

AIRBUS S.A.S., v. FIREPASS CORP., Appeal No. 2014-1808 (Fed. Cir. July 17, 2015). Before Lourie, Dyk, and Moore. Appealed from PTAB.

Background:

Firepass owns a patent directed to using hypoxic compositions for preventing and extinguishing fires. Airbus filed a request for *inter partes* reexamination alleging some of the patent claims to be anticipated by three different references (Kotliar, AFWAL, and Knight). The PTO granted Airbus's request in part, accepting Kotliar as raising a substantial new question of patentability (SNQ), but finding that AFWAL and Knight did not raise an SNQ.

During reexamination, Firepass added independent claim 91 and dependent claims 92-94. In response, Airbus proposed new rejections under 35 U.S.C. §103 over Kotliar in view of AFWAL or AFWAL and Knight. The Examiner did not consider the proposed new rejections because they did not present an SNQ. Nonetheless, the Examiner rejected claims 91-94 under 35 U.S.C. §112, 1<sup>st</sup> ¶ for lack of written description.

Firepass appealed the rejection under §112, 1<sup>st</sup> ¶, and Airbus cross-appealed the Examiner's refusal to apply the newly proposed §103 rejections. The PTAB reversed the Examiner's rejection under §112, 1<sup>st</sup> ¶, and dismissed Airbus's cross-appeal because the Examiner's finding of a lack of SNQ is not a decision favorable to patentability. Thus, the PTAB dismissed Airbus's cross-appeal for lack of jurisdiction. Airbus appealed.

Issue/Holding:

Did the PTAB err in dismissing Airbus's cross-appeal for lack of jurisdiction? Yes, vacated and remanded.

Discussion:

The Federal Circuit acknowledged that "a party may not appeal from an examiner's decision that a proposed rejection fails to raise [an SNQ] on the ground that such a decision is one favorable to patentability." However, the Federal Circuit held that the SNQ standard only applies to a request for reexamination—it does not apply to subsequently proposed rejections of claims during the reexamination.

In particular, 35 U.S.C. §311 only requires that an SNQ be raised in order to institute *inter partes* reexamination. Once reexamination is initiated, 35 U.S.C. §314(a) states that "reexamination shall be conducted according to the procedures established for initial examination under provisions of sections 132 and 133." Further, under 37 C.F.R. §1.948(a)(2), a new reference may be asserted during reexamination if it is "necessary to rebut a response of the patent owner." None of these provisions requires an examiner to evaluate proposed rejections of new claims added during reexamination for an SNQ. As long as the new art is "necessary to rebut a response of the patent owner," the Examiner must consider a newly proposed rejection. Because the prior art asserted by Airbus in the newly proposed rejections was necessary to rebut the new claims added by Firepass, Airbus's newly proposed rejections should have been considered by the Examiner.

Accordingly, the Federal Circuit reversed the PTAB and remanded for consideration of the newly proposed rejections.