

FITBIT, INC. v. VALENCELL, INC., Appeal No. 2019-1048 (Fed. Cir. July 8, 2020). Before Newman, Dyk, and Reyna. Appealed from the Patent Trial and Appeal Board.

Background:

Fitbit and Apple filed separate petitions for *inter partes* review (IPR) of Valencell's patent to a method of physical activity monitoring. Apple petitioned for review of claims 1-13, but the Board only initiated the IPR for claims 1, 2, and 6-13. Fitbit only sought review of claims 1, 2, and 6-13, which was granted. The Board then granted Fitbit's motion to merge the separate IPR proceedings.

The Supreme Court decided *SAS Institute, Inc. v. Iancu* after the trial, but before a decision was rendered in the merged IPR. *SAS Institute* established a requirement that the Board decide all of the challenged claims in a patent if an IPR is instituted. Thus, the Board re-instituted the merged IPR to add claims 3-5 of Valencell's patent.

The Board found that claims 3-5 were not unpatentable. In so doing, the Board declined to fix an antecedent basis problem in the claims that was an undisputed clerical error. Apple withdrew from the case after the Board's decision, and Fitbit appealed the finding that claims 3-5 were not unpatentable. Valencell contested Fitbit's standing to appeal the decision on claims that it did not challenge.

Issue/Holding:

Does a party having standing to appeal an IPR decision on claims that it did not challenge? Yes, reversed and remanded.

Discussion:

The Federal Circuit acknowledged that Fitbit did not request review of claims 3-5, and did not submit any briefs related to claims 3-5 during the IPR proceeding. Fitbit had instead relied on Apple to handle the IPR briefing. Nevertheless, the Federal Circuit stated that as a joined party, Fitbit retained the right to appeal all issues decided during the IPR proceeding.

The Federal Circuit also discussed the antecedent basis problem in claims 3-5, which arose due to an improper claim dependency introduced by patent counsel during prosecution. The Board had used this error to justify not performing a complete obviousness analysis of the claims. Specifically, the Board decided that the claim's scope was indeterminate and debatable. Being allegedly unable to determine the claim scope, the Board asserted that it could not rule on obviousness. The Federal Circuit rejected this approach, stating that the purpose of the America Invents Act was to give the Board the authority to correct patents, where possible. Because both parties agreed to the nature of the error and the manner in which it should be corrected, the Board should have corrected the error.