

IN RE: WARSAW ORTHOPEDIC, INC., Appeal No. 2015-1050, -1058
(Fed. Cir. August 9, 2016). Before Prost, Bryson, and Wallach. Appealed from Patent Trial and Appeal Board.

Background:

Warsaw owns a patent directed to a spinal surgery procedure that includes advancing surgical instruments and an artificial implant from a patient's side. NuVasive filed two petitions for *inter partes* review (IPR), arguing that the claims should be found invalid as obvious over a combination of prior art references. The Patent Trial and Appeal Board (PTAB) instituted the IPR and found that certain claims of Warsaw's patent would have been obvious over a combination of the prior art references and, therefore, are invalid.

Issues/Holdings:

Did the PTAB err in finding that there was sufficient motivation to combine prior art references? No, affirmed. Did the PTAB adequately explain how a prior art reference discloses the "elongated portions" limitation in claim 17 of Warsaw's patent? No, vacated and remanded.

Discussion:

The Federal Circuit first found that the PTAB's motivation-to-combine analysis included the requisite explanation in support of its conclusion of obviousness. The Federal Circuit agreed with the PTAB's combination of a primary reference that discloses performing a spinal fusion procedure by laterally advancing instruments into the disc space with a secondary reference that discloses the use of an interbody graft in a spinal fusion procedure, because such a combination would have resulted in no more than the predictable and expected result of performing a spinal fusion procedure that includes inserting an implant into a disc space.

Next, the Federal Circuit determined that the PTAB's conclusory assertion that one figure of the primary reference appears to disclose the "elongated portions" recited in claim 17 does not equate to the reasoned explanation needed to support its conclusion. The method of claim 17 requires that the elongated portions be positioned so that at least part of one elongated portion "is over one of the two adjacent vertebrae and at least part of another . . . elongated portion[] is over the other of the two adjacent vertebrae." Before the PTAB, Warsaw generally argued that the primary reference discloses anchor wires, which NuVasive asserts are elongated portions, that are not positioned over adjacent vertebrae. The PTAB found that Warsaw did not present sufficient evidence in support of its argument, but did not set forth its own rationale for asserting that the primary reference appears to disclose the elongated portions.

The Federal Circuit stated that the PTAB has the independent obligation to provide an administrative record showing the evidence on which the findings are based. The Federal Circuit further stated that the PTAB must articulate logical and rational reasons for its decisions. In view of the lack of a reasoned explanation for the PTAB's conclusion that the primary reference appears to disclose the elongated portions recited in claim 17, the Federal Circuit remanded the case to the PTAB for additional explanation.