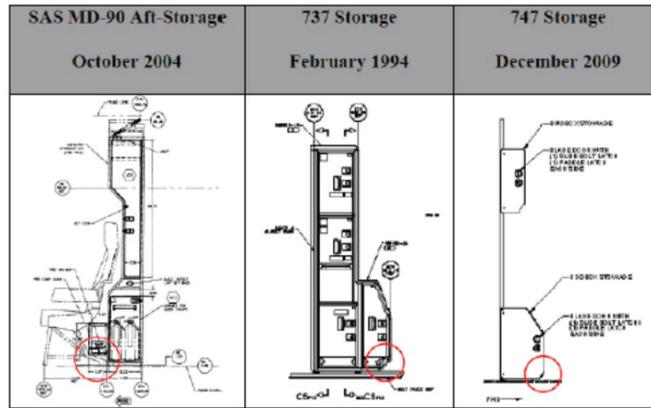
one or more recesses to accommodate whatever portion(s) of the seat support that would contact the forward wall of the enclosure is the obvious solution to this known problem.

App. 41, 100 (citing App. 356 ¶ 74, 432 ¶ 191). As the Board itself acknowledged, this is a “common sense” type of argument, where expert testimony regarding what was “well known in the art” is used to fill the gap of a missing claim element that is not shown in any prior-art patent or printed publication. *See* App. 37-42, 96-105.

The Board deemed it necessary under the Federal Circuit’s *Arendi* and *K/S HIMPP* decisions to couple Zodiac’s common-sense argument with a “‘core factual finding’ that in turn requires ‘point[ing] to some concrete evidence in the record in support of these findings.’” The Board looked beyond the testimony of Zodiac’s expert for additional evidence that the “second recess” feature was known in the art. App. 37-42, 96-105 (citing *K/S HIMPP*, 751 F.3d at 1365). It purportedly found this evidence in the form of three unpublished, proprietary drawings submitted by Zodiac and relied upon by Zodiac’s expert.

The Board reproduced and discussed these three proprietary drawings in detail in its Final Written Decisions:

The Petition shows three designs with such a recess side-by-side as shown in the figure from page 40 of the Petition, reproduced below:



The figure depicts three designs labelled “SAS MD-90 Aft Storage” dated October 2004, “737 Storage” dated February 1994, and “747 Storage” dated December 2009. . . . Petitioner submitted declarations from third parties familiar with the designs that show the recesses were designed to receive passenger seat legs, and the dates that the designs were in public use or on sale. . . . We find this testimony and evidence credible and convincing, and find that Petitioner has established that it would have been obvious to further modify the Admitted Prior Art/Betts combination to include the claimed “second recess” to receive passenger seat supports.

App. 41-42, 100-02 (citations omitted).

The Board erred as a matter of law in relying on these unpublished, proprietary drawings and third-party declarations in reaching its decision. Section 311(b) permits an IPR petitioner to pursue an

obviousness ground “*only* on the basis of prior art consisting of patents or printed publications.” 35 U.S.C. § 311(b) (emphasis added). It is undisputed that unpublished, proprietary design drawings, and third-party declarations alleging prior public use and sales, are not prior art consisting of patents or printed publications. By statute, they cannot form *any part* of the basis of Zodiac’s obviousness ground because the word “only” in § 311(b) excludes all bases other than patents and printed publications.

In its decision denying rehearing, the Board confirmed that it did, in fact, rely upon these unpublished, proprietary drawings in reaching its decision on patentability. As the Board acknowledged, these drawings were “used as further evidence in support of the common sense argument.” App. 136. Again, this is legal error because § 311(b) precludes unpublished, proprietary drawings from forming *any part* of the basis of an IPR ground, even as “further evidence” supporting a so-called “common sense” argument.” 35 U.S.C. § 311(b).

