BECTON, DICKINSON AND COMPANY v. BAXTER CORPORATION ENGLEWOOD, Appeal No. 2020-1937 (Fed. Cir. May 28, 2021). Before Prost, Clevenger, and Dyk. Appealed from the Patent Trial and Appeal Board.

Background:

Baxter owned a patent directed to managing medication dose orders and preparing medication doses, including remote dose inspection for facilitating the practice of telepharmacy. Becton petitioned for *inter partes* review of claims, and argued that the claims were invalid as being obvious in view of a combination of three references.

Baxter argued that the primary reference was not prior art under pre-AIA 35 U.S.C. § 102(e)(2) because all of the claims in the reference were cancelled after an *inter partes* review. Because the grant of the reference had been revoked, Baxter argued that it could no longer qualify as a patent granted as required for prior art status. The Board disagreed and determined that the reference was prior art.

However, the Board found that the primary reference did not render obvious a verification limitation, which the Board construed to mean that the system will not allow the operator to proceed to the next step of drug preparation until the prior step has been verified. The Board was persuaded that the reference only discusses that a remote pharmacist may verify each step and not that the remote pharmacist must verify each and every step before the operator is allowed to proceed.

The Board concluded that the claims were not shown to be unpatentable. Becton appealed.

Issues/Holdings:

(1) Did the Board err in finding that the primary reference was prior art under pre-AIA 35 U.S.C. § 102(e)(2)? - No, affirmed.

(2) Did the Board err in finding that the claims were not rendered obvious? - Yes, reversed.

Discussion:

The Federal Circuit affirmed that the primary reference was prior art. Pre-AIA 35 U.S.C. § 102(e)(2) provides that "a person shall be entitled to a patent unless . . . the invention was described in . . . a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent." The text of the statute requires only that the patent be "granted," meaning the "grant" has occurred. The statute does not require that the patent be currently valid to qualify as prior art under this section.

Regarding the obviousness issue, the Federal Circuit disagreed and found that the primary reference discloses systematic step-by-step review and authorization by the pharmacist. That is, the non-pharmacist was not authorized to proceed without verification by the pharmacist. Thus, the teaching of the primary reference was in line with the Board's construction of the verification limitation.