



NJIPLA

New Jersey Intellectual Property Law Association

PTAB YEAR-IN-REVIEW

Thursday, January 23, 2020, 12:00 PM – 5:15 PM
The Embassy Suites by Hilton, 250 Connell Drive, Berkeley Heights, NJ

AGENDA

12:00 – 12:45 *Registration and Lunch*

12:45 – 12:55 *Welcome Remarks* by **Aleksandra King**, NJIPLA Vice President

12:55 – 1:00 *Introduction Remarks* by **Matthew Hartman**, PTAB Chair

1:00 – 1:50



Tips to Mitigate the Effect of IPRs

Ruben Munoz Akin Gump
Jason Weil Akin Gump

1:50 – 2:40



PTAB Precedential Decisions on Discretion to Institute Inter Partes Review

Daniel Goettle BakerHostetler
Angela Verrecchio Johnson & Johnson

2:40 – 3:00

Refreshment Break

3:00 – 3:30



A View from the PTAB Bench

PTAB Judge Robert Weinschenk
United States Patent and Trademark Office

3:30 – 4:20



Impact of SAS Institute Inc. v. Iancu on PTAB Institutions and Proceedings

Mark Feldstein Finnegan

4:20 – 5:10



Update on Supreme Court decisions that will impact PTAB Proceedings

Christopher Loh Venable

5:10 – 5:15

Closing Remarks

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NJIPLA

New Jersey Intellectual Property Law Association

MARK YOUR CALENDAR!

PATENT LITIGATION SEMINAR

Wednesday, March 11, 2020
APA Hotel Woodbridge, Iselin, NJ

Featuring an outstanding slate of speakers addressing hot-button patent litigation topics. Thank you to our 2020 sponsors!



2020 JEFFERSON MEDAL DINNER

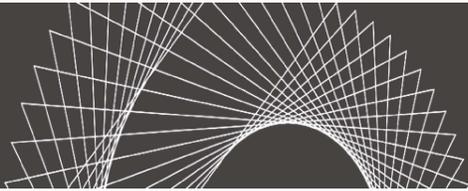
Friday, June 5, 2020
The Embassy Suites by Hilton, Berkeley Heights, NJ

NJIPLA is pleased to announce our 2020 Jefferson Medalist, **Hon. Jimmie V. Reyna, *United States Court of Appeals for the Federal Circuit***. We hope you can join us as we honor Circuit Judge Reyna with the Jefferson Medal at our annual gala on June 5th to be held at a new location The American Beauty in the brand new Embassy Suites by Hilton, Berkeley Heights, NJ.

SPONSORSHIP OPPORTUNITIES

Benefits are recognition in our pre-event emails, logo and link on the NJIPLA website, and acknowledgement of sponsorship during the event welcome remarks. Put your logo on the next e-blast and become a sponsor today! Interested? Please email njadmin@njipla.org.

Tips to Mitigate *Inter Partes* Review Attacks



Akin Gump
STRAUSS HAUER & FELD LLP

NJIPLA Presentation: PTAB Year in Review – January 23, 2020

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Barriers to Successful IPR Challenges

(A) Petitioner limited to 14,000 words in petition. 37 C.F.R. § 42.24.

(B) Petitioner needs to address all claim elements – including known elements and preamble limitations. See, e.g., *ModernaTX, Inc. v. CureVac AG*, IPR2017-02194 (Paper 45).

(C) Petitioner needs to address evidence of objective indicia of non-obviousness that is in the record. See, e.g., *Praxair Distrib., Inc. v. Mallinckrodt Hospital Prods.*, IPR2016-00777 (Paper 10).

(D) PTAB has discretion to deny institution where same prior art or arguments were considered during prosecution, 35 U.S.C. § 325(d), or where *inter partes* review would be inefficient, § 314(a).

(E) Reexamination does not reset the one-year deadline for filing an IPR. See 35 U.S.C. § 315(b); see, e.g., *Apple Inc. v. IXI IP, LLC*, IPR2019-00124 (Paper 13).

Tip 1: Claim Features That Are Hard to Address

- Claim features that might not be explicitly disclosed in the prior art.
 - Claim test results, specific measurements or formulas.
 - Remember to disclose underlying data/results in original application.

PROS

- Petitioner might not be able to find prior art that specifically addresses the features.
- Complicates the petition – petitioner may have to use more words or include calculations to show that prior art discloses the claimed feature.

CONS

- During prosecution, PTO might shift the burden to the patentee to show that prior art does not inherently disclose the feature (see MPEP 2112).

Tip 1: Claim Features That Are Hard to Address

United States Patent		(10) Patent No.: US 8,383,141 B2
Qian et al.		(45) Date of Patent: *Feb. 26, 2013

(54) DRY HEMOSTATIC COMPOSITIONS AND METHODS FOR THEIR PREPARATION	3,889,315 A 5/1983 Kapsch
	4,096,220 A 2/1977 Gault
	4,013,078 A 3/1977 Field
	4,124,705 A 11/1978 Roth
(75) Inventors: Zhen Qian, Fremont, CA (US); A. Edward Osawa, San Francisco, CA (US); Cary J. Reich, Los Gatos, CA (US)	4,164,559 A 3/1979 Miyai
	4,179,600 A 12/1979 Taka
	4,265,233 A 5/1981 Sugita
	4,291,013 A 9/1981 Waki
	4,292,972 A 10/1981 Pavesi
	4,298,598 A 11/1981 Schwab
	4,300,494 A 11/1981 Gault
	(Continued)
(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 92 days.	FOREIGN PATENT DOCUMENTS
	CN 1270240 A 10/2002
	EP 0282316 A2 9/1999
	(Continued)
	OTHER PUBLICATIONS
(21) Appl. No.: 12/176,945	Hood et al., "Efficacy of Topical Hemostatic Surgery," 24th World Congress of the International Society of Hematology (Sep. 12-16, 1999).
(22) Filed: Jul. 21, 2008	(Continued)
(65) Prior Publication Data	
US 2008/0286376 A1	Nov. 20, 2008
(63) Related U.S. Application Data	
(63) Continuation of application No. 09/908,464, filed on Jul. 17, 2001, now Pat. No. 7,435,425.	
(51) Int. Cl.	(57) ABSTRACT
A61F 15/00 (2006.01)	Dry cross-linked gelatin composition
A61F 2/00 (2006.01)	idly re-hydrate to produce gelatin
(52) U.S. Cl. 424/422; 424/423	hemostatic sealants. Gelatin is cross-
(58) Field of Classification Search None	linked with certain re-hydration aids, such as polyvinylpyrrolidone, and dextran, in order to
See application file for complete search history.	achieve a dry cross-linked gelatin powder. The use of the re-hydration aids has been found to substantially increase the presence of an aqueous re-hydrated gelatin powder.
(56) References Cited	22 Claims, 1 Drawings
U.S. PATENT DOCUMENTS	
2,597,244 A 5/1950 Correll	
2,558,395 A 6/1951 Stader	

1. A composition comprising cross-linked gelatin powder having a moisture content of 20% (w/w) or less and a re-hydration rate of at least 3 gm/gm in 30 seconds, wherein the composition further comprises a re-hydration aid, the re-hydration aid selected from the group consisting of: polyethylene glycol (PEG) having an average molecular weight of about 1000, polyvinylpyrrolidone (PVP) having an average molecular weight of about 50,000, and dextran having an average molecular weight of about 40,000; polyethylene glycol (PEG) having an average molecular weight of about 1000 and polyvinylpyrrolidone (PVP) having an average molecular weight of about 50,000; polyethylene glycol (PEG) having an average molecular weight of about 1000 and dextran having an average molecular weight of about 40,000; polyvinylpyrrolidone (PVP) having an average molecular weight of about 50,000 and dextran having an average molecular weight of about 40,000; polyvinylpyrrolidone (PVP) having an average molecular weight of about 50,000; and dextran having an average molecular weight of about 40,000.

