

ALACRITECH, INC. v. INTEL CORPORATION, Appeal Nos. 2019-1467, 1468 (Fed. Cir. July 31, 2020). Before Moore, Chen and Stoll. Appealed from PTAB.

Background:

Alacritech owns a patent directed to a network-based system that offloads certain processing tasks from a host computer's CPU to an "intelligent network interface card." The claims at issue recite offloading to the network interface the task of reassembling data from packets received by the host computer. This offloading of tasks frees the CPU for performing other processing, with the goal of accelerating network communications.

Intel Corporation petitioned for *inter partes* review of certain claims of the patent, asserting that the claims were obvious over a combination of two references. The Board agreed and held all challenged claims unpatentable. Alacritech appealed with respect to claims 1, 32 and 41-43.

Issues/Holdings:

Did the Board err in finding claims 41-43 obvious? Yes, vacated and remanded. Did the Board err in finding claims 1 and 32 obvious? No, affirmed.

Discussion:

On appeal, Alacritech argued that the Board's analysis was inadequate to support the obviousness determination with respect to the reassembly limitations of claims 41-43. The crux of the argument was not whether the prior art taught the reassembly of data from packets, but *where* the prior art taught the reassembly should take place. Claims 41-43 required the data reassembly to take place on the network interface.

The Federal Circuit found the Board's decision lacked any analysis with respect to the location of reassembly in the prior art. Intel Corporation had argued before the Board that the secondary reference taught reassembly on the network interface, while Alacritech had argued the secondary reference failed to provide that teaching. Nevertheless, the Board did not address this issue in its final written decision. The decision contains only two short paragraphs concluding that "data portions of packets are reassembled" in the prior art.

The Federal Circuit emphasized that the Board is obligated to articulate a satisfactory explanation and evidentiary basis for its findings. Because no such explanation or basis was provided in this decision, the Federal Circuit vacated the Board's obviousness decision with respect to claims 41-43 and remanded for further consideration.

Alacritech separately argued against the Board's obviousness determination with respect to claims 1 and 32. Here, however, the Federal Circuit affirmed the Board's determination because Alacritech's arguments were based on a narrower claim construction than warranted by the actual claim language.