

INTELLIGENT BIO-SYSTEMS, INC. v. ILLUMINA CAMBRIDGE LTD., Appeal No. 2015-1693 (Fed. Cir. May 9, 2016). Before O'Malley, Wallach and Hughes. Appealed from PTAB.

Background:

Intelligent filed a petition for inter partes review (IPR) of the claims in Illumina's patent directed to a method of labeling nucleotides in a DNA strand. Intelligent's petition relied on several prior art references and argued before the Board that Illumina's claims were invalid as obvious over the disclosures of these prior art references. The Board issued an initial Decision determining that Intelligent failed to demonstrate that Illumina's claims were obvious under these prior art references. Intelligent subsequently filed a reply brief addressing the Board's Decision.

In the Board's Final Decision, the Board found that Intelligent's reply brief was improper on two grounds. First, Intelligent's reply brief failed to address only arguments raised in the corresponding opposition or patent owner response, and instead advanced a new argument not present in Intelligent's petition. Intelligent's reply brief changed its unpatentability rationale from express reliance on a reference's disclosure of certain conditions to asserting that those conditions would have been obvious to modify, as well as submitting—for the first time—an expert declaration to support the new rationale and explaining the modifications to the reference.

Second, Intelligent's reply brief improperly incorporated arguments and evidence by reference from another document. The expert declaration expanded on the assertions in Intelligent's reply brief by presenting a number of additional arguments explaining why the modifications would have been expected, as well as citing a number of non-patent references that were not identified in Intelligent's petition. Because the Board would not attempt to sort proper portions from improper portions in the reply brief, the Board refused to consider the entirety of the reply brief, and thus the Board maintained its determination that Intelligent failed to demonstrate that Illumina's claims were obvious. Intelligent appealed.

Issue/Holding:

Did the Board err in refusing to consider Intelligent's reply brief raising new arguments in an IPR proceeding? No, affirmed.

Discussion:

The Federal Circuit expressed that it is of the utmost importance that petitioners in IPR proceedings adhere to the requirements that the initial petition identify "with particularity" the "evidence that supports the grounds for the challenge to each claim," and that a reply brief "may only respond to arguments raised in the corresponding opposition or patent owner response," pursuant to 37 CFR §42.23(b).

The Federal Circuit found that Intelligent's reply brief and accompanying expert declaration exceeded the scope of a proper reply brief as set forth under 37 CFR §42.23(b). Therefore, the Federal Circuit held that the Board did not err in refusing to consider Intelligent's reply brief.