See U.S. Patent No. 8,383,141

Tip 1: Claim Features That Are Hard to Address

United States Patent Severinsky et al.		(10) Patent No.: US 7,455,134 B2 (45) Date of Patent: Nov. 25, 2008
(54) HYBRID VEHICLES	(56) References Cited	<p>1. A hybrid vehicle, comprising: at least two wheels, operable to receive power to propel said hybrid vehicle; a first alternating current (AC) electric motor, operable to provide power to said at least two wheels to propel said hybrid vehicle; a second AC electric motor; an engine coupled to said second electric motor, operable to provide power to said at least two wheels to propel the hybrid vehicle, and/or to said second electric motor to drive the second electric motor to generate electric power; a first alternating current-direct current (AC-DC) converter having an AC side coupled to said first electric motor, operable to accept AC or DC current and convert the current to DC or AC current respectively; a second AC-DC converter coupled to said second electric motor, at least operable to accept AC current and convert the current to DC; an electrical storage device coupled to a DC side of said AC-DC converters, wherein the electrical storage device is operable to store DC energy received from said AC-DC converters and provide DC energy to at least said first AC-DC converter for providing power to at least said first electric motor; and a controller, operable to start and stop the engine to minimize fuel consumption; wherein a ratio of maximum DC voltage on the DC side of at least said first AC-DC converter coupled to said first electric motor to current supplied from said electrical storage device to at least said first AC-DC converter, when maximum current is so supplied, is at least 2.5.</p>
(75) Inventors: Alex A. Severinsky, Washington, DC (US); Theodore Louckes, Holly, MI (US)	U.S. PATENT DOCUMENTS 913,846 A 3/1909 Paper (Continued)	
(73) Assignee: Paice LLC, Bonita Springs, FL (US)	FOREIGN PATENT DOCUMENTS DE 2517110 10/1975 (Continued)	
(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 384 days.	OTHER PUBLICATIONS Trial and deposition transcripts of witnesses in validity of parent patents in Civil Docket No. D. Texas. (Continued)	
(21) Appl. No.: 11/429,457 (22) Filed: May 8, 2006	Primary Examiner—Christopher Ellis Assistant Examiner—Cynthia F. Collado (74) Attorney, Agent, or Firm—Michael	
Prior Publication Data US 2006/0231305 A1 Oct. 19, 2006		(57) ABSTRACT A hybrid vehicle comprises an internal combustion motor, a starter motor, and a battery bank controlled by a microprocessor in accordance with instantaneous torque demands so that the engine operates under conditions of high efficiency, typical load is at least equal to 30% of the engine output. In some embodiments, a turbocharger is provided, activated only when the load exceeds maximum torque output for an extended period. A hybrid brake system is provided, wherein the electrical storage device is operable to store DC energy received from said AC-DC converters and provide DC energy to at least said first AC-DC converter for providing power to at least said first electric motor; and a controller, operable to start and stop the engine to minimize fuel consumption; wherein a ratio of maximum DC voltage on the DC side of at least said first AC-DC converter coupled to said first electric motor to current supplied from said electrical storage device to at least said first AC-DC converter, when maximum current is so supplied, is at least 2.5.
Related U.S. Application Data (60) Division of application No. 10/382,577, filed on Mar. 7, 2005, now Pat. No. 7,104,347, which is a division of application No. 09/822,866, filed on Apr. 2, 2001, now Pat. No. 6,554,088, and a continuation-in-part of application No. 09/392,743, filed on Sep. 9, 1999, now Pat. No. 6,338,391, which is a continuation-in-part of application No. 09/264,817, filed on Mar. 9, 1999, now Pat. No. 6,209,672. (60) Provisional application No. 60/122,296, filed on Mar. 1, 1999, provisional application No. 60/100,095, filed on Sep. 14, 1998.		
(51) Int. Cl. B60K 6/00 (2007.10)		
(52) U.S. Cl. 180/65.2; 180/65.4; 180/205; 180/65.1; 180/65.8; 180/65.7; 180/701; 701/54		
(58) Field of Classification Search 180/65.2; 180/65.4; 205; 65.1; 65.8; 65.7; 701; 701/54 See application file for complete search history.		
62 Claims, 17 Drawing Sheets		

See *Ford Motor Co. v. Paice LLC & Abell Foundation, Inc.*, IPR2014-00568 (Paper 12) at 11-14.

Tip 1: Claim Features That Are Hard to Address

United States Patent Sullivan et al.		(10) Patent No.: US 8,048,414 B1 (45) Date of Patent: Nov. 1, 2011
(54) ANTIVENOM COMPOSITION CONTAINING FAB FRAGMENTS	(56) References Cited	<p>1. An antivenom pharmaceutical composition for treating a snakebite victim, comprising Fab fragments which bind specifically to a venom of a snake of the <i>Crotalus</i> genus and which are essentially free from contaminating Fc as determined by immunoelectrophoresis using anti-Fc antibodies, and a pharmaceutically acceptable carrier, wherein said antivenom pharmaceutical composition neutralizes the lethality of the venom of a snake of the <i>Crotalus</i> genus.</p>
(75) Inventors: John B. Sullivan, Tucson, AZ (US); Findley E. Russell, Tucson, AZ (US)	U.S. PATENT DOCUMENTS 4,013,502 A 3/1977 Philpot 4,530,700 A 7/1985 Grizzuti et al. 4,525,654 A 6/1986 Reichel et al. 4,742,159 A 5/1988 Butz et al. 4,840,512 A 7/1989 Sullivan et al. 5,256,409 A 10/1993 Blincho	
(73) Assignee: BTG International Inc., West Conshohocken, PA (US)	FOREIGN PATENT DOCUMENTS Swarcworth et al., S of Exp. Instn, 196 Benfield et al., S Smith et al., Clin	
(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.	Primary Examiner (74) Attorney, P.C. (57) Fab (fragment source by containing papain-polyacrylamide gel (Fab) fragments which acrylamide gel (Fab) fragments containing acrylamide gel (Fab) fragments through an anti-Fc antibody as diagnostic reagent. The variety of antibodies have been used less Bulk, unprocessed reagents of price	
(21) Appl. No.: 08/405,454 (22) Filed: Mar. 15, 1995		
Related U.S. Application Data (60) Continuation of application No. 08/277,288, filed on Jul. 22, 1994, now abandoned, which is a continuation of application No. 08/124,438, filed on Sep. 22, 1993, now abandoned, which is a continuation of application No. 07/953,271, filed on Oct. 1, 1990, now abandoned, which is a division of application No. 07/378,925, filed on Jul. 12, 1989, now abandoned, which is a division of application No. 06/659,629, filed on Oct. 9, 1984, now Pat. No. 4,849,352.		
(51) Int. Cl. A61K 39/395 (2006.01) A61K 39/00 (2006.01) G01N 33/563 (2006.01) C07K 16/00 (2006.01) C07K 16/18 (2006.01)		
(52) U.S. Cl. 424/130.1; 424/133.1; 424/141.1; 435/180; 702.1; 172.2; 240.27; 424/85.8; 424/94.65; 172.1; 130.1; 175.1; 133.3; 809; 424/177; 158.1; 133.1; 530/389.1; 389.8; 530/390.5; 866; 388.9; 387.1; 388.2; 856; 436/547 See application file for complete search history.		
22 Claims, 8 Drawing Sheets		

See *Bioactive Labs. v. BTG International Inc.*, IPR2015-01305 (Ex. 1001).

