

The Real Issue In Fed. Circ. Dynamic Drinkware Decision

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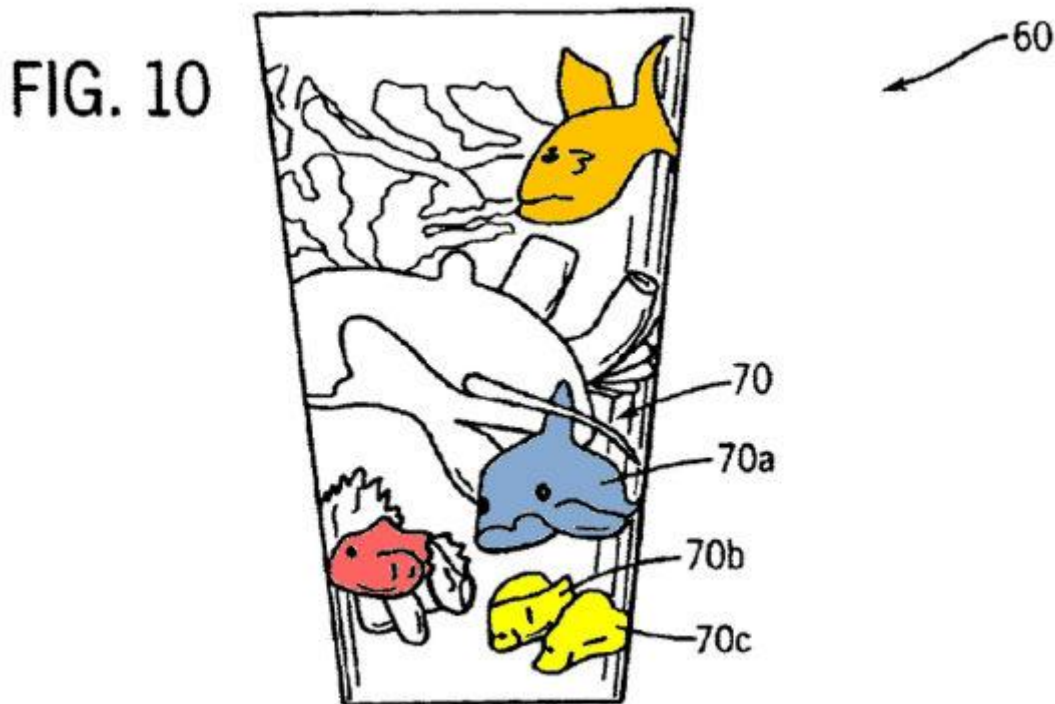
Failing to compare the claims of a prior art patent to its provisional application can be the difference between winning and losing a case. In *Dynamic Drinkware LLC v. National Graphics Inc.*,^[1] the petitioner in an inter partes review proceeding was caught in that pitfall, resulting in a Federal Circuit affirmance of a decision in favor of the patent owner. Yet within *Dynamic Drinkware* lurks a bigger issue — an interpretation of the law that could punish the first to invent for filing a provisional application by granting the second to invent a valid patent.

Dynamic Drinkware

The Federal Circuit's decision in *Dynamic Drinkware* reaffirmed that a petitioner in an IPR bears the burden of proving that the prior art renders the challenged patent obvious, and that the petitioner's burden extends to proving the effective priority date of a prior art patent under 35 U.S.C. § 102(e). Yet when applying that rule to the facts of that case, the Federal Circuit held that a prior art patent only receives the benefit of an earlier provisional patent application if the claims of that prior art patent are supported by the provisional patent, citing a 1981 case from the Court of Customs and Patent Appeals (CCPA).^[2]

