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Daicel Corporation v. Celanese International Corporation: Denying Institution IPR2014-01515

Article By:

Intellectual Property Litigation Drinker Biddle

Takeaway: An experiment to demonstrate an inherent property of a claimed method should closely reproduce the claimed method or it may be insufficient to demonstrate inherency.

In its Decision, the Board denied institution of *inter partes* review claim 1 of the '866 patent because Petitioner has not demonstrated a reasonable likelihood of prevailing with respect to claim 1. The '866 patent relates to an improved process for removal of permanganate reducing compounds ("PRCs") and alkyl iodides formed by the carbonylation of methanol in the presence of a Group VIII metal carbonylation catalyst.

Petitioner advanced four grounds for the unpatentability of claim 1 of the '866 patent: (1) anticipation by Miura, (2) obviousness in view of Singh, (3) obviousness in view of Miura and Akinori, and/or (4) obviousness in view of Miura and Singh.

The Board did not construe any of the claim language in its Decision.

Petitioner argued that Miura discloses every limitation of claim 1 except the presence of DME in the second overhead. DME, according to Petitioner, is inherently produced in the process and, therefore, must be present in the overhead. As additional evidence, Mr. Miura performed a process according to Example 1 of Miura and demonstrated the presence of DME in the first and second overheads. Patent Owner argued that Mr. Miura's experiment was insufficient to demonstrate the inherency of DME in the process because of several differences in Mr. Miura's experiment and Example 1. Mr. Miura conceded that his experiments did not exactly match those in Miura because it "was not feasible" to do so.

The Board concluded that inherency had not been established because Petitioner's extrinsic evidence thereof failed to make clear that the missing descriptive matter is *necessarily* present in the subject matter described by the reference. The Board gave Mr. Miura's declaration little weight because he failed to explain sufficiently why one of ordinary skill in the art would have considered the differences noted by Patent Owner to be insignificant. The Board is entitled to give little or no weight to expert testimony that does not disclose the underlying facts or data on which the opinion is based under 37 C.F.R. § 42.65(a). The Board also found that Mr. Miura did not produce support for his assertion that as long as the two processes use the same constituents, even at slightly different

concentrations, the same products necessarily will be obtained in the second overhead. Likewise, Mr. Miura did not sufficiently explain his conclusion that differences between his experiment and the reaction conditions disclosed in Miura would not influence DME's presence in the second overhead.

Petitioner asserted that claim 1 of the '866 patent is obvious in view of Singh. Patent Owner argued that Singh fails to disclose or suggest the presence of DME in the second overhead. Petitioner again relied on Mr. Miura's experimental evidence to show DME is present in the second overhead. The Board was not persuaded by this evidence for the reasons stated above. Petitioner asserted that during prosecution of the '095 patent Applicants admitted that DME was formed when water was added. The Board noted that Petitioner omitted two sentences by Patent Owner following the alleged admission that stated formation of DME is not favored, would be unexpected, and is not an inherent feature of the process. Thus, the Board concluded that Petitioner had not established that DME is necessarily present in the overhead of Singh.

Petitioner argued that claim 1 is obvious in view of Miura and Akinori. Patent Owner argued that Akinori fails to disclose the presence of DME in the second overhead of Miura and Petitioner provides no rationale explaining why one of ordinary skill in the art would have combined Miura with Akinora. The Board agreed with Patent Owner.

Lastly, Petitioner argued that claim 1 is obvious in view of Miura and Singh. The Board was not persuaded because the combination relies on Singh to disclose DME inherently in the second overhead.

Daicel Corporation v. Celanese International Corporation, IPR2014-00379

Paper 11: Decision Denying Institution of Inter Partes Review

Dated: March 30, 2015 Patent 7,223,886

Before: Linda M. Gaudette, Christopher L. Crumbley, and Jon B. Tornquist

Written by: Tornquist

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