

Fed. Circ. In August: A Framework For AIA Derivation Disputes

By **Sean Murray and Jeremiah Helm** (September 25, 2025)

*This article is part of a monthly column that highlights an important patent appeal from the previous month. In this installment, we examine the Federal Circuit's ruling in *Global Health Solutions LLC v. Marc Selner*.*

Rarely does an appellate court review the outcome of an entirely new type of legal proceeding. In its Aug. 26 **decision** in *Global Health Solutions LLC v. Marc Selner*, the U.S. Court of Appeals for the Federal Circuit did just that.

For the first time, the court reviewed a final written decision by the Patent Trial and Appeal Board in an America Invents Act derivation proceeding. This is a new type of patent office proceeding created by the AIA, similar to inter partes review and post-grant review proceedings.

The GHS decision is important because it establishes a legal framework for addressing derivation challenges under the AIA. In particular, it describes the relationship between derivation claims in pre-AIA interference proceedings and in AIA-created derivation proceedings. It also explains to what extent the well-developed law of patent interferences is applicable in the new AIA proceedings.

The dispute began when GHS filed a petition challenging a patent issued to inventor Marc Selner. Selner's patent is directed to a method of preparing a wound treatment ointment without using an emulsifier to mix the ointment's two main ingredients: an aqueous biocide and petrolatum jelly.

The founder of GHS, Bradley Burnam, worked with Selner on the emulsifier-free ointment until the two parted ways. They then separately developed the patented method, which involves heating the two ingredients separately to different temperatures before mixing them together. GHS and Selner both filed patent applications on the method, but Selner filed first and obtained the patent.

Selner obtained his patent thanks to the first-to-file system created when the AIA went into effect in March 2013.

Previously, when two inventors independently conceived the same invention, the patent office awarded the patent to the applicant who invented first. In many cases, the first inventor could only be determined by conducting an interference proceeding: a full-fledged litigation in the patent office, complete with document production, depositions, expert discovery, motion practice and trial.

The AIA was passed to bring the U.S. in line with the rest of the world, which had long eschewed expensive and lengthy interference proceedings in favor of first-to-file systems. Under the AIA's first-to-file system, the second person to invent can obtain the patent by winning the race to the patent office. However, the AIA also provides that the issued patent can be invalidated by another inventor who proves that the named inventor derived the



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invention from the patent challenger.

As in the better-known IPR proceedings, an AIA derivation proceeding begins with a petition to cancel the challenged patent. Patent office regulations provide that a petitioner has standing if they own or applied for a patent claim that is "substantially the same" as the invention claimed in the challenged patent.

GHS had standing because it had unsuccessfully applied for a patent on the same invention Selner patented.

While the requirements for standing are set forth in the regulations, neither the statute nor any court decision explained what a petitioner must prove to prevail in a derivation proceeding. The Federal Circuit was faced with the ultimate case of first impression.

The PTAB, grappling with the same issue, looked to pre-AIA interference proceedings for a substantive derivation standard. In interference proceedings, the first party to file a patent application enjoyed a presumption that it was the first inventor. In many cases, the second filer attempted to overcome this presumption by arguing that the first filer derived its invention from the second filer.

The Federal Circuit decided that pre-AIA derivation cases can provide "helpful guidance" and ruled that the AIA did not change the required elements of a derivation claim, except as necessary to adapt the standard to a first-to-file system. Under the pre-AIA standard, an inventor asserting a derivation claim had to prove (1) it conceived the invention prior to the other party, and (2) it communicated the invention to that party.

But who conceived first is irrelevant under a first-to-file system. An AIA petitioner cannot obtain patent rights in the invention by showing it conceived first — it can only invalidate the respondent's patent.

The Federal Circuit therefore held that, to establish a prima facie showing of derivation, an AIA petitioner need only prove: (1) it conceived the invention at some point, and (2) it communicated the invention to the respondent before the respondent filed its patent application. The named inventor can then rebut this prima facie showing by proving that it independently conceived the invention before the relevant communication from the petitioner.

Applying this standard to the facts found by the PTAB, the Federal Circuit affirmed the board's rejection of GHS' derivation challenge.

GHS' petition alleged that Burnam communicated the invention to Selner in an email sent at 4:04 p.m. on Feb. 14, 2014. However, based on an email Selner sent earlier that day at 12:55 p.m., the PTAB determined that Selner conceived the invention no later than 12:55 p.m. Selner therefore could not have derived the invention from Burnam's 4:04 p.m. email.

Although the Federal Circuit affirmed the PTAB's decision, it held the board erred — albeit harmlessly — by focusing on whether Burnam or Selner was the first to invent. In fact, who invented first was irrelevant to the Federal Circuit's analysis.

Selner did not prevail because he showed he invented first — the AIA awards patent rights to the first filer. But by showing he conceived the invention before Burnam communicated it in the 4:04 p.m. email, Selner proved that his invention was independent, not derived from Burnam. Because Selner's invention was independent, Selner would have prevailed even if

Burnam had invented months earlier than Selner.

The GHS decision is important because it provides an analytical framework for future derivation cases under the AIA. Interference case law and the legal standards that prevailed in interference proceedings will be applicable in AIA derivation proceedings, though those standards may need to be adjusted to reflect the AIA's first-to-file system.

For example, in concluding that the PTAB reasonably relied on Selner's testimony that he invented before 12:55 p.m., the Federal Circuit applied the traditional rule-of-reason test for assessing the credibility of an inventor's testimony. That test required the PTAB to consider all pertinent evidence and determine whether the inventor's story was credible.

The Federal Circuit also applied the venerable rule that an inventor's testimony must be corroborated, preferably by contemporaneous documentary or physical evidence. The court affirmed the PTAB's reliance on Selner's 12:55 p.m. email to conclude that Selner's testimony was both credible and corroborated.

Practitioners considering bringing a derivation challenge under the AIA will find the GHS decision very useful. It unlocks the entire corpus of pre-AIA derivation jurisprudence, allowing the petitioner's attorney to predict the legal principles the PTAB and the Federal Circuit would likely apply to the petitioner's derivation claim.

Before the GHS decision, it was difficult to assess a potential derivation challenge's odds of success. It will now be much easier to determine whether such a challenge is worth the petitioner's time and resources.

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