Tip 2: Add a Claim With Many Known Features

- Include at least one narrow independent claim that has many different limitations, beyond just the novel feature.
 - Claim features that are not necessarily new (already in prior art), but that would be present in any infringing device.

PROS

- Petitioner cannot ignore any claimed features – must use up words in its petition to address – even if a feature is not new.
- Might need to combine several different references to cover all the features recited in the claim – including the features that are not new.

CONS

- Chance that added limitations might create potential non-infringement or design-around possibilities for competitors.

Tip 3: Create Preamble That is a Limitation

- Draft claim having a preamble that is a limitation.
 - Preambles are deemed limitations when they “breathe life and meaning into the claim.” *In re Wertheim*, 541 F.2d 257 (CCPA 1976).
 - When the claim relies on a preamble for antecedent basis, the law treats the preamble as a limitation. *Eaton Corp. v. Rockwell Int’l Corp.*, 323 F.3d 1332 (Fed. Cir. 2003).

PROS

- Could be more difficult to find invalidating prior art – will need to disclose the limitation in the preamble, as well as limitations in the body (*see, e.g., ModernaTX, Inc. v. CureVac AG*, IPR2017-02194 (Paper 45) (finding no anticipation where petitioner failed to show prior art disclosed limitation in preamble)).
- Could complicate claim construction – petitioner might use up words arguing that preamble is not a limitation.

CONS

- Additional limitation means one more element patent owner needs to show to prove infringement.

Tip 3: Create Preamble That is a Limitation

(12) **United States Patent**
Ketterer et al.

(10) **Patent No.:** US 8,383,340 B2
(45) **Date of Patent:** Feb. 26, 2013

(54) **METHOD FOR PURIFYING RNA ON A PREPARATIVE SCALE BY MEANS OF HPLC**

(75) Inventors: **Thomas Ketterer**, Tübingen (DE); **Florian Von Der Mulbe**, Stuttgart (DE); **Ladislau Reidel**, Rotenburg (DE); **Thorsten Mutzke**, Reutlingen (DE)

(73) Assignee: **Curevac GmbH**, Tübingen (DE)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 305 days.

(21) Appl. No.: **12/520,172**

(22) PCT Filed: **Dec. 20, 2007**

(86) PCT No.: **PCT/EP2007/011294**

§ 371 (c)(1), (2), (4) Date: **Oct. 20, 2009**

(87) PCT Pub. No.: **WO2008/077592**

PCT Pub. Date: **Jul. 3, 2008**

(65) **Prior Publication Data**

US 2010/0048883 A1 Feb. 25, 2010

(30) **Foreign Application Priority Data**

Dec. 22, 2006 (DE) 10 2006 061 015

(51) **Int. Cl.**

C32 1/68 (2006.01)

C07H 21/00 (2006.01)

(52) **U.S. Cl.** **4356.1**; 536/22.1; 536/25.4

(58) **Field of Classification Search** 4356.1; 536/23.1; 25.4; 22.1

See application file for complete search history.

(56) **References Cited**

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Dickman, M.J. et al., "Enrichment and An Ion Pair Reverse Phase Methodolo." RNA, vol. 12, No. 4, Apr. 2006, pp. 691-696.

Anderson, A.C. et al., "HPLC Purification of RNA for Crystallography and NMR." RNA, vol. 2, No. 2, 1996, pp. 110-117.

Azarian, A. et al., "RNA Analysis by Ion-Pair Reversed-Phase High Performance Liquid Chromatography." Nucleic Acids Research, vol. 29, No. 2, Jan. 15, 2001, p. E7.

Georgopoulos, D.E., et al., "Use of High-Performance Liquid Chromatographic Fractionation of Large RNA Molecules in the Assay of Group I Intron Ribozyme Activity," J. Chromatogr. A, vol. 868(1), pp. 109-114, 2000.

Hashimoto, "Macroporous Synthetic Hydrophilic Resin-Based Packings for the Separation of Biopolymers," J. Chromatogr., vol. 544, pp. 249-255, 1991.

Petrov, et al., Molded continuous poly(styrene-co-divinylbenzene) rod as a separation medium for the very fast separation of polymers. Comparison of the chromatographic properties of the monolithic rod with columns packed with porous and non-porous beads in high-performance liquid chromatography of polystyrenes J. Chromatogr. A, Nov. 1, 1996, 752(1-2): 59-66.

* cited by examiner

Primary Examiner — Ethan C Whisenant

(74) Attorney, Agent, or Firm — Fanelli Haag & Kilger PLLC

(57) **ABSTRACT**

The application describes a method for the preparative purification of RNA, which method is distinguished in that the RNA is purified by means of HPLC using a porous reversed phase as the stationary phase. The use of the porous reversed phase in this HPLC method is also described.

26 Claims, 16 Drawing Sheets

The invention claimed is:
1. A method for purifying RNA on a preparative scale, wherein the RNA is purified by HPLC or low or normal pressure liquid chromatography using a porous reversed phase as stationary phase and a mobile phase, wherein the porous reversed phase is a porous non-alkylated polystyrene-divinylbenzene.

- Petitioner spent nearly 400 words arguing only that the preamble was not limiting.
- The Board disagreed, held that the preamble was a limitation and found that petitioner failed to prove the claims were anticipated.

ModernaTX, Inc. v. CureVac AG, IPR2017-02194.

Tip 4: Increase Number of Claims to 30+

- Draft patent to include 30 or more claims.
 - Include a variety of different claim scopes – but must be same type to avoid restriction.
 - Consistent with this tip, also file multiple continuations to build patent estate to make it more difficult and costly for challenger.

PROS

- Because of strict 14K word limit, challenging 30+ claims is difficult in a single IPR petition (see 37 C.F.R. § 42.24).
- Forces petitioner to make difficult decisions early on – challenge a subset of the claims OR file multiple petitions.
- PTAB might not institute IPR if petitioner only meets burden for a few of the challenged claims (see, e.g., *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923 (Paper 9)).

CONS

- Increased cost – patent owner pays additional fees for including more than 20 claims in patent (see MPEP 714.10).

Tip 5: Expressly Define Key Terms in Specification

- Resolve future claim construction issues in your favor.
 - Expressly define the terms a petitioner will seek to construe to capture the best art.
 - Define those terms as broadly as possible while still excluding the best art.