Only in a footnote in its decision denying rehearing does the Board first suggest the alternative of a “traditional” approach *without* relying on the public use/on sale references. App. 136 n.1. Yet, this alternative relies on unsupported expert testimony. The only evidence the Board cited supporting this alternative was paragraphs 58, 74, and 186-92 of Zodiac’s expert’s declaration. Yet, paragraph 192 relied on the same proprietary drawings as before. *Id.* (citing App. 347-48 ¶ 58, 356 ¶ 74, 429-33 ¶¶ 186-92). And the remaining portions of the expert’s declaration cited by the Board purport to establish that the

missing claim element was “well known in the art.” In other words, the Board did not identify any prior-art *patent or printed publication*, as the basis of the missing “second recess” element. Instead, it identified only an expert’s opinion that the missing claim element would have been “well known in the art” at the time of the invention. This, too, constitutes legal error because the testimony of Zodiac’s expert asserting it was known in the art is *also* not a patent or printed publication and therefore cannot form *any part* of the basis of an IPR ground. 35 U.S.C. § 311(b).

On appeal, the Federal Circuit erred in declining to reach the § 311(b) issue, allegedly because the Board “did not rely on the [proprietary] design drawings when it found the challenged claims obvious.” App. 15. First, citing the “traditional” approach recited in a footnote in the Board’s rehearing decision, the Federal Circuit stated that “[w]hen the Board found the challenged claims obvious under a ‘traditional obviousness approach,’ it relied on expert testimony . . . .” *Id.* Second, the Federal Circuit stated that “when the Board separately found the challenged claims obvious based on ‘common sense,’ its conclusion did not rest on its consideration of those drawings . . . .” *Id.* at 15-16 (citing App. 136-37 n.2).

The second point is incorrect as evidenced by the Board’s own words. The Board’s “common sense” analysis was on the basis of proprietary design drawings and third-party declarations regarding prior public use and sales. The Board expressly acknowledged that it “concluded that Petitioner met [the *Arendi* common-sense] standard based ***not only***

on the citation to second recesses in the [proprietary design drawings], but **also** on the rationale and related analysis provided by Petitioner’s expert . . . .” App. 135 (emphasis added). The words “not only” and “also” confirm that the Board relied on **both** the proprietary design drawings and the expert testimony. The Board further acknowledged that the propriety design drawings were “used as further evidence in support of the common sense argument.” *Id.* Thus, the view that the Board “did not rest on its consideration of those drawings” in finding the claims obvious under Zodiac’s “common sense” argument is not supported by the record. It clearly did.

The Board’s alternative “traditional obviousness analysis” without reliance on the propriety design drawings, cannot absolve the Board’s legal error under 35 U.S.C. § 311(b). First, neither the Board nor the Federal Circuit performed any alternative “traditional obviousness analysis.” The Board merely theorized in a footnote that such an analysis could have been done without relying on the forbidden fruit of the unpublished, proprietary design drawings. Yet, this forbidden fruit had already contaminated the proceeding.

Second, and more important, once these forbidden design drawings are removed from the analysis, the Board substituted equally forbidden expert testimony that the missing claim element was “well known in the art.” The only evidence allegedly filling the gap in Zodiac’s obviousness ground is expert opinion testimony of prior knowledge or public availability. App. 183-85, 264-68 (citing solely to testimony of Zodiac’s expert). This expert testimony

may be permissible in a district court; it is *not* permissible in an IPR under § 311(b). Unsupported expert testimony alleging a missing limitation was “well known in the art” is not a “patent or printed publication” and, therefore, cannot form *any part* of the basis of an IPR obviousness ground. 35 U.S.C. § 311(b).

**B. Other Portions of the America Invents Act Confirm That IPR Grounds Were Narrowly Confined to Prior-Art Patents and Printed Publications**

Other portions of the America Invents Act confirm that non-patents and non-printed publications cannot supply a missing claim limitation in an IPR proceeding. Otherwise, the language of § 311(b) would be rendered meaningless, and the balance carefully designed by Congress in the AIA would be upset.

Each statutory provision should be read in view of the entire statute. *Beecham v. United States*, 511 U.S. 368, 372 (1994); *Dole v. United Steelworkers of Am.*, 494 U.S. 26, 36 (1990); *Mass. v. Morash*, 490 U.S. 107, 114-15 (1989). When interpreting a statutory provision, a court should avoid inconsistency with another provision in the same statute. *United Sav. Ass’n of Tex. v. Timbers of Inwood Forest Assocs.*, 484 U.S. 365, 371 (1988). A court should not create an exception in a statute that has none. *City of Chic. v. Evtl. Def. Fund*, 511 U.S. 328, 336-37 (1994). And statutes should not be interpreted in a way that would render a provision of the statute superfluous or

unnecessary. *Babbitt v. Sweet Home Chapter of Cmty. for a Great Or.*, 515 U.S. 687, 699-700 (1995).

