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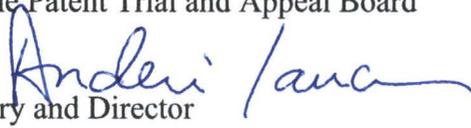
## UNITED STATES PATENT AND TRADEMARK OFFICE

UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND  
DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

### MEMORANDUM

DATE: August 18, 2020

TO: Members of the Patent Trial and Appeal Board

FROM: Andrei Iancu   
Under Secretary and Director

SUBJECT: TREATMENT OF STATEMENTS OF THE APPLICANT IN THE  
CHALLENGED PATENT IN INTER PARTES REVIEWS UNDER § 311

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#### Introduction

Under 35 U.S.C. § 311(b), IPRs may be instituted only “on the *basis* of prior art consisting of patents or printed publications.” (Emphasis added.) As discussed below, different Board panels have offered different interpretations of whether and how this provision limits an IPR’s petitioner’s reliance on statements in the specification of the challenged patent. Such statements are sometimes referred to as “applicantadmittedpriorart” or “AAPA.” This Memorandum sets forth the USPTO’s interpretation of § 311(b) in relation to statements of the applicant, and the guidance in this Memorandum shall be followed by all members of the Patent Trial and Appeal Board (“Board”) facing this issue.<sup>1</sup>

As explained below, under § 311, while a variety of evidence is admissible for limited purposes, the focus—“the basis”—of every IPR must be “prior art consisting of patents or printed publications.” Consistent with USPTO’s longstanding practice in applying the

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<sup>1</sup> This Memorandum does not apply to requests for ex parte reexamination made pursuant to 35 U.S.C. § 301, et seq.

materially-identical reexamination statute, statements of the applicant in the challenged patent do not qualify as “prior art consisting of patents or printed publications,” but fall into the category of evidence the Board may consider for more limited purposes.

This Memorandum is being issued under the Director’s authority to issue binding agency guidance to govern the Board’s implementation of various statutory provisions, including directions regarding how those statutory provisions shall be applied to sample fact patterns. *See, e.g.*, 35 U.S.C. 3(a)(2)(A); SOP2 at 1-2.

### Background

35 U.S.C. § 311(b) provides:

(b) Scope.—

A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

Section 311(b) thus limits the prior art that may be used as “the basis” of an IPR proceeding to “patents or printed publications.” In the reexamination context, the Office has, in applying a nearly-identical statutory provision, not permitted use of applicant admissions in the specification of the challenged patent to be the basis of a reexamination, while still permitting their use in combination with other prior art patents and printed publications. 35 U.S.C. § 302; Manual for Patent Examining Procedure § 2258(I)(F)(1).

Consistent with the AIA, the majority of Board panels have concluded that admissions by the applicant in the specification of the challenged patent regarding what is in the prior art are not prior-art patents that alone may be the basis for an IPR. *See, e.g., Sony Corp. v. Collabo Innovations, Inc.*, IPR2016-00940, Paper 7 at 30 (PTAB Oct. 24, 2016) (declining to institute on grounds based on AIPA alone); *Kingbright Electronics Co. Ltd., et al. v. Cree, Inc.*, IPR2015-00741, Paper 8, at 5-6 (PTAB Aug. 20, 2015) (same); *LG Electronics, Inc. v. Core Wireless*

*Licensing S.A.R.L.*, IPR2015-01987, Paper 7, at 18 (PTAB March 24, 2016) (same); *but see Intel Corp. v. Godo Kaisha IP Bridge 1*, IPR2018-00951, Paper 7 at 22-24 (PTAB Dec. 4, 2018) (concluding that AAPA may be used alone as the basis of an IPR). Other Board panels have permitted use of such admissions only in conjunction with other prior art patents and printed publications. *See, e.g., Cardiovascular Sys., Inc. v. Shockwave Med., Inc.*, IPR2019-00405, Paper 75, at 2-3, 35-36 (PTAB Jul. 8, 2020) (rejecting argument that AAPA could not be used in conjunction with various prior art patents and printed publications under § 103 in an IPR); *Apple Inc. v. Qualcomm Inc.*, IPR2018-01315, Paper 26, at 22 (PTAB Jan. 3, 2020) (holding permissible § 103 theory based on prior art patent and AAPA); *One World Techs., Inc. v. Chamberlain Group, Inc.*, IPR2017-00126, Paper 56, at 41 (Oct. 24, 2018) (use of AAPA in conjunction with various prior art references permissible under § 103).

