

The Fed. Circ. In June: A Lesson On Citing With Particularity

By **Karen Selvaggio and Paul Stewart** (June 30, 2023)

The U.S. Court of Appeals for the Federal Circuit issued a recent decision confirming that the U.S. Patent Trial and Appeal Board need not consider evidence submitted via incorporation by reference.

In the June 12 *Parus Holdings Inc. v. Google LLC* decision, the Federal Circuit permitted the board to disregard evidence submitted during an inter partes review proceeding in violation of the board's prohibition on "incorporate[ing] by reference one document into another document" under Title 37 of the Code of Federal Regulation, Section 42.6(a)(3).

The *Parus* decision is consistent with decisions, procedures and practices of federal courts throughout the country emphasizing the importance of citing evidence and case law with particularity.

In its petition for inter partes review, Google relied upon a prior art reference issued in an international patent application known as *Kovatch*. *Kovatch* was filed on July 12, 2001, and had an earliest possible priority date of Jan. 4, 2000.

The challenged patents were continuations of, and claimed priority to, an application filed on Feb. 4, 2000. In order to overcome the invalidity challenge, *Parus* argued that *Kovatch* was not prior art because the inventions had been conceived by July 12, 1999, and reduced to practice at least by Dec. 31, 1999.

Alternatively, *Parus* argued that if the board did not find that the invention was reduced to practice by Dec. 31, 1999, the inventors were diligently working on reducing to practice through *Kovatch*'s earliest priority date.

In support of its positions, *Parus* submitted approximately 40 exhibits, totaling over 1,300 pages, as well as over 100 pages of claim charts. *Parus*' briefing, however, contained only limited citations to these exhibits.

Instead, *Parus* attempted to incorporate its antedating arguments with nonspecific references to its extensive exhibits and minimal citations to the record.

The board declined to consider *Parus*' arguments and evidence of prior conception and reduction to practice due to *Parus*' failure to comply with Title 37 of the Code of Federal Regulation, Section 42.6(a)(3), which prohibits incorporation by reference.

Explaining that *Parus* did not provide "meaningful explanation," cite "any evidence or testimony with specificity," or "explain the basis for [its] conclusion or cite any evidence to support it," the board concluded that *Parus* failed to meet its burden of production and that *Kovatch* was prior art to the challenged patents.

On appeal, *Parus* did not dispute that it violated the board's prohibition on incorporation by reference. Instead, *Parus* argued that the board's refusal to consider *Parus*' antedating evidence violated the Administrative Procedure Act, improperly shifted the burden of



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persuasion to the patent owner, and conflicted with statutes and regulations governing IPRs.

The Federal Circuit boiled these arguments down to two points: (1) that Parus need not have submitted briefs specifically citing and explaining the relevant record evidence, and in fact did not need to submit a brief at all, and (2) that the board needed to consider all record evidence, no matter how it was presented. The Federal Circuit disagreed.

First, the Federal Circuit acknowledged that Parus was not required to respond to the IPR petition. However, it found that once Parus chose to respond and undertake an affirmative burden of showing prior invention, it also took on the responsibility of submitting a response that complied with the board's rules and regulations.

These rules included both the prohibition on incorporation by reference and a requirement to provide "a detailed explanation of the significance of the evidence," under Title 37 of the Code of Federal Regulation, Section 42.44.

Next, the Federal Circuit rejected Parus' argument that the board improperly shifted the burden of persuasion to Parus. The Federal Circuit, citing the 2015 *Dynamic Drinkware LLC v. National Graphics Inc.* decision, explained that the patent owner temporarily assumes the burden of production when attempting to antedate a prior art reference.

Finally, the Federal Circuit addressed Parus' argument that the board is required to review all record evidence, regardless of how it was presented. The Federal Circuit began by reiterating what is not a judge's job.

Relying upon well-established authorities from the regional circuits, the Federal Circuit held that it is not a judge's job to sift through a mountain of evidence to find relevant facts.

"Judges are not like pigs, hunting for truffles buried in briefs," and judges are not required to "play archaeologist with the record," the Federal Circuit wrote, citing the U.S. Court of Appeals for the Seventh Circuit's 1991 *U.S. v. Dunkel* decision.

Moreover, the Federal Circuit explained that Parus' view that a patent owner need only submit mountains of evidence is "a pointless imposition on the court's time" and eviscerates page limitations.

Thus, the burden of production requires more than just throwing piles of evidence at the board — it requires some combination of citing relevant record evidence and explaining the significance of record evidence. Parus did neither.

Accordingly, the Federal Circuit found that the board's refusal to consider Parus' alleged evidence and argument of prior invention was not a violation of the APA, or any statute and regulation governing IPRs, and affirmed the board's holding that Kovatch qualified as prior art.

Parus did not otherwise challenge the board's finding of obviousness over Kovatch in combination with other references, and the Federal Circuit affirmed the board's holding of certain claims of the challenged patents unpatentable.

The Parus decision, particularly its emphasis regarding the limitations of what a judge is required to consider, is an important reminder to litigators of all types of the importance of organized briefs that cite both evidence and law with particularity.

The Federal Circuit's decision makes clear that a judge is not required to scale a mountain of evidence without a map. Accordingly, litigators should resist the temptation to bypass page limits by incorporating lengthy declarations or shortcut brief writing with broad citations to the record.

Rather, briefs should introduce evidence with detailed explanations as to its relevance and with pin cites directing the judge to the relevant portions of the record.

On the other side, litigators in receipt of briefs devoid of pin cites or overly reliant on incorporating lengthy declarations or exhibits should consider challenging these arguments as failing to meet the requisite burden of proof.

The Parus case serves as a stark reminder for everyone to dust off those Bluebooks and cite with particularity.

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