

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDERSECRETARY AND DIRECTOR
OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

MED-EL ELEKTROMEDIZINISCHE GERÄTE GES.M.B.H.,
Petitioner,

v.

ADVANCED BIONICS AG,
Patent Owner.

IPR2020-01016
IPR2021-00044
Patent 8,155,746 B2¹

Before KATHERINE K. VIDAL, *Under Secretary of Commerce for
Intellectual Property and Director of the United States Patent and
Trademark Office.*

ORDER

¹ The Board issued a combined Final Written Decision addressing the issues raised in both proceedings.

On March 31, 2022, the Patent Trial and Appeal Board (“Board”) issued a Final Written Decision determining all challenged claims of U.S. Patent No. 8,155,746 B2 (“the ’746 patent”) unpatentable (Paper 42, “Decision” or “Dec.”).² As is relevant to this order, in the Final Written Decision, the Board addressed MED-EL Elektromedizinische Geräte Ges.m.b.H.’s (“Petitioner”) reliance on Applicant Admitted Prior Art (“AAPA”) in combination with Petersen³ to challenge claims 1–24 of the ’746 patent as obvious under 35 U.S.C. § 103(a). Dec. 9–10.

The Board considered Petitioner’s challenge in light of the Office’s August 18, 2020 Memorandum setting forth binding guidance on “the USPTO’s interpretation of § 311(b)” with respect to “statements in the specification of the challenged patent” often referred to as “applicant admitted prior art” or “AAPA” (“AAPA Guidance”).⁴ AAPA Guidance 1; *see, e.g.*, Dec. 38–40. In particular, the Board pointed to the statement in the AAPA Guidance that “AAPA in a challenged patent does not constitute ‘prior art consisting of patents or printed publications’ and thus cannot properly be used as the ‘basis’—i.e., the ‘foundation or starting point’—of an obviousness ground.” Dec. 39–40 (citing AAPA Guidance 2, 4, 6, 9). The Board also noted that the U.S. Court of Appeals for the Federal Circuit recently issued a decision in *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367 (Fed. Cir. 2022), “in which the court held that AAPA in a challenged patent

² Unless otherwise noted, citations are papers and exhibits in IPR2020-01016.

³ WO 97/04619, published Feb. 6, 1997 (Ex. 1017).

⁴ Memorandum from Andrei Iancu to Members of the Patent Trial and Appeal Board (Aug. 18, 2020), available at <https://go.usa.gov/xAEJ>.

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does not constitute ‘prior art consisting of patents or printed publications,’” which “align[s] with the AAPA Guidance on that issue.” *Id.* at 40 (quoting *Qualcomm*, 24 F.4th at 1373).

Applying the AAPA Guidance, the Board determined that Petitioner “improperly relies on AAPA” because Petitioner “used AAPA as the ‘basis’—i.e., the ‘foundation or starting point’—of [its] asserted ground” “contrary to the interpretation of § 311(b) in the AAPA Guidance.” Dec. 39, 41, 44. To reach its determination, the Board found that Petitioner relied solely on AAPA for several structural and functional limitations of claim 1 and relied on Peterson “for only an additional electrical system.” *Id.* at 41–42. The Board also found that Petitioner’s framing of its proposed modification supported a determination that “AAPA is the ‘foundation or starting point’” of the asserted ground. *Id.* at 42 (citing IPR2020-01016, Paper 1, 22, 44–45, 47). As a result, the Board did not reach the merits as to whether Petitioner had established by a preponderance of the evidence the unpatentability of claims 1–24 based on AAPA and Peterson. *Id.* at 45–46 (explaining that because Petitioner improperly relied on AAPA, the asserted ground was not a ground raised “only on the basis of prior art consisting of patents and printed publications” and the Board, therefore, lacked “the statutory authority to find [the] claims unpatentable on the basis of AAPA”).

I have considered the Board’s Final Written Decision and the Federal Circuit’s *Qualcomm* decision and initiate a *sua sponte* Director review to clarify Office guidance on the treatment of statements of the applicant in the challenged patent, in view of the *Qualcomm* decision. *See Interim process for Director review* 13, 22 (providing for *sua sponte* Director review and

explaining that “the parties to the proceeding will be given notice” if Director review is initiated *sua sponte*).⁵ As the Board acknowledged, the Federal Circuit stated in *Qualcomm* that “AAPA may not form the ‘basis’ of a ground in an *inter partes* review, and it is therefore impermissible for a petition to challenge a patent relying on solely AAPA without also relying on a prior art patent or printed publication.” *Qualcomm*, 24 F.4th at 1377; *see* Dec. 41 n.19. The Federal Circuit further determined in *Qualcomm* that a patent applicant’s 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 the invention.” *Id.* at 1376. But the Board did not address either aspect of the Federal Circuit’s decision, observing that the Board “remain[s] bound by the AAPA Guidance, which does not look to whether the challenge relies solely on AAPA and instead focuses on whether it amounts to the ‘foundation or starting point’ of the challenge.” Dec. 41 n.19 (quoting AAPA Guidance 6).

In view of the Federal Circuit’s decision in *Qualcomm*, Director review of the Board’s Final Written Decision is appropriate to clarify the Office’s guidance on the treatment of statements of the applicant in the challenged patents in *inter partes* reviews under § 311. No additional briefing from the parties is authorized at this time. *See Interim process for Director review* 13, 22 (explaining that the Director may give the parties to

⁵ Available at <https://www.uspto.gov/patents/patent-trial-and-appeal-board/interim-process-director-review>.

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the proceeding an opportunity for briefing if Director review is initiated *sua sponte*).

Accordingly, based on the foregoing, it is:

ORDERED that a *sua sponte* Director review of the Board's Final Written Decision (Paper 42) is initiated; and

FURTHER ORDERED that an order or decision on rehearing will be issued in due course.

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