

Beware Arguments Based On Implicit Claim Constructions

By **Derrick Carman** (August 25, 2022)

In a recent opinion, the U.S. Court of Appeals for the Federal Circuit clarified the circumstances under which a party may forfeit arguments during an inter partes review proceeding.[1]

According to the July 19 Wireless Protocol Innovations Inc. v. TCT Mobile Inc. decision, if a petitioner is on notice of the patent owner's claim construction position, then the petition may forfeit any arguments that are not presented in at least the petitioner's reply brief.

Notably, the petitioner may be on notice even if neither party proposes the claim term for construction, the Patent Trial and Appeal Board does not construe the term, and the claim construction is addressed for the first time on appeal.

As a result, parties must be diligent to assess arguments from the opposing party to determine whether they implicate unproposed claim constructions and address those arguments at the earliest opportunity.

The Petition for Inter Partes Review and the First Appeal

In July 2016, TCT Mobile filed a petition for inter partes review, or IPR, of WPI's U.S. Patent No. 8,274,991, or the '991 patent.[2]

TCT Mobile argued that the challenged claims were unpatentable over a combination of references:

- U.S. Patent No. 6,466,544, referred to as "Sen";
- U.S. Patent No. 6,655,307, referred to as "Rydneil"; and
- Patent owner admitted prior art.[3]

In the petition, TCT Mobile did not propose a specific construction for the claim term "grant pending absent state," which TCT argued Mobile was explicitly taught by Sen.

WPI, in its patent owner response, also did not propose grant pending absent state for construction. But WPI argued that Sen did not disclose that limitation.

The '991 patent claims that a device transitions from a grant pending absent state, in which no data is transmitted to a grant pending state, in which data can be transmitted "after a subsequent bandwidth grant is received."

In just two sentences and a parenthetical, WPI argued that TCT Mobile failed to address the limitation that the transition between states occurred "after a subsequent bandwidth grant is received" because the device in Sen "can ... transmit the packets via the reduced amount of the original bandwidth when the packets again need to be transmitted." [4]

In other words, WPI's argument was that Sen permitted transmission of data in the relevant state, while the claim of the '991 patent did not allow data to be transmitted. If WPI's argument was right, then Sen did not disclose the element of the claim, and the claim would



Derrick Carman

not be found unpatentable.

The board did not expressly construe grant pending state, but it rejected WPI's argument, finding that "the claim does not preclude the sending of any data while ... in the grant pending absent state." [5]

On the first appeal, the Federal Circuit vacated the board's decision as being based on an improper claim construction. [6] The court noted that the specification of the '991 patent states that "during the grant pending absent state [the device] sends no upstream data" to the base station. [7]

Notably, neither the TCT Mobile, WPI nor the board raised or addressed the quoted language prior to appeal. Because Sen permitted transmission of data at a reduced bandwidth, the court concluded that Sen failed to teach the claimed grant pending absent state. [8]

Accordingly, the court vacated the board's decision and remanded the case for further proceedings. [9]

Remand and the Second Appeal

On remand, the board ordered additional briefing regarding the new claim construction for grant pending absent state because, in the board's view, neither party had addressed that issue in their original briefing.

TCT Mobile, for the first time, raised the prospect that it would have been obvious to modify Sen to have the device transmit no data while in the reduced bandwidth state. The board, based on this new argument, again ruled in TCT Mobile's favor and found that the claims were unpatentable. WPI appealed again.

On the second appeal, the Federal Circuit held that TCT Mobile had forfeited its argument regarding modifying Sen.

According to the court, "TCT was on notice of WPI's positions on claim construction and Sen's disclosure as to the 'grant pending absent state'" limitation. [10]

This conclusion was based entirely on WPI's two sentence argument that Sen failed to teach the transition out of the grant pending absent state "after a subsequent bandwidth grant is received." [11] The court faulted TCT Mobile, stating "our prior decision's claim construction in no way departed from WPI's understanding of the claim.