In addition to the IPR proceeding, the AIA also created a post-grant review (“PGR”) proceeding. 35 U.S.C. §§ 321-29. The policy trade-offs between an IPR and a PGR are clear. A petitioner can challenge a patent in a PGR only during the first nine months after the patent issues. An IPR petitioner can challenge any issued patent at any time. *Compare* 35 U.S.C. § 321(c), *with* 35 U.S.C. § 311(c). A PGR challenge may be based on *any* invalidity grounds that could be raised in district court. Yet, an IPR is expressly limited to “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.” *Compare* 35 U.S.C. § 321(b), *with* 35 U.S.C. § 311(b). This is because Congress intended IPR to replace *inter partes* reexamination, which was subject to comparable restrictions.

Further, fact discovery in a PGR is broadly available into any “evidence related to factual assertions advanced by either party in the proceeding.” Fact discovery in an IPR, in contrast, is strictly limited to “the deposition of witnesses submitting affidavits or declarations” and “what is otherwise necessary in the interest of justice.” *Compare* 35 U.S.C. § 316(a)(5), *with* 35 U.S.C. § 326(a)(5).

By differentiating these IPR and PGR proceedings, Congress balanced how long a particular administrative challenge was available, and the basis on which it could be made. *See* S. 23, 112th Cong.,

§ 5(a), (d) (2011); 157 CONG. REC. S1326 (daily ed. Mar. 7, 2011) (statement of Sen. Sessions); *id.* at S1367 (daily ed. Mar. 8, 2011) (statement of Sen. Kohl); *see also Patent Reform: The Future of American Innovation: Hearing on S. 1145 Before the S. Comm. on the Judiciary*, 110th Cong. 20–21 (2007) (statement of Kathryn Biberstein, Senior Vice President and General Counsel, Alkermes, Inc., on behalf of BIO).

Specifically, the ability to challenge a patent by IPR more than nine months after issuance is balanced by two important limitations on the scope of an IPR. First, any IPR challenge is limited to a ground that could be raised under § 102 or 103. Second, it can be made “only on the basis of prior art consisting of patents or printed publications.” Allowing the Board to use non-patents and non-printed publications, or *worse*, bare expert testimony alleging a claim limitation was “well known in the art,” to supply a missing claim element in an IPR proceeding removes an important limitation and thereby upsets the balance Congress struck.

As discussed above, there are two types of obviousness challenges under § 103: (1) obviousness challenges *only* on the basis of prior art consisting of patents or printed publications to show the presence of all the claimed elements in the prior art; and (2) obviousness challenges on the basis of prior art which may include evidence *other than* patents or printed publications to fill the gap of a missing claim element. *See supra* at Introduction, pp. 4-6. An IPR is limited to the first type. The obviousness challenge Zodiac made in this proceeding, however, is the second type.

Here, a missing limitation is supplied, not by a patent or printed publication but, rather, on the basis of expert testimony relying on either non-patent, unpublished, proprietary materials, or the Board’s “traditional” approach on the basis of unsupported expert testimony.

This type of obviousness ground is a challenge to obviousness under Section 103 under the *first* restriction in § 311(b)—based only on § 102 or 103. But it does not pass muster under the *second* restriction in § 311(b)—the challenge may be “only on the basis of prior art consisting of patents or printed publications.”

This second restriction requires that *all* of the claimed elements must be established only on the basis of prior art consisting of patents or printed publications. If expert testimony is used, it may only provide the level of ordinary skill of the art, the required reasoned statement *why* a person skilled in the art would have been motivated to combine the claimed features, and whether they would have had a reasonable expectation of success in doing so. It cannot supply a missing claim element on the basis of anything other than prior art consisting of patent or printed publications.