Due to the confusion in this area, the Director, in consultation with the Commissioner for Patents, the Chief Judge of the PTAB, and the Acting General Counsel, issues this binding guidance for the Board.

### Analysis

The rationale of some Board decisions for permitting use of admissions in IPRs – that an admission in the specification of the challenged patent satisfies § 311(b) because it is “prior art” and found in a “patent” – is not consistent with the statute. *See, e.g., Shockwave*, Paper 75, at 35-36; *Qualcomm*, Paper 26, at 18-19; *Chamberlain*, Paper 56, at 36-37. The better reading of the statutory language – “prior art consisting of patents or printed publications” in § 311(b) – is that any patent that is used as the “basis of” a request for inter partes review must be a *prior art* patent, not the challenged patent.<sup>2</sup> A patent cannot be prior art to itself, and thus the patent

challenged in the IPR cannot be said to be among the “patents” of which the “prior art” “consist[s].” In other words, the challenged patent itself, or any statements therein, cannot be the “basis” of an IPR.

For this reason, admissions by the applicant in the specification of the challenged patent standing alone cannot be used as the basis for instituting an IPR, under either § 102 or § 103. *See, e.g., Sony Corp.*, Paper 7, at 30 (denying institution review of claim 1 as anticipated by AAPA); *LG Electronics, Inc.*, Paper 7, at 18 (denying institution on ground alleging obviousness of claims 16-28 based solely on AAPA). This is because, under § 311(b), “the basis” for institution must be at least one prior art “patent[] or printed publication[.]”

Statements in a challenged patent’s specification may be used, however, when they evidence the general knowledge possessed by someone of ordinary skill in the art. That evidence, if used in conjunction with one or more prior art patents or printed publications forming “the basis” of the proceeding under § 311, can support an obviousness argument.

The use of evidence of the skilled artisan’s general knowledge is foundational to a proper obviousness analysis. *See KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 401 (2007); *Randall Mfg. v. Rea*, 733 F.3d 1355, 1362-63 (Fed. Cir. 2013); *Dystar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1367 (Fed. Cir. 2006). Recently, in *Koninklijke Philips v. Google*, the Federal Circuit rejected an argument that because “general knowledge” is not a

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2 Before IPRs or even reexamination proceedings existed, in the context of ex parte examination, the Court of Customs and Patent Appeals (“CCPA”) held that: a statement by an applicant, whether in the application or in other papers submitted during prosecution, that certain matter is ‘prior art’ to him, is an admission that that matter is prior art for all purposes, whether or not a basis in [Section] 102 can be found for its use as prior art. *In re Nomiya*, 509 F.2d 566, 571 n.5 (CCPA 1975); *id.* at 570-71 (holding that AAPA can be used as “evidence of obviousness under § 103”). While *Nomiya* characterized AAPA as “prior art for all purposes,” it did not address the later-enacted language of § 311(b).

“patent[] or printed publication[],” it cannot be used in an IPR to supply missing claim elements. *See* 948 F.3d 1330, 1337-39 (Fed. Cir. 2020). The Federal Circuit explained that a properly conducted § 103 inquiry “necessarily depends” upon the knowledge possessed by the ordinarily-skilled artisan and that such knowledge must be considered in an IPR, notwithstanding the provisions of § 311(b):

Although the prior art that can be considered in inter partes reviews is limited to patents and printed publications [under § 311], it does not follow that we ignore the skilled artisan’s knowledge when determining whether it would have been obvious to modify the prior art. Indeed, under 35 U.S.C. § 103, the obviousness inquiry turns not only on the prior art, but whether “the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious . . . to a person having ordinary skill in the art to which the claimed invention pertains.” 35 U.S.C. § 103. Regardless of the tribunal, the inquiry into whether any “differences” between the invention and the prior art would have rendered the invention obvious to a skilled artisan necessarily depends on such artisan’s knowledge.