Under these circumstances, if TCT Mobile wanted to raise the argument that Sen's packet standby state could be modified to not send data packets, it needed to at least try to introduce that argument for the Board's consideration no later than in its reply." [12]

Beware of Invalidity Arguments That Depend on Unproposed Claim Constructions

The Federal Circuit's decision provides important guidance to patent challengers and patent owners alike. Primarily, it makes clear that parties must diligently analyze all of an opposing party's arguments, particularly where arguments appear to turn on claim construction of terms that were not proposed by either party for construction.

If a party fails to address such arguments, they may be found to have forfeited them if the

party was on notice of them. The standard for what constitutes on notice remains unclear.

But given the small amount of detail provided in WPI's patent owner response regarding the grant pending absent state, it appears that the burden for placing an opposing party on notice of that party's claim construction position may be relatively low.

Second, for patent challengers, this decision demonstrates the importance of analyzing all the possible permutations of prior art combinations and trying to anticipate the patent owner's arguments in the petition itself. In this case, the Federal Circuit admonished TCT Mobile, stating that it "needed to at least try to introduce that argument for the Board's consideration no later than in its reply, rather than wait until the case returned on remand."

But the court was not clear that even raising the argument in the reply would have been sufficient. Specifically, the court stated that

we need not and do not reach the question of whether TCT had to raise its Sen-modification argument in its petition for it to be timely raised, i.e., whether raising it in reply would itself have been too late.

Accordingly, it isn't clear that, even if TCT had raised its Sen argument in its reply, it would not have found itself in the same position on appeal. The safest path for TCT was likely to include the Sen modification argument in TCT's petition.

Of course, hindsight is 20/20, but parties may wish to at least include language in petitions that preserves potential obviousness combinations and modifications based on alleged anticipatory references.

Likely No Due Process Rights Based on Standard Operating Procedures

One additional portion of the court's opinion warrants note. After the Federal Circuit remanded the case following the first appeal, the board took approximately 21 months to issue a second final written decision.

This far exceeded the goal of six months for issuing decisions on remand set forth in the PTAB's standard operating procedures. WPI argued that the 21-month delay before the decision on remand violated WPI's due process rights.

The Federal Circuit rejected this argument, stating:

We disagree with WPI that the Board violated WPI's due process rights or any statute, regulation, or internal operating procedure by not meeting the goal to issue remand decisions within six months of this court's mandate as set forth in the Board's Standard Operating Procedure 9.[13]

Accordingly, where the PTAB takes longer than a goal set forth in its standard operating procedures, such delay is unlikely to give rise to any due process arguments for the losing party.

Derrick J. Carman is an associate at Robins Kaplan LLP.

The opinions expressed are those of the author(s) and do not necessarily reflect the views

of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.

[1] *Wireless Protocol Innovations, Inc. v. TCT Mobile, Inc.* ; No. 21-2112 (Fed. Cir. 2022).

[2] *TCT Mobile, Inc. et al v. Wireless Protocol Innovations, Inc.*, IPR2016-01494 (P.T.A.B.).

[3] The petition was filed prior to the Federal Circuit's decision in *Qualcomm Inc. v. Apple Inc.*, which limited the use of applicant admitted prior art as a basis for IPR. Fed. Appx. 610 (Fed. Cir. 2022).

[4] *TCT Mobile, Inc. et al v. Wireless Protocol Innovations, Inc.*, IPR2016-01494, Paper 20 at 56-57 (May 15, 2017).

[5] *TCT Mobile, Inc. et al v. Wireless Protocol Innovations, Inc.*, IPR2016-01494, Paper 36 at 34 (P.T.A.B. Feb. 13, 2018).

[6] *Wireless Protocol Innovations, Inc. v. TCT Mobile, Inc.*, 771 Fed.Appx. 1012, 1018 (Fed. Cir. 2019).

[7] *Id.* (quoting the '991 patent at 7:24-25).

[8] *Id.*

[9] *Id.*

[10] *Wireless Protocol Innovations, Inc. v. TCT Mobile, Inc.* ; No. 21-2112, slip op. at 9 (Fed. Cir. 2022).

[11] *Id.*

[12] *Id.* at 11.

[13] *Id.* at 3.