Were § 311(b) interpreted to allow the second type of obviousness challenge—on the basis of common sense or what was allegedly “well known in the art,” and not on the basis of a prior-art patent or printed publication—the express restriction “*only* on the basis of prior art consisting of patents or printed publications” would be rendered meaningless. 35

U.S.C. § 311(b) (emphasis added). An IPR petitioner would be able to challenge a claim under § 103 based on evidence *other than* “prior art consisting of patents or printed publications,” as Zodiac did here. The word “only” in § 311(b) will have been effectively erased from the statute.

**C. The Legislative History of § 311(b)  
Confirms that Congress did not Intend  
IPR Grounds to Be Based on Anything  
Other than Prior-Art Patents or  
Printed Publications**

When the language of a statute is unclear or ambiguous, legislative history may be informative. *See, e.g., Food and Drug Admin. v. Brown & Williamson Tobacco Corp.*, 529 U.S. 120, 137-39 (2000); *Wis. Pub. Intervenor v. Mortier*, 501 U.S. 597, 610 n.4 (1991). Here, the statute is clear. Even if the Court finds that the language of § 311(b) is somehow unclear or ambiguous, the legislative history of the AIA makes clear that Congress’s intent was that § 311(b) challenges may only be based on prior-art patents or printed publications.

Despite making several important changes to the *inter partes* reexamination process to transform it into *inter partes* review, Congress maintained this existing limit on prior art. In other words, the limit on the scope of an IPR challenge to “prior art consisting of patents or printed publications” was intentionally adopted from the same limit on the scope of an *inter partes* reexamination. H.R. REP. NO. 112-98, pt. 1, at 45-48 (2011).

Congress changed many facets of *inter partes* reexaminations. For example, it required review by a panel of Administrative Patent Judges rather than a patent examiner. 35 U.S.C. § 316(c). The new IPR proceeding also allowed the patent owner to preliminarily respond to the petition. 35 U.S.C. § 313. But Congress did not touch the limitation on prior art. *See Powerex Corp. v. Reliant Energy Servs., Inc.*, 551 U.S. 224, 231-32 (2007) (statutory history, including the creation of a new provision, is relevant to construction; and where Congress uses the same terms, they are presumed to mean the same thing).

The requirement that IPR proceedings be limited to patents or printed publications was added early in the amendment process and was never eliminated. In early 2010, then-Senators Leahy and Sessions proposed an amendment that would convert *inter partes* reexamination into *inter partes* review and limit the new proceeding to patents and printed publications. *See* S. 515, 111th Cong. (2009) (amendment in the nature of a substitute); *see also* S. 23, 112th Cong. § 5(a), (d) (2011) (introduced bill, substantially identical to the 2010 Leahy-Sessions amendment). These provisions were never removed or amended.

Memorializing the Judiciary Committee's understanding, then-Senator Kyl stated: "The present bill preserves the agreement reached in the 2009 Judiciary Committee mark up to maintain the current scope of *inter partes* proceedings: only patents and printed publications may be used to challenge a patent in an *inter partes* review." 157 CONG. REC. S1375 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl);

*see also id.* at S1366 (“[P]atents and printed publications . . . are the only issues that can be raised in old *inter partes* [reexamination] (as well as new IPR).”) (summary of Managers’ Amendment); *see also* H.R. REP. NO. 112-98, pt. 1, at 46 n.42 (stating that, under the AIA, “patent or printed publication” prior art will continue to be the *sole* basis for initiating reexamination proceedings); *id.* at 45 (an *inter partes* reexamination, and therefore the scope of an IPR, “could only be based on prior art, and could *not* be based on prior public use or prior sales” (emphasis added)).

The final report of the House Judiciary Committee is likewise clear: *inter partes* review is only available on the basis of patents or printed publications. *See* H.R. REP. NO. 112-98, pt. 1, at 75 (“*Inter partes* review may be sought on the basis of patents and printed publications . . .”), 145 (“*A petitioner in an inter partes review may request to cancel as unpatentable . . . claims of a patent . . . only on the basis of prior art consisting of patents or printed publications.*”).