PROS

- Petitioner will either (1) make invalidity arguments using a construction you selected, (2) unsuccessfully argue for a different construction or (3) ignore the definition and fail to introduce evidence on that element. See *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01023 (Paper 15) at 4-6, 7.
- Can define terms so that any potential design-around is an inferior commercial product. Benefits your business and could support a showing of commercial success of the actual claimed invention.

CONS

- You will also be stuck with that construction in an infringement suit (regardless of whether there is an IPR).
- If you define the term too narrowly, you might give a future defendant a roadmap to design around your product.
- If you define the term too broadly, it might cover prior art you aren't currently aware of.

Tip 5: Expressly Define Key Terms in Specification

tions. The following terms and definitions are used in the present disclosure.

Cache: a region on the computer disk that holds a subset of a larger collection of data.

Streaming multimedia object (SM object): a type of data whose transmission has temporal characteristics such that the data may become useless unless the transmission rate is regulated in accordance with predetermined criteria (e.g., audio and video files). Transmission can start at any point within the object and can be terminated by the receiver at any time.

Helper Server (HS): An HS, also referred to as a helper, is one of a plurality of servers in the network that provide certain value-added services. For example, an HS can provide caching services and/or prefetching services. HSs selectively cooperate and communicate streaming SM objects (or segments of such objects) between and among each other and between content providers and clients. That is, HSs understand an object's transmission requirements

U.S. Patent No. 6,708,213 at 4:5-25.

- **Petitioner ignored this express definition.**
- **Patent Owner pointed to the definition and argued that Petitioner failed to introduce evidence showing the limitation as properly construed.**
- **Board agreed with Patent Owner and denied institution.**

See *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01023 (Paper 15).

Tip 6: Add Objective Evidence of Non-Obviousness

- Include objective evidence of non-obviousness in patent application or file history.
 - Discuss evidence (e.g., long-felt need, failure of others, unexpected results) in specification – tell a good story in background section.
 - Submit declaration with objective evidence during prosecution.

PROS

- Makes petitioner aware of objective evidence – now forced to address it in petition (see, e.g., *Praxair Distrib., Inc. v. Mallinckrodt Hospital Prods.*, IPR2016-00777 (Paper 10)).
- Board can now fault petitioner if it fails to address objective evidence in petition – weakens argument that Board should institute IPR to give petitioner a chance to address evidence.

CONS

- Evidence may be given less weight if petitioner does not have opportunity to depose declarant (see, e.g., *Mexichem Amanco Holdings S.A. de C.V. v. Honeywell Int'l, Inc.*, IPR2013-00576 (Paper 36); see also *GEA Process Eng'g, Inc. v. Steuben Foods, Inc.*, IPR2014-00041 (Paper 41)).

Tip 7: Highlight Best Known Prior Art

- Have examiner consider best prior art during prosecution.
 - Conduct prior art search – submit best prior art in a separate IDS and/or include comments about what the cited prior art does not disclose – to maximize chance that PTAB will find the art was considered/addressed by PTO.
 - Direct examiner to best prior art during interview.

PROS

- Board more likely to deny institution under §325(d) if art was previously addressed by the PTO (see *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586 (Paper 8); but see *Microsoft Corp. v. Parallel Networks LLC*, IPR2015-00486 (Paper 10) (instituting IPR where reference was cited in IDS, but not substantively addressed during prosecution)).
- Results of prior art search might be useful in litigation for estoppel – show that prior art “reasonably could have been raised” in IPR. See 35 U.S.C. § 315(e).

CONS

- Prior art search and review of references might be time-consuming and expensive.
- Inequitable conduct issues – duty to disclose material references during prosecution (see 37 C.F.R. § 1.56; *Therasense Inc. v. Becton, Dickinson & Co.*, 649 F.3d 1276 (Fed. Cir. 2011) (en banc)).

Tip 8: Consider Patent Reexamination

- Consider getting new claims through *ex parte* reexam.
 - Might be useful if original claims are held unpatentable by the PTAB.
 - Seek reexam while appeal of PTAB’s determination is pending.

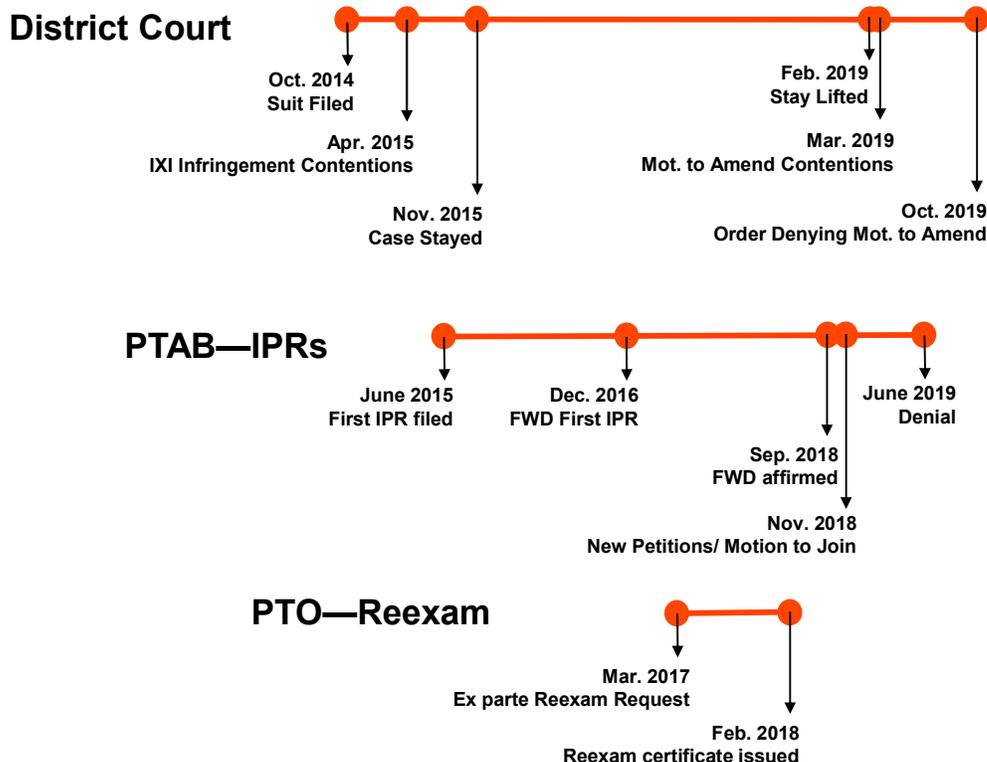
PROS

- Reexamination does not reset the one-year deadline for an IPR (see *Apple Inc. v. IXI IP, LLC*, IPR2019-00124 (Paper 13), citing *Click-to-Call Tech., LP v. Ingenio Inc.*, 899 F.3d 1321 (Fed. Cir. 2018)).
- Any new claims that are issued may be immune from an IPR as time-barred if patent owner previously asserted the patent against petitioner.

CONS

- Intervening rights might protect an accused infringer against reexamined claims.
- May be difficult to amend infringement contentions in ongoing litigation (see *IXI Mobile (R&D) Ltd. et al. v. Samsung Electronics Co., Ltd. et al.*, 4:15-cv-03752 (N.D. Cal. October 11, 2019)).