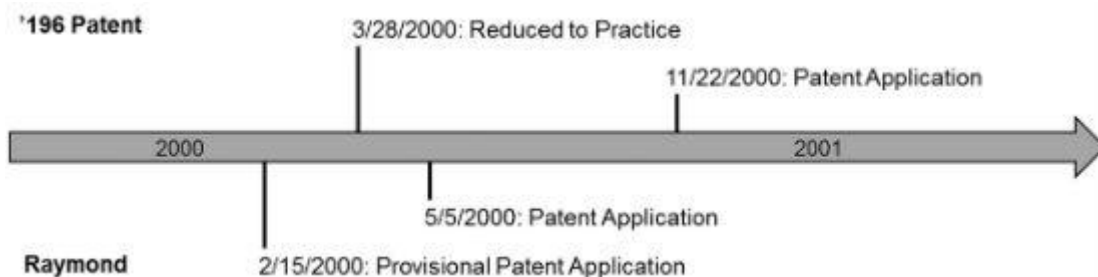
As a result, even if the claims of the prior art patent are not used to invalidate the challenged patent, and even if the entire contents of the provisional application are found in the subsequent prior art patent, a petitioner may not be able to reach back to the provisional filing date. In other words, if the claims of the prior art patent do not have support in the provisional application, a challenged patent may survive unscathed — even if the provisional application discloses the exact invention claimed in the challenged patent.

Turning to the specifics of Dynamic Drinkware, this case began as an IPR of U.S. Patent No. 6,635,196 ('196 patent), based on U.S. Patent No.7,153,555 (Raymond) as prior art under 35 U.S.C. § 102(e). The challenged '196 patent claims methods of making plastic molded cups (and other molded articles) featuring a "lenticular" image.[3] Figure 10 from the '196 patent is shown below (color added by the authors), with cup 60, lenticular image 70 and fish 70a, 70b, 70c.



In the '196 patent figure, a "lenticular" image appears to change as it is viewed from different angles.[4]

As the IPR proceeding continued, the status of the Raymond patent as prior art also appeared to change as the patent owner established an earlier reduction to practice date than the filing date of the Raymond patent. The petitioner was forced to take a new angle on the case, seeking the benefit of the Feb.15, 2000, date on which the provisional patent application for the Raymond patent was filed. The pertinent dates are shown in the timeline below:



Unfortunately for the petitioner, the board held that the Raymond patent was not entitled to claim the benefit of its provisional application. Thus, the '196 patent survived because it was reduced to practice just over a month before the Raymond patent's filing date. The petitioner appealed the board's decision to the Federal Circuit on two grounds: first, that the board improperly required the petitioner to prove that the Raymond patent was supported by the Raymond provisional application, rather than requiring the patent owner to prove that the Raymond patent could not claim priority to its provisional application; second, that Dynamic had demonstrated that the Raymond Patent was fully supported by its provisional application.

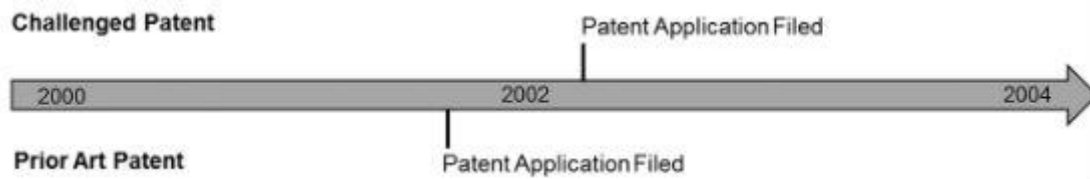
The Federal Circuit disagreed on both grounds and upheld the board's decision. In reaching these conclusions, the Federal Circuit first noted that, "[f]or a patent to claim priority from the filing date of its provisional application, it must satisfy 35 U.S.C. § 119(e)(1)," and that meeting those requirements requires that "the specification of the provisional must contain a written description of the invention and the manner and process of making and using it, in such full, clear, concise and exact terms, to enable an ordinarily skilled artisan to practice the invention claimed in the nonprovisional application." [5] Perhaps due to **view** the fact that section 119 is typically used to defend against prior art challenges (by establishing an earlier priority date) rather than actually mounting prior art challenges, the Federal Circuit reached back to a 34-year-old CCPA case, in the case of Wertheim, to support its premise that "[a] reference patent is only entitled to claim the benefit of the filing data of its provisional application if the disclosure of the provisional application provides support for the claims in the reference patent in compliance with § 112." [8]

