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The Federal Circuit Further Defines the Contours of the APA's Procedural Safeguards at the PTAB

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In a recent decision, the Federal Circuit held that the PTAB violated the Administrative Procedures Act ("APA") by adopting in its final written decision a claim construction that neither party had proposed. In *Qualcomm Inc. v. Intel Corp*, No. 20-1589 (Fed. Cir. Jul. 27. 2021), Intel filed six petitions for *inter partes* review challenging the validity of a single Qualcomm patent. The parties disagreed on the construction of the claim term "a plurality of carrier aggregated transmit signals," although there was no dispute that the term required that the bandwidth be increased. Slip at 5. In the final written decision, the PTAB's construction "omit[ed] any requirement that the signals increase or extend bandwidth." *Id.* at 7.

The APA provides the PTAB with significant discretion in adopting arguments and claim constructions that are not presented by the parties. For example, in *TQ Delta, LLC v. Dish Network LLC*, 929 F.3d 1350 (Fed. Cir. 2019), the court found that the PTAB provided sufficient notice of a claim construction adopted for first time in the final written decision because the fact that a dispute existed was apparent in view of patent owner's pre-argument filings and during oral argument. Slip at 11. The Federal Circuit noted that "[p]arties are well aware that the [PTAB] may stray from disputed, proposed constructions." *Id*. at 8 (citing *Western Geco*, 889 F.3d at 1328).

That said, the PTAB's discretion to reach its own construction of disputed claim terms is not unbound. The parties are entitled to notice and a fair opportunity to meet the grounds of rejection based on due process and APA guarantees. For instance, in *Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1296 (Fed. Cir. 2016), the petitioner asserted for the first time at oral hearing that a particular figure of a prior art reference, Figure 12, disclosed an element of a challenged claim. Slip at 11-12. Although, the patent owner was questioned about Figure 12 at the hearing, the court held that the patent owner did not have an adequate opportunity to respond, in part because the PTAB did not afford patent owner an opportunity to present evidence. *Id*.

In finding an APA violation in *Qualcomm*, the court noted that at the oral hearing the panel posed only one arguably-relevant question about the disputed term and the increased bandwidth requirement, and that question was to the petitioner rather than to the patent owner. *Id.* at 9. The Federal Circuit held that the PTAB is required to "provide notice of and an adequate opportunity to respond to its construction." *Id.* The Federal Circuit also confirmed that there is no requirement to seek rehearing before challenging the APA violation on appeal. *Id.* at 13.

This case reminds practitioners that claim construction before the PTAB can be a moving target. Further, because the APA provides significant discretion to the PTAB, it is critical for practitioners to anticipate findings and positions that a particular panel may take in the final written decision and address those both in filings and at oral argument. Finally, it is important to understand the breadth of bounds imposed by the APA when contemplating various bases for appeal.