

## Burden Never Shifts to Patent Owner After Institution of IPR Proceedings

AUGUST 27, 2020

*FanDuel, Inc., v. Interactive Games, LLC*, No. 2019-1393 (Fed. Cir. July 29, 2020)

In *inter partes* review (IPR) proceedings, the Patent Trial and Appeal Board (PTAB) found all but one of the challenged claims unpatentable. The petitioner appealed and the Federal Circuit affirmed the PTAB's rejection of petitioner's obviousness challenge to the one remaining claim.

First, the petitioner argued that the PTAB's final written decision improperly adopted a "new theory" in violation of the Administrative Procedure Act (APA). The petitioner reasoned that after the PTAB instituted the IPR based on an obvious combination of three prior art references, the patent owner only attacked one of the references' status as prior art. According to the petitioner, the PTAB was wrong to go beyond the patentee's argument in rejecting the petitioner's obviousness position. The Federal Circuit disagreed, because there was "nothing inherently inconsistent" in the PTAB finding obviousness in its institution decision, and then later finding non-obviousness in its final decision after having the benefit of a developed record. The "burden never shifts" from the IPR petitioner to the patent owner to prove validity after institution, and the IPR regulations do not require the patent owner to respond at all. Thus, it is the petitioner's contentions, and not the patent owner's response, that define the scope of the proceedings.

Second, the petitioner argued that the PTAB did not give appropriate deference to the un rebutted opinion of petitioner's expert. But the court disagreed, finding that the PTAB had considered and cited the expert's declaration and opinion in the final written decision. The court disagreed that the PTAB was obligated to defer to petitioner's expert because the patentee put forth no opposing expert. Expert submissions are not required.

Judge Dyk dissented from the majority's affirmance of the PTAB's non-obviousness determination. He would have found that the purported novelty of the patent was related to the choice between a finite number of simple design alternatives contemplated in the prior art, and was therefore obvious.

View the full opinion [here](#).

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