Tip 8: Apple Case Timeline



Tip 8: Court Denies IXI's Motion to Amend

- District Court denied IXI's motion to amend its contentions.
- Court stayed the case so the IPR could simplify litigation.
 - After IPR, the number of asserted claims went from 41 to one.
 - Plaintiff wants to add possibly over 100 new claims, some not yet issued.
- Court does not address issue or claim preclusion because IXI was not diligent in seeking amendment, and, in any event, Defendants would suffer undue prejudice if IXI amended at this point.
- The Court explained that Plaintiffs could try to bring their new claims in a new case if they wanted.

Tip 8: Could IXI File a Second Suit?

- **Claim Preclusion:**
 - Prevents claim splitting, but claims did not exist when suit was filed.
- **Issue Preclusion:**
 - Has the validity of these new claims been decided?
 - Is the validity analysis substantially different? See *Ohio Willow Wood Co. v. Alps S., LLC*, 735 F.3d 1333, 1342 (Fed. Cir. 2013) (“If the differences between the unadjudicated patent claims and adjudicated patent claims do not materially alter the question of invalidity, collateral estoppel applies.”).
- **Kessler Doctrine:**
 - Attaches to a product.
 - If there is a final judgment of no liability under a certain patent for a certain product, the product cannot be the basis for a subsequent suit based on that same patent.
 - *MGA, Inc. v. GMC*, 827 F.2d 729, 734 (Fed. Cir. 1987); *Brain Life, LLC v. Elekta Inc.*, 746 F.3d 1045, 1056-59 (Fed. Cir. 2014).

Tip 9: Add Forum Selection Clause to Agreements

- Consider pairing a forum selection clause with a no-challenge clause.

PROS

- Combination of forum selection clause and “no challenge” provision can prevent IPR challenge (see *Dodocase VR, Inc. v. MerchSource, LLC*, No. 2018-1724, 2019 WL 1758481 (Fed. Cir. Apr. 18, 2019) (granting preliminary injunction requiring withdrawal of IPR petitions)).
- **Note:** Forum selection clause alone may not be enough (see *Samsung Elecs. Co., Ltd. v. NuCurrent, Inc.*, IPR2019-00863, Paper 14 (PTAB Oct. 7, 2019)).

CONS

- Could be locked into a forum that may not be preferred by the time of a subsequent dispute.

Tip 10: Seek to Expedite Co-pending Litigation

- Attempt to schedule trial in co-pending litigation as early as possible.

PROS

- PTAB has exercised its discretion and declined to institute an IPR if a district court was scheduled to resolve the same invalidity arguments before the Board would resolve an IPR. See *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752 (Paper 8) at 19-20 (precedential).
- Proceeding expeditiously will weigh against the district court granting a stay (based on “stage of litigation”).

CONS

- The pace of litigation might be outside of your control if, for example, a defendant files a 12(b) motion.
- The PTAB is not likely to decline to institute based on a co-pending ITC investigation, even though the investigation may finish before an IPR FWD. See *Wirtgen America, Inc. v. Caterpillar Paving Prods.*, IPR2018-01201 (Paper 13) at 10-12.

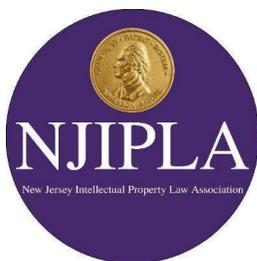
Tip 10: Seek to expedite co-pending litigation

- *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752 (Paper 8) (precedential).
- Co-pending litigation in the Northern District of California:
 - Litigation was nearing final stages.
 - Petitioner relied on the same prior art and arguments.
 - Expert discovery was about to close.
 - Trial was set for a date six months before a FWD would issue.
- Institution of IPR under these circumstances would not satisfy an objective of the AIA—to provide an efficient alternative to district court litigation.

Tip 10: Seek to Expedite Co-pending Litigation

Potential strategies to expedite litigation:

- Select a district with a short mean time to trial and well-defined patent local rules and case schedules.
 - Note that an action in the ITC is unlikely to lend support to a 314(a) argument in response to an IPR petition.
- Avoid seeking extensions of time for deadlines.
- Attempt to seek an agreement with the other side for an expedited schedule.



PTAB Decisions on Discretion to Decline to Institute *Inter Partes* Review



Angie Verrecchio
Senior Counsel - Patent Litigation

Johnson & Johnson

Dan Goettle
Partner
BakerHostetler

January 23, 2020

1

BakerHostetler

Roadmap

- Types of PTAB Decisions
- The Precedential Opinion Panel (POP)
- First Principles for PTAB Discretion to Deny Institution
- PTAB Discretion to Deny Institution – in 3 Acts

2

Roadmap

- Types of PTAB Decisions
- The Precedential Opinion Panel (POP)
- First Principles for PTAB Discretion to Deny Institution
- PTAB Discretion to Deny Institution – in 3 Acts

Types of PTAB Decisions

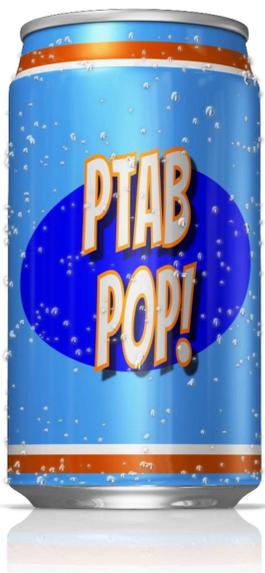


- **Routine Decision:** Binding for that particular case only. All decisions are routine by default.
- **Informative Decision:** Describes Board norms that should be followed in most cases, absent justification. An informative decision is **not** binding authority on the Board.
- **Precedential Decision:** binding Board authority in subsequent matters involving similar facts or issues.

Roadmap

- Types of PTAB Decisions
- The Precedential Opinion Panel (POP)
- First Principles for PTAB Discretion to Deny Institution
- PTAB Discretion to Deny Institution – in 3 Acts

Precedential Opinion Panel (POP)



- Operates at discretion of the Director
- Decides issues of “exceptional importance” to PTAB
 - agency policy or procedure
 - constitutional questions
 - issues relating to statutes, rules, and regulations
 - issues about binding or precedential case law
 - issues of broad Board applicability, to resolve conflicting Board decisions, and to promote consistency and certainty
- Standard Operating Procedure 2 (rev. 10)
(<https://www.uspto.gov/sites/default/files/documents/SOP2%20R10%20FINAL.pdf>).

POP: Members



- Selected by the Director
 - Default: The Director, the Commissioner for Patents, and the Chief Administrative Patent Judge
 - Director or her delegate may appoint more than three members to a POP
 - Director or her delegate may replace the default members with the Deputy Director, the Deputy Chief Judge, or an Operational Vice Chief Judge

Four Ways to Obtain POP Review

- *First:* the Director, in his sole discretion, may convene a POP to review a case and to order rehearing. Director may also designate any decision as precedential. Director approval is required to designate any decision as precedential.
- *Second:* Any party to a proceeding may **recommend** that a Board decision be reviewed by the POP.
 - Recommendations must be submitted by email to Precedential.Opinion.Panel.Request@uspto.gov.
 - Must particularly identify the reasons for requesting POP review.
 - Must include a statement by counsel that (1) the decision is contrary to established case law, (2) contrary to a constitutional provision, statute, or regulation, or (3) the case requires the answer to a precedent-setting question of exceptional importance.