In other words, in order for the disclosure of the Raymond patent to obtain the benefit of its provisional application, the petitioner had to "demonstrate support in the Raymond provisional application for the claims of the Raymond patent," rather than simply demonstrating continuity of disclosure between the provisional and nonprovisional. [6] Regrettably for the petitioner, the record only contained two claim charts comparing, first, the Raymond patent specification to the claims of the '196 patent and second, the Raymond provisional patent application to the claims of the '196 patent. [6] Because neither chart directly compared the claims of the Raymond patent to the Raymond provisional application, the Federal Circuit held Dynamic Drinkware did not meet its burden and upheld the board's decision. [6]

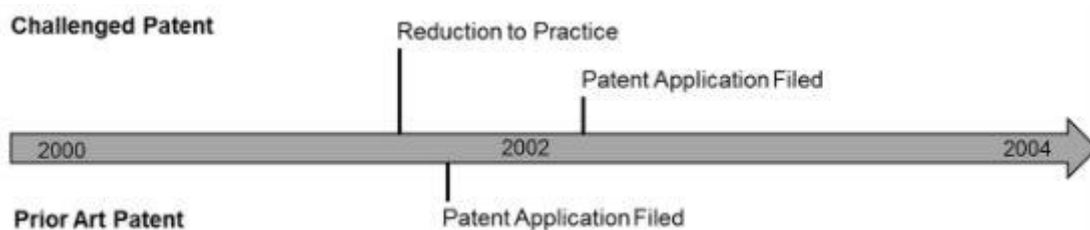
Lessons from Dynamic Drinkware

The most apparent lesson from Dynamic Drinkware is that if a reference patent may need the priority date of its provisional application as part of a 102(e) challenge, it is critical that the challenging party directly compare the claims of the reference patent to its provisional application to identify adequate support for the priority claim. But there are additional implications of Dynamic Drinkware to consider.

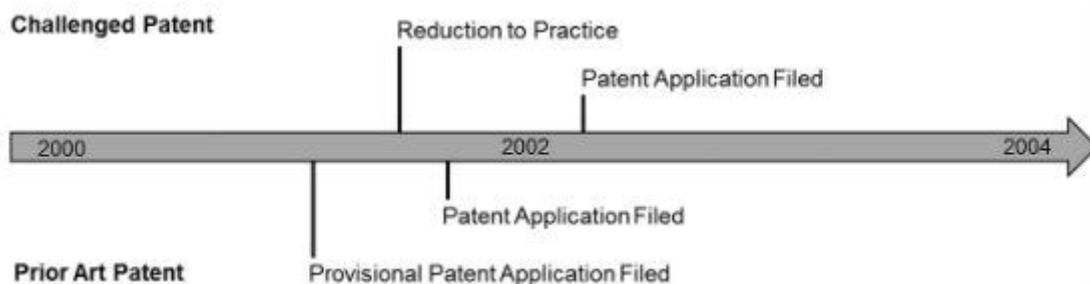
To illustrate one of the issues embedded deep in the Dynamic Drinkware decision, let's consider a hypothetical in which a petitioner seeks to invalidate a patent claiming a novel motorcycle engine (the challenged patent). After searching diligently, the petitioner discovers another patent that discloses that exact motorcycle engine and filed just four months before the filing date of the challenged patent, making it prior art under 35 U.S.C. 102(e):



In this situation, the outcome is predictable: The challenged patent is invalid. However, suppose the challenged patent owner was able to establish conception and reduction to practice a few months earlier than the filing date of the prior art patent. At this stage, it would appear the patent owner will prevail:



But, in our hypothetical, hope is not lost for the petitioner. On further review, the petitioner discovers that its prior art patent claims priority to a provisional application that also discloses that exact motorcycle engine. In fact, every word of the provisional application is literally found in the published prior art patent application. At first blush, it seems that the petitioner should prevail:



But Dynamic Drinkware indicates that this is not necessarily so. As noted above, Dynamic Drinkware requires the petitioner to demonstrate that the claims of the prior art patent are supported by its provisional application before it can rely on the earlier priority date. While in many cases this may be an easy burden, in some situations this may not be possible. For example, consider our hypothetical situation above, but with one slight addition. Suppose now that the prior art patent, in addition to disclosing the motorcycle engine described in its provisional, further includes embodiments describing the use of that motor in a car and that all of the claims of the prior art patent recite only those

automobile embodiments. The table below illustrates this scenario:

2000 Prior Art Provisional Application	2001 Prior Art Patent Application	2003 Issued Prior Art Patent Claims	2003 Challenged Patent Claims
(engines in motorcycles)	(engines in motorcycles and cars)	(engines in cars)	(engines in motorcycles)

Thus, in our hypothetical, the claims of the issued prior art patent do not find support in the provisional and, under *Dynamic Drinkware*, that prior art patent therefore cannot receive the filing date of the provisional application. As a result, the challenged patent prevails — even though both the provisional application and the nonprovisional application contain the exact same description of the motorcycle engine recited in the challenged patent.

In sum, *Dynamic Drinkware* explicitly lays out the burdens and requirements that a party challenging the validity of a patent, such as a petitioner in an IPR proceeding, will have to meet before a prior art patent can claim the priority date of its provisional application. At the same time, the holding of *Dynamic Drinkware* presents possible loopholes for patent owners to exploit. In addition to the clear application to litigation and post-grant proceedings, the implications of *Dynamic Drinkware* extend to pre-litigation activities. For example, if an entity seeks to have its own patent filings potentially serve as prior art against another's patents, *Dynamic Drinkware* suggests that having nonprovisional claims that find support in corresponding provisional filings will better meet that goal.

However, the limits of *Dynamic Drinkware* are unclear. For example, and returning to our hypothetical, query whether the petitioner would prevail if it amended the claims of the prior art patent (e.g., via reissue) to include claims reciting the motorcycle engine. In any event, with the rising popularity of IPR proceedings, *Dynamic Drinkware* may become a significant decision in the coming months.

Application To Cases Under The America Invents Act

In *Dynamic Drinkware*, the Federal Circuit repeatedly stated that its decision was based only on the pre-AIA version of 35 U.S.C. § 102.[11] The rationale for this clear demarcation may be found in Section 102(d) of the AIA, which largely incorporated the concepts of 102(e) but has slightly different language. In particular, that section states:

For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application ... if the patent or application for patent is entitled to claim a right of priority under Section 119, ... based upon one or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.

Note that the language of 102(d) first broadly refers to “any subject matter described in the patent or application” and then states that “the filing date of the earliest such application that describes the

subject matter,” suggesting that Dynamic Drinkware’s requirements may not apply. However, Section 102(d) still includes the requirement that the patent or application be “entitled to claim a right of priority under Section 119,” and the portions of that section cited in Dynamic Drinkware (i.e., referring to “the invention”) were not altered by the AIA. Consequently, there is tension between the broader “subject matter” language of Section 102(d) and the narrower “invention” language of Section 119. As challenges to patents under the AIA’s revisions to Section 102 become more prevalent, the Federal Circuit will likely need to revisit the principles and problems driving the decision in Dynamic Drinkware.

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[1] Dynamic Drinkware, LLC v. National Graphics Inc., 800 F. 3d 1375 (Fed. Cir. 2015).

[2] Dynamic, 800 F.3d at 1381 (citing In re Wertheim, 646 F.2d 527, 537 (CCPA 1981)).

[3] '196 Patent, Col. 10, line 33- Col. 12, line 53..

[4] '196 Patent, Col. 1, lines 50-54.

[5] Dynamic, 800 F.3d at 1378 (internal quotations omitted).

[6] Dynamic, 800 F.3d at 1381-1382 (emphasis in original).

[7] Dynamic, 800 F.3d at 1381.

[8] Dynamic, 800 F.3d at 1381 (citing In re Wertheim, 646 F.2d 527, 537 (CCPA 1981)).

[9] In re Wertheim, 646 F.2d at 536-537 (citing Alexander Milburn Co. v. Davis-Bournonville Co., 270 U.S. 390, 46 (1926)).

[10] In re Wertheim, 646 F.2d at 536.

[11] Dynamic, 800 F.3d at 1382, FNs 1 and 2.

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