948 F.3d 1330, 1337 (Fed. Cir. 2020) (citations omitted). The Federal Circuit stressed that assertions of general knowledge of the skilled artisan must be supported by evidence (in that case, an expert declaration). *Id.* at 1338.<sup>3</sup>

Because *Koninklijke Philips* holds that evidence of general knowledge other than that found in a prior art patent or printed publication can be used in an IPR, it follows that statements in a challenged patent’s specification can be used in an IPR to the extent they provide evidence of the general knowledge of those with ordinary skill in the art. For example, specifications sometimes include statements such as “It is well known that...”, “It is well understood that...”, “One of skill in the art would readily understand that...”; or may describe technology as

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<sup>3</sup> While several panels of the Federal Circuit have assumed that AAPA can be used in IPRs, the issue was not presented or decided by the Court. *See Koninklijke Philips*, 948 F.3d at 1338-39; *B/E Aerospace v. C&D Zodiac*, 962 F.3d 1373, 1379 (Fed. Cir. 2020); *Papst Licensing GMBH v. Samsung Electronics*, 924 F.3d 1243, 1253 (Fed. Cir. 2019). “When an issue is not argued or is ignored in a decision, such decision is not precedent to be followed in a subsequent case in which the issue arises.” *Nat’l Cable Television Ass’n v. Am. Cinema Editors*, 937 F.2d 1572, 1581 (Fed. Cir. 1991).

“conventional,” or “well-known.” Thus, panels shall examine whether the petitioner uses the statements in the specification as evidence of the general knowledge of a person of ordinary skill in the art and in conjunction with at least one prior art patent or printed publication.

Use of such statements in the specification is consistent with § 311(b) because such statements can supply legally relevant information, while not constituting the “basis” of the obviousness ground raised under § 103. The generally-understood meaning of “basis” supports reading § 311(b) to require that at least one prior-art patent or printed publication form the “foundation or starting point” of the IPR, but not to foreclose consideration of other pertinent patentability information.<sup>4</sup> Reading § 311(b) to permit this use of the patent’s specification in the § 103 context thus strikes the correct balance between the statute’s express reference to the unpatentability of claims under § 103—which legally requires consideration of the ordinarily skilled artisan’s knowledge—while maintaining fidelity to its limiting provisions. *See, e.g., Koninklijke Philips*, 948 F.3d at 1337; *see also KSR*, 550 U.S. at 401.

Permissible uses of general knowledge of one having ordinary skill under § 103 include (1) supplying missing claim limitations that were generally known in the art prior to the invention (for pre-AIA patents) or the effective filing date of the claimed invention (for post-AIA patents); (2) supporting a motivation to combine particular disclosures; or (3) demonstrating the knowledge of the ordinarily-skilled artisan at the time of the invention (for pre-AIA patents) or the effective filing date of the claimed invention (for post-AIA patents) for any other purpose related to patentability. *See Koninklijke Philips*, 948 F.3d at 1337-1338. Of course, parties may

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<sup>4</sup> *See, e.g., Black’s Law Dictionary* (11th ed. 2019), basis (“A fundamental principle; an underlying fact or condition; a foundation or starting point.”); *Merriam Webster*: “(1): the bottom of something considered as its foundation; (2): the principal component of something; (3): something on which something else is established or based”; *Cambridge Dictionary*: “the most important facts, ideas, etc. from which something is developed.”

dispute the significance or meaning of statements in the specification or other evidence, including disputing whether specification statements constitute evidence of general knowledge. For example, petitioners may rely on certain language in the specification identified *supra* (e.g., “It is well known that...”) as evidence of general knowledge, and patent owner can choose to dispute whether the petitioner has accurately characterized the evidence it cites (e.g., offer evidence or argument that a statement in the specification does not reflect general knowledge). Either side may present expert testimony in support of its position. The Board shall adjudicate such disputes and determine whether the specification (or other evidence that is not “prior art consisting of patents or printed publications”) properly constitutes evidence of general knowledge. Such situations are likely to be highly fact-specific and the Board can address them as they arise.