Four Ways to Obtain POP Review (con't)

- *Third*, the Commissioner for Patents, the Chief Judge, and any other member of the Board may **recommend** POP review of a Board decision.
 - Recommendations must be submitted by email to [Precedential Opinion Panel Request@uspto.gov](mailto:PrecedentialOpinionPanelRequest@uspto.gov).
- *Fourth*, any person may **nominate** a decision of the Board for designation as precedential or informative.
 - Nominations must specify the reasons for the request, identify any other Board decision that may conflict with the nominated decision, and be emailed to [PTAB Decision Nomination@uspto.gov](mailto:PTABDecisionNomination@uspto.gov).

POP Review Process

- For decisions **recommended** for review, a Screening Committee will review the recommendation and forward its recommendation to the Director.
 - Screening Committee is comprised of the members of the POP or their designees. Designees must be USPTO employees with legal degrees.
 - The Director will then decide whether to convene a POP.
- For decisions **nominated** for review, the Screening Committee will review the nominated decisions and make recommendations as to which cases should be further reviewed.
 - Recommendations are provided to the Executive Committee, which then makes recommendations to the Director.
 - Executive Committee is a five-member committee that includes the Chief Judge, Deputy Chief Judge, and Operational Vice Chief Judges in order of seniority.

Resources

- USPTO maintains a list of PTAB decisions that have been designated as precedential or informative, organized both alphabetically and by subject matter. See <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/precedential-informative-decisions>.
 - As of January 2, 2020, the PTAB has designated **90 decisions** as **precedential** and **187 decisions** as **informative** (out of 2955 written decisions, as of November 30, 2019).
- USPTO also maintains a list of recent PTAB decisions that have been granted POP review and are pending a decision. See <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/precedential-opinion-panel>.

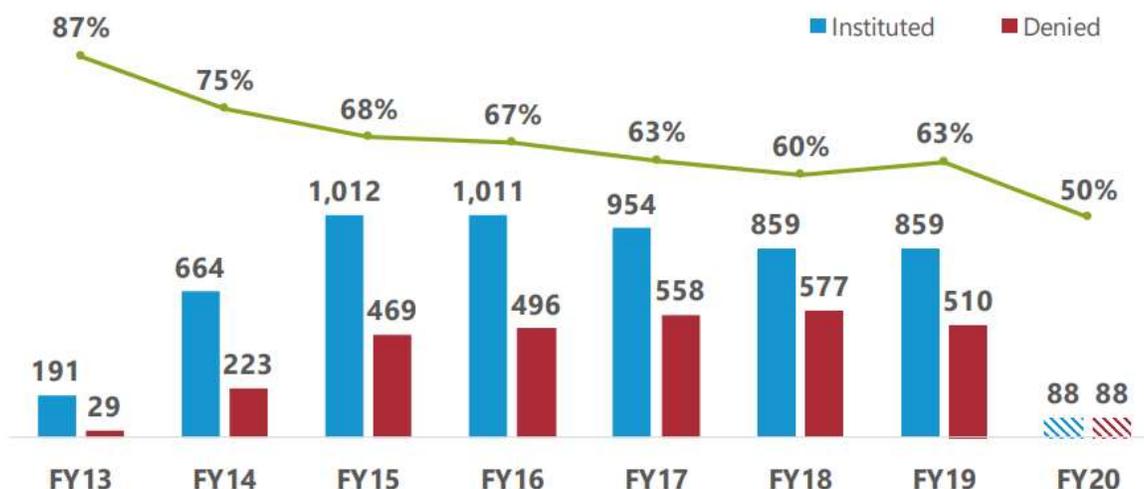
Roadmap

- Types of PTAB Decisions
- The Precedential Opinion Panel (POP)
- First Principles for PTAB Discretion to Deny Institution
- PTAB Discretion to Deny Institution – in 3 Acts

First Principles – Lies, Damn Lies, and . . .



Institution Rates (FY13 to FY20: Oct. 1, 2012 to Nov. 30, 2019)



https://www.uspto.gov/sites/default/files/documents/Trial_Statistics_2019-11-30.pdf at 6

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First Principles – Director Iancu



“Remarkably, in . . . Orwellian ‘doublespeak,’ those who’ve been advancing the patent troll narrative argue that they do so because they are actually pro-innovation. That by their highlighting, relentlessly, the dangers in the patent system, they actually encourage innovation. Right!



“After hearing about the Big Bad Wolf eating Little Red Riding Hood and her Grandma, would kids be more eager to go into the woods and more eager to take risks? Come on!

What encourages more innovation . . . Thomas Edison, the Wright Brothers . . . or scary monster stories?”

[Andrei Iancu prepared remarks for the Eastern District of Texas Bar Association, October 18, 2019 \(reprinted at https://www.ipwatchdog.com/2018/10/19/iancu-risk-takers-patent-troll-narrative-orwellian-doublespeak/id=102474/\)](https://www.ipwatchdog.com/2018/10/19/iancu-risk-takers-patent-troll-narrative-orwellian-doublespeak/id=102474/)

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First Principles – Director Iancu



US patent reform and Andrei Iancu

Now more than one year into his tenure as director of the USPTO, Iancu has taken a strongly pro-patent stance

<https://www.iam-media.com/us-patent-reform-and-andrei-iancu>

First Principles – Director Iancu



The Honeymoon is Over: Time for Iancu to Take Action on PTAB Harassment of Patent Owners

<https://www.ipwatchdog.com/2019/08/14/honeymoon-time-iancu-take-action-ptab-harassment-patent-owners/id=112191/>



First Principles – Director Iancu



AGENDA



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First Principles - SAS

The Issue

“When the Patent Office initiates an inter partes review, must it resolve *all* of the claims in the case, or may it choose to limit its review to only *some* of them?”

The Holding

“The statute [is clear]: the Patent Office must ‘issue a final written decision with respect to . . . *any* patent claim challenged by the petitioner.’ . . .”

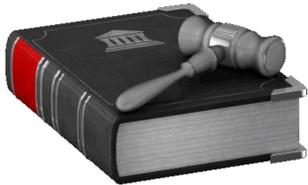
“In this context, as in so many others, ‘any’ means ‘every’.”

SAS Institute Inc. v. Iancu 138 S.Ct. 1348, 1353 (2018) (citing 35 U.S.C. § 318(a))
(decided on April 24, 2018; 5-to-4)



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First Principles – The AIA



- “Threshold. - The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

35 U.S.C. 314(a)

- “In determining whether to institute . . . the Director may take into account whether . . . the same or substantially the same prior art or arguments previously were presented to the Office.”

