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PTAB MTA Pilot Program to the Rescue

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On review of a final written decision from the Patent Trial & Appeal Board in an *inter partes* review (IPR), the US Court of Appeals for the Federal Circuit found that all challenged claims were obvious but left open the possibility of the patent owner amending the claims under the Motion to Amend (MTA) Pilot Program. *ZyXEL Communications Corp. v. UNM Rainforest Innovations*, Case Nos. 22-2220; -2250 (Fed. Cir. July 22, 2024) (**Dyk**, Prost, Stark, JJ.)

ZyXEL Communications petitioned for IPR challenging claims 1 – 4, 6, 7 and 8 of a patent owned by UNM Rainforest Innovation (UNMRI). The patent relates to methods for constructing frame structures in communication systems using orthogonal frequency-division multiple access (OFDMA) technologies. The patent describes a method for constructing a frame structure with two sections, each of which is configured for a different communication system, where the second communication system is used to support high mobility users (*i.e.*, faster moving users).

Before the Board, ZyXEL argued that claims 1 – 4, 6 and 7 were unpatentable in light of two prior art references (Talukdar and Li), and that claim 8 was unpatentable in light of Talukdar and another prior art reference (Nystrom). During the Board proceedings, UNMRI filed a contingent motion to amend if any of the challenged claims were found to be unpatentable. As part of its motion, UNMRI requested preliminary guidance from the Board pursuant to the Board's MTA Pilot Program. In its opposition to UNMRI's motion to amend, ZyXEL argued that UNMRI's amended claims lacked written description support, and in its preliminary guidance, the Board agreed. UNMRI attempted to file a revised motion to amend, but the Board rejected the revised motion and instead permitted UNMRI to file a reply in support of its original motion. It also allowed ZyXEL to file a sur-reply. The Board determined that claims 1 – 4, 6 and 7 were unpatentable, but that claim 8 was not. The Board also granted UNMRI's motion to amend and determined that the new claims were nonobvious over the prior art of record. Both sides appealed.

With respect to the Board's decision on the obviousness of claims 1 – 4, 6 and 7, the Federal Circuit found that substantial evidence supported the ruling. UNMRI's primary argument was that a person of skill in the art (POSA) would not have been motivated to combine Talukdar and Li, but the Court credited the Board's reliance on ZyXEL's expert, who demonstrated sufficient motivation to combine the two references.

The Federal Circuit reversed the Board's finding that claim 8 had not been shown to be obvious, however. The Court noted that while the Nystrom reference may not *explicitly* state the benefit of the

missing limitations, “a prior art reference does not need to explicitly articulate or express *why* its teachings are beneficial so long as its teachings are beneficial and a POSA would recognize that their application was beneficial.”

Regarding UNMRI’s motion to amend, ZyXEL argued that the Board erred in granting the motion because UNMRI did not satisfy the requirement that the motion itself contain written description support for all of the claim limitations of the substitute claims. The parties agreed that UNMRI’s reply contained the missing written description, but ZyXEL argued that this could not cure the procedural defect. The Federal Circuit acknowledged the procedural error but determined that “the core purpose of the MTA Pilot Program is to allow for the correction of errors in the original motion [and is thus] designed to allow reply briefs to address and correct errors.” The Court noted that ZyXEL had opportunity to respond in its sur-reply brief. The Court upheld the Board’s decision to grant UNMRI’s motion to amend and remanded the IPR back to the Board to determine, in light of the Court’s rulings on claim 8 and the fair teachings of Nystrom, whether the substitute claims were nonetheless obvious.

The Federal Circuit also reminded the Board that it may *sua sponte* identify a patentability issue for the proposed substitute claims based on any prior art of record in the proceedings.

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