The legislative history clarifies that the prior art that can be relied upon in an IPR is limited, and the § 311(b) limitation to “prior art consisting of patents or printed publications” expressly excludes (1) a non-prior-art basis, and (2) other forms of prior art that are neither patents nor printed publications, such as evidence of public use or sales. H.R. REP. NO. 112-98, pt. 1, at 45 (an *inter partes* reexamination, and therefore the scope of an IPR, “could only be based on prior art, and could not be based on prior public use or prior sales”).

**D. The Federal Circuit’s Recent Cases Have Improperly Expanded the Board’s Authority to Conduct an IPR Beyond the Scope Established by Congress, and This Court Must Intervene**

The Federal Circuit decided more than ten years ago, *in a district court case*, that common sense may supply a missing peripheral claim element. *Perfect Web*, 587 F.3d at 1328-29. And, in a district court case, this holding is consistent with this Court’s decision in *KSR*. But IPR proceedings are subject to different, statutory restrictions.

The first IPR proceeding was filed more than eight years ago. *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001, Paper 1 (P.T.A.B. Sept. 16, 2012). The Federal Circuit first considered the use of common sense in an IPR proceeding four years ago, in *Arendi*. But this year, the Federal Circuit has twice extended its *Arendi* decision far beyond its original scope.

The Federal Circuit’s *Arendi* decision, relied upon heavily by the Board in this case, involved an appeal from an IPR in which the Board found a missing claim element obvious “as a matter of common sense,” even though it was not established on the basis of any prior-art reference. 832 F.3d at 1360. The Federal Circuit reversed, finding the Board’s finding of “common sense” to be “conclusory and unsupported by substantial evidence.” *Id.* at 1366-67. The Federal Circuit in dicta in *Arendi* also provided guidance for when a patent challenger attempts to invoke

“common sense” to supply a missing claim limitation in an obviousness argument.

*Arendi* first noted that “common sense is typically invoked to provide a known *motivation to combine, not to supply a missing claim limitation.*” *Id.* at 1361 (emphasis added). Second, the Federal Circuit distinguished an earlier district court appeal, *Perfect Web*, 587 F.3d at 1326, that permitted the use of common sense to supply a missing claim element because the element at issue in *Perfect Web* was “peripheral” to the claim, not a central or important limitation. *Arendi*, 832 F.3d at 1362. Finally, the Federal Circuit “warn[ed] that references to ‘common sense’—whether to supply a motivation to combine or a missing limitation—cannot substitute for reasoned analysis and evidentiary support, especially when dealing with a limitation missing from the prior art references specified.” *Id.*

Appellant in *Arendi* did not challenge the Board’s use of “common sense” as a violation of 35 U.S.C. § 311(b). Accordingly, the *Arendi* decision was silent on this question, as was the *K/S HIMPP* decision that the Board also relied upon here. The *Perfect Web* case, referred to in the *Arendi* decision, was a district court case, not governed by 35 U.S.C. § 311(b).

But the Federal Circuit in this case, and in its recent decision in *Philips*, 948 F.3d 1330 (Fed. Cir. 2020), expanded *Arendi* and misapplied *Perfect Web* to expressly allow the Board to entertain IPR challenges on the basis of evidence *other than* prior-art patents or printed publications. In doing so, the Federal Circuit improperly expended the Board’s

jurisdiction, beyond the scope established by 35 U.S.C. § 311(b) and what Congress intended. This upsets Congress's delicate and carefully negotiated balance between IPRs and other types of proceedings challenging patentability. This Court must intervene and correct that error, lest it continue to propagate.

### CONCLUSION

The text and legislative history of § 311(b) are clear. A challenge to a patent claim in an IPR proceeding must be limited in scope to only "prior art consisting of patents or printed publications." Alleged prior knowledge, prior use, or prior sales of the claimed invention is not permitted as a basis for an IPR. It can be the basis of other challenges in a PGR or district court, but it cannot be relied upon as the evidentiary basis for unpatentability in an IPR.

The Federal Circuit's decision, permitting Zodiac to rely on alleged prior knowledge based solely on expert testimony and unpublished, proprietary drawings as a basis for these IPRs, violates the express requirements of 35 U.S.C. § 311(b) and renders meaningless the statutory requirements regarding the basis of an IPR challenge.

Therefore, the petition for a writ of certiorari should be granted.

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