35 U.S.C. 325(d)

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First Principles – The Federal Circuit



“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”

Harmonic Inc. v. Avid Tech, Inc., 815 F.3d 1356, 1367 (Fed. Cir. 2016)

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Roadmap

- Types of PTAB Decisions
- The Precedential Opinion Panel (POP)
- First Principles for PTAB Discretion to Deny Institution
- **PTAB Discretion to Deny Institution – in 3 Acts**



PTAB DECISIONS ON DISCRETION TO DENY

- Act 1: Follow-on petitions
- Act 2: Petition's prior art considered during prosecution
- Act 3: Failure to identify grounds with particularity



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PTAB DECISIONS ON DISCRETION TO DENY

- Act 1: Follow-on petitions
- Act 2: Petition's prior art considered during prosecution
- Act 3: Failure to identify grounds with particularity



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FOLLOW-ON PETITIONS

- Your client is sued for patent infringement
- You file an IPR petition
- PTAB denies institution, finding that the prior art did not disclose just one of the many recited claim elements
- You have multiple prior-art references in the same field that unambiguously disclose that claim element
- You otherwise have sound invalidity arguments (e.g., motivation or reason to combine, etc.)
- You have 3 months before the 1-year clock expires



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FOLLOW-ON PETITIONS




Patent Trial and Appeal Board
Precedential
 Standard Operating Procedure 2

GENERAL PLASTIC INDUSTRIAL CO., LTD.,
 Petitioner,
 v.
 CANON KABUSHIKI KAISHA,
 Patent Owner.

Trials@uspto.gov
 571-272-7822



Paper No. 19
 Entered: September 6, 2017

UNITED STATES PATENT AND TRADEMARK OFFICE
 BEFORE THE PATENT TRIAL AND APPEAL BOARD

GENERAL PLASTIC INDUSTRIAL CO., LTD.,
 Petitioner,

v.

CANON KABUSHIKI KAISHA,
 Patent Owner.

Case IPR2016-01357 (Patent 9,046,820 B1)
 Case IPR2016-01358 (Patent 9,046,820 B1)
 Case IPR2016-01359 (Patent 8,909,094 B2)
 Case IPR2016-01360 (Patent 8,909,094 B2)
 Case IPR2016-01361 (Patent 8,909,094 B2)

Before DAVID P. RUSCHKE, *Chief Administrative Patent Judge*,
 SCOTT R. BOALICK, *Deputy Chief Administrative Patent Judge*, and
 JAMESON LEE, MICHAEL R. ZECHER, THOMAS L. GIANNETTI,
 JENNIFER S. BISK, and SHEILA F. McSHANE, *Administrative Patent Judges*.
 McSHANE, *Administrative Patent Judge*.

DECISION
 Denying Petitioner's Requests for Rehearing
 37 C.F.R. § 42.71(d)

¹ These proceedings have not been joined or consolidated. Rather, because of the presence of common issues and the involvement of the same parties, we enter one Decision on Rehearing for these identified proceedings.

FOLLOW-ON PETITIONS



On one hand

“[W]e are mindful of the goals of the AIA – namely to improve patent quality. . . . [and] to provide an effective and efficient alternative to district court litigation.”



But on the other

“Multiple, staggered petitions challenging the same patent and same claims raise the potential for abuse. . . . [and enable petitioners] to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review.”

Id. at 17-17

FOLLOW-ON PETITIONS



“Non-exhaustive” factors for “exercising discretion to deny institution”

1. Same petitioner, same patent, same claims as involved in 1st petition?
2. At time of 1st petition, did petitioner know (or should it have) of art in 2nd petition?
3. At time of 2nd petition, did petitioner have the POPR or institution decision for 1st petition?
4. How long after learning of prior art for 2nd petition was 2nd petition filed?
5. What is petitioner’s explanation for the time between the filings of the petitions
6. Consider the finite resources of the Board
7. Consider that PTAB must issue a final determination within a year of institution

Id. at 9-10

FOLLOW-ON PETITIONS



General Plastics board exercises discretion to deny institution

1. Same petitioner, same patent, same claims as involved in 1st petition? **YES**
2. At time of 1st petition, did petitioner know (or should it have) of art in 2nd petition? **YES**
3. At time of 2nd petition, did petitioner have the POPR or institution decision for 1st petition? **YES**
4. How long after learning of prior art for 2nd petition was 2nd petition filed?
 “no explanation . . . [of what] prompted a new prior art search, or for the delay”
5. What is petitioner’s explanation for the time between the filings of the petitions?
 “no explanation . . . that prompted new a new prior art search, or for the delay”
6. Consider the finite resources of the Board.
 “more fairly expended on initial petitions, rather than follow-on petitions”
7. Consider that PTAB must issue a final determination within a year of institution. *Id.* at 9-10

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FOLLOW-ON PETITIONS



- Your client and client’s customer are sued for infringement
- The customer-defendant files for IPR
- PTAB denies, finding failure of proof as to a claim element
- In the meantime, you successfully challenge venue and are voluntarily dismissed from the litigation
- You file a petition, specifically plugging the hole that the PTAB found in your customer-defendant’s petition
- Patent Owner requests denial because petition is cumulative and because you and the customer-defendant are “similarly situated” – unfair follow-on

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FOLLOW-ON PETITIONS

VALVE



Patent Trial and Appeal Board
PRECEDENTIAL
 Standard Operating Procedure 2
 Designated: 05/07/2019

VALVE CORPORATION,
 Petitioner,
 v.
 ELECTRONIC SCRIPTING PRODUCTS, INC.,
 Patent Owner.

Trials@uspto.gov
571-272-7822

Patent Trial and Appeal Board
PRECEDENTIAL
 Standard Operating Procedure 2
 Designated: 05/07/2019

Entered: April 2, 2019
Paper 11

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VALVE CORPORATION,
 Petitioner,
 v.
 ELECTRONIC SCRIPTING PRODUCTS, INC.,
 Patent Owner.

Case IPR2019-00062 (Patent 9,235,934 B2)
 Case IPR2019-00063 (Patent 9,235,934 B2)
 Case IPR2019-00084 (Patent 9,235,934 B2)¹

Before ANDREI IANCU, Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office, WILLIAM M. FINK, Vice Chief Administrative Patent Judge, and ROBERT J. WEINSCHENK, Administrative Patent Judge.

WEINSCHENK, Administrative Patent Judge.

DECISION
 Denying Institution of *Inter Partes* Review
 35 U.S.C. § 314

¹ These cases have not been joined or consolidated. Rather, this Decision governs each case based on common issues. The parties shall not employ this heading style.

<https://www.uspto.gov/sites/default/files/documents/Valve%20Corp.%20v.%20Elec.%20Scripting%20Prods.%20Inc.%20IPR2019-00062%2000063%2000084%20%28Paper%2011%29.pdf>

FOLLOW-ON PETITIONS

VALVE



“[O]ur application of the General Plastic factors is not limited solely to instances when multiple petitions are filed by the same petitioner.”

“Rather, when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors.”

Id. at 2

FOLLOW-ON PETITIONS

VALVE



General Plastics board exercises discretion to deny institution

1. Same petitioner, same patent, same claims as involved in 1st petition?
“we consider any relationship between [petitioners] when weighing *General Plastic* factors”
2. At time of 1st petition, did petitioner know (or should it have) of art in 2nd petition?
Yes. Timing of Valve’s petition shows that it found the art quickly
3. At time of 2nd petition, did petitioner have the POPR or institution decision for 1st petition? Yes. Valve had access to the denial and used it as a guide to address gaps
4. How long after learning of prior art for 2nd petition was 2nd petition filed?
Valve says it filed only because of change on 1-year-clock law on voluntary dismissal
5. What is petitioner’s explanation for the time between the filings of the petitions?
But waited five months to file and would have waited even longer if law had not changed
6. Consider the finite resources of the Board.
“multiple petitions . . . especially when not filed at or around the same time . . . is inefficient and tends to waste resources” *Id.* at 9-15
7. Consider that PTAB must issue a final determination within a year of institution.

