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Federal Circuit Confirms that AAPA May Not Form the Basis of a Ground in an IPR

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In a precedential opinion issued this week, the Federal Circuit held that Applicant Admitted Prior Art ("AAPA") does not constitute "prior art consisting of patents or printed publications" under 35 U.S.C. § 311(b) and thus cannot be the basis of a ground in an *inter partes* review. *Qualcomm Inc. v. Apple*, Case Nos. 2020-1558, -1559 (Fed. Cir. Feb. 1, 2022), Slip at 3. This decision affirms Guidance issued by the USPTO Director on August 18, 2020 regarding the use of AAPA.

In the underlying proceedings, one of Petitioner's grounds relied on the combination of a U.S. patent publication and AAPA acknowledging that most of the limitations of the challenged claims were known. Slip at 3. In particular, the challenged patent described a prior art method of remedying a known problem. Slip at 3-4. The patent owner conceded that the proposed combination teaches each element of the challenged claims. Slip at 7. Patent owner also acknowledged that "general knowledge and non-Section 311(b) art [e.g., AAPA] may have a role to play in IPR proceedings," but argued that it cannot form "the basis" of a ground. Slip at 9. The USPTO, as intervener, requested remand so that the Board could apply the Director's Guidance. Slip at 9.

The Federal Circuit noted that the language of § 311(b) is identical to that in the *ex parte* reexamination statute, 35 U.S.C. § 301(a). Further, the language in § 301(a) has been interpreted to exclude patents which themselves are not prior art. Slip at 11. Thus, the preclusion of AAPA in *ex parte* reexaminations applies equally to *inter partes* review. The Federal Circuit held that while AAPA may be considered in an *inter partes* review, it may not form the basis of a ground of review. Slip at 13. The Federal Circuit remanded the case to the Board to address the issue of whether the AAPA formed the basis of the ground. Slip at 16.

The best practice since the Guidance issued in 2020 was to avoid the use of AAPA as the basis of a ground in a petition for *inter partes* review. This decision confirms that strategy and thus should not significantly impact the preparation of new petitions. However, this decision provides another basis for patent owners to challenge petitions relying on AAPA, including petitions filed before the Guidance, many of which are still subject to rehearing, director review, or appeal.