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Alert: PTAB IPR Replies – How far is too far?

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Today, in a precedential decision, the Federal Circuit provided guidance regarding the acceptable breadth of a Reply in an inter partes review proceeding. *Rembrandt Diagnostics, LP v. Alere, Inc.*, Case. No. 21-1796 (Aug. 11, 2023). The court discussed instances in other cases in which the Petitioner had gone too far, and the Board had properly excluded the new theories in the Reply. The court also contrasted those with instances in which the Reply was proper. The court concluded in this case that the Reply was proper.

In one example where a petitioner had gone too far, the court found that the petitioner in reply had asserted a motivation to combine multiple references to disclose a limitation but had only cited a single reference in the petition. Slip, 10. In another example, "the petitioner generically argued in the petition that any method could be used to perform a particular sequencing step. . ." but then "switch[ed] theories . . . citing previously unidentified embodiments of the reference." *Id.*, 11 (citations omitted).

The Board then cited instances where the reply, while in some sense broader than the petition, was proper. The court noted, "we have held that a reply may be proper if it is responsive and simply expands on previously raised arguments." Slip, 11. The court also found a reply properly "asserted the same 'legal ground' as its petition because it relied on the 'same prior art' to support the 'same legal argument.'" *Id.*, 11-12 (citations omitted). The court concluded by noting, "the very nature of the reply and sur-reply briefs are to respond (whether to refute, rebut, explain, discredit, and so on) to prior raised arguments within the confines of 37 C.F.R. § 42.23(b)." *Id.*

In this particular case, Patent Owner contended that in its Reply, the Petitioner improperly raised the benefit of cost and time savings as a new argument for modifying a prior art reference. Slip, 12. But the court found a nexus between the reply argument and the Patent Owner's assertions that there was no motivation to combine and also that the reply was a "a fair extension of its previously raised efficiency argument." Slip, 13. The court thus concluded that the reply arguments "were responsive to the Institution Decision and the Patent Owner response and so the Board did not err in considering them." *Id.*, 15.

For petitioners, this case stresses that the arguments in reply must be responsive to the patent owner response and the institution decision and have a nexus to the arguments in the petition. For patent owners, this case helps delineate the point at which the petitioner has strayed too far from the petition.