Other AIA provisions support using evidence outside a prior art patent or printed publication when assessing §§ 102 or 103 issues in an IPR. For example, 35 U.S.C. § 312(a)(3)(B) states that an IPR petition can include “affidavits or declarations of supporting evidence and opinions.” Section 314(a) indicates that the decision whether to institute the requested IPR should consider such supporting evidence. *See* 35 U.S.C. § 314(a) (the Director may institute if “the information presented in the petition” meets the applicable standard) (emphasis added). Similarly, § 316(a)(3) permits the USPTO to promulgate regulations to permit the submission of “supplemental information” by the petitioner. *See* 37 C.F.R. § 42.123 (providing for the filing of supplemental information). Consistent with § 311, these provisions provide for an important, but limited, role for evidence other than prior art patents and printed publications in IPRs.

This Memorandum's reading of § 311(b) is also consistent with ex parte reexamination practice, which likewise contains a statutory provision that limits the "basis" for a request to "prior art consisting of patents and printed publications." 35 USC §§ 302, 301(a)(1). In reexaminations, admissions "may not be the basis for establishing a substantial new question of patentability. However, an admission by the patent owner of record in the file or in a court record may be utilized in combination with a patent or printed publication." Manual for Patent Examination Procedure § 2258 (I)(F)(1). The Federal Circuit has upheld the use of specification statements in reexamination in combination with prior art patents or publications, albeit without specifically addressing the limitation that the request be "on the basis of prior art consisting of patents and printed publications." *See, e.g., In re NTP, Inc.*, 654 F.3d 1279, 1304 (Fed. Cir. 2011) (holding that AAPA provided substantial evidence that a particular claim limitation would have been known to artisans at the time of the invention in ex parte reexamination). The same rationale for using specification statements as evidence of "general knowledge" in IPRs applies equally to its use in reexaminations.

While 37 C.F.R. § 42.104(b)(4) states that a petition "must specify where each element of the claim is found in the prior art patents or printed publications relied upon," this does not foreclose the limited use described herein. Section 42.104(b) specifies what petitions must contain and requires specific information from the parties to ensure orderly proceedings, but does not narrow the scope of IPR petitions further than § 311 itself does. For example, § 42.104(b)(3) requires that petitioners include their construction of claim terms. Nevertheless, the Board regularly allows parties simply to assert that terms should simply be given their ordinary meaning because § 42.104 does not require denial of petitions not meeting its requirements. Thus, the Board need not deny a petition that properly points to general knowledge to satisfy a

claim limitation. *See American Farm Lines v. Black Ball Freight Serv.*, 397 U.S. 532, 539 (1970) (“it is always within the discretion of a court or an administrative agency to relax or modify its procedural rules adopted for the orderly transaction of business before it”); *see also* 37 C.F.R. § 42.5(b) (stating that “[t]he Board may waive or suspend a requirement of parts 1, 41, and 42”).<sup>5</sup>

### Conclusion

In summary, the basis of an IPR must be one or more prior art patents or printed publications. Statements in the specification of the patent being challenged are not prior art patents or printed publications, and thus cannot form the basis of an IPR. Nevertheless, the Board can also rely on the general knowledge of a person with ordinary skill in the art in assessing the patentability of the patent claims at issue. Statements made in the specification of the patent that is being challenged in an IPR can be used as evidence of such general knowledge, and thus, provided the basis of the IPR is one or more prior art patents or printed publications, can be used to (1) supply missing claim limitations that were generally known in the art prior to the invention (for pre-AIA patents) or the effective filing date of the claimed invention (for post-AIA patents); (2) support a motivation to combine particular disclosures; or (3) demonstrate the knowledge of the ordinarily-skilled artisan at the time of the invention (for pre-AIA patents) or the effective filing date of the claimed invention (for post-AIA patents) for any other purpose related to patentability.

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<sup>5</sup> While § 42.104 does not narrow the scope of permissible petitions under § 311, neither does it broaden it. The focus of every petition must be a prior art patent or printed publication.