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PTAB DECISIONS ON DISCRETION TO DENY

- Act 1: Follow-on petitions
- Act 2: Petition’s prior art considered during prosecution
- Act 3: Failure to identify grounds with particularity



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PRIOR ART CONSIDERED DURING PROSECUTION

- Your client is sued for patent infringement
- You file an IPR petition based in part on prior art considered during prosecution
- You contend petition arguments are different from pros
- You support your contention with an expert declaration
- Patent Owner says arguments substantially same as pros
- You rely on the same invalidity bases in district court
- Trial in court will be 6 months before PTAB final determination



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PRIOR ART CONSIDERED DURING PROSECUTION



Patent Trial and Appeal Board

PRECEDENTIAL
Standard Operating Procedure 2

Designated: 05/07/2019

NHK SPRING CO., LTD.,
Petitioner,

v.

INTRI-PLEX TECHNOLOGIES, INC.,
Patent Owner.

Trials@uspto.gov
571-272-7822

Patent Trial and Appeal Board
Paper No. 8
Entered: September 12, 2018

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NHK SPRING CO., LTD.,
Petitioner,

v.

INTRI-PLEX TECHNOLOGIES, INC.,
Patent Owner.

Case IPR2018-00752
Patent 6,183,841 B1

Before CHRISTOPHER M. KAISER, ELIZABETH M. ROESEL, and
MICHELLE N. ANKENBRAND, Administrative Patent Judges.

ANKENBRAND, Administrative Patent Judge.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a)

<https://www.uspto.gov/sites/default/files/documents/NHK%20Spring%20Co.%20Ltd.%20v.%20Intri-Plex%20Techs.%20Inc.%20IPR2018-00752%20%28Paper%208%29.pdf>

PRIOR ART CONSIDERED DURING PROSECUTION

Factors for “exercising discretion to deny institution” under § 325(d)



1. Similarities and material differences between the asserted art and art involved during examination
2. Cumulative nature of the asserted art and the art evaluated during examination
3. Extent asserted art was evaluated during examination (basis for rejection?)
4. Extent of overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes
5. Whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art
6. The extent to which additional evidence and facts presented in the Petition warrant reconsideration of prior art or arguments

Id. at 11-12

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PRIOR ART CONSIDERED DURING PROSECUTION

Factors for “exercising discretion to deny institution” under § 325(d)



1. Similarities and material differences between the asserted art and art involved during examination **Same**
2. Cumulative nature of the asserted art and the art evaluated during examination
Art was same as that in prosecution, so cumulative
3. Extent asserted art was evaluated during examination (basis for rejection?)
Examiner substantively applied teachings of art
4. Extent of overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes
Disagree with Petitioner; substantially same arguments in opposite order
5. Whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art **Petitioner failed to do this**
6. The extent to which additional evidence and facts presented in the Petition warrant reconsideration of prior art or arguments

Id. at 12-18

Expert declaration conclusory & unpersuasive

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PRIOR ART CONSIDERED DURING PROSECUTION



NHK SPRING CO.,LTD.



Weighing the 325(d) Factors

“[W]e find that the factors weigh in favor of exercising our discretion and denying institution under § 325(d).”

“Importantly, the asserted art is a subset of the same prior art that the Examiner applied in rejecting the claims during prosecution.”

“Further, the arguments Petitioner advances in its Petition are substantially similar to the findings the Examiner made to reject the claims, and that Patent Owner overcame.”



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PRIOR ART CONSIDERED DURING PROSECUTION



NHK SPRING CO.,LTD.



“[S]imply because we exercise our discretion to deny the Petition under § 325(d) does not mean that we cannot consider and weigh additional factors that favor denying institution under § 314(a).”

“[I]nstituting a trial under the facts and circumstances here would be an inefficient use of Board resources.”

“The district court proceeding . . . is nearing its final stages [with a] jury trial set to begin [6 months before a final determination would issue]. . . . [This] is an additional factor that weighs in favor of denying the Petition under § 314(a).”

Id. at 18-20



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PRIOR ART CONSIDERED DURING PROSECUTION

Facts substantially identical to NHK except . . .

- The petition-cited prior art was not discussed during prosecution of the patent-at-issue
- The patent-at-issue is a continuation of a parent patent
- The petition's prior art was considered during prosecution of the parent patent
- During prosecution, a terminal disclaimer was filed to overcome a non-statutory double patenting rejection



PRIOR ART CONSIDERED DURING PROSECUTION



Patent Trial and Appeal Board

INFORMATIVE

Designated: 03/21/18

PRECEDENTIAL AS TO § III.C.5, FIRST PARA

Designated: 08/02/19

BECTON, DICKINSON AND COMPANY,
Petitioner,

v.

B. BRAUN MELSUNGEN AG,
Patent Owner.

Trials@uspto.gov
571-272-7822

Paper No. 8
Entered: December 15, 2017



Patent Trial and Appeal Board
BakerHostetler
INFORMATIVE
PRECEDENTIAL AS TO § III.C.5, FIRST PARA

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BECTON, DICKINSON AND COMPANY,
Petitioner,

v.

B. BRAUN MELSUNGEN AG,
Patent Owner.

Case IPR2017-01586
Patent 8,328,762 B2

Before SCOTT A. DANIELS, MICHAEL L. WOODS, and
ROBERT L. KINDER, *Administrative Patent Judges*.

DANIELS, *Administrative Patent Judge*.

DECISION
Institution of *Inter Partes* Review
37 C.F.R. § 42.108

PRIOR ART CONSIDERED DURING PROSECUTION



Factors for “exercising discretion to deny institution” under § 325(d)

1. Similarities and material differences between the asserted art and art involved during examination
Secondary reference is different but not materially different from secondary reference in pros
2. Cumulative nature of the asserted art and the art evaluated during examination
Petitioner’s rearrangement of pros art presents little new evidence
3. Extent asserted art was evaluated during examination (basis for rejection?)
Merely rearranged art & proffered essentially the same argument – not new
4. Extent of overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes
No evidence that new combination creates different argument than in pros
5. Whether Petitioner has sufficiently pointed out how Examiner erred
Petitioner failed to do this
6. Extent to which additional evidence and facts presented in the Petition warrant reconsideration of prior art or arguments.

⁴³ *Id.* at 18-28

Expert’s *KSR* testimony lacks “evidentiary underpinnings” showing examiner wrong

PTAB DECISIONS ON DISCRETION TO DENY

- Act 1: Follow-on petitions
- Act 2: Petition’s prior art considered during prosecution
- Act 3: Failure to identify grounds with particularity



FAILURE OF PARTICULARITY

- Your client is sued for patent infringement
- The patent is hands-down invalid as anticipated by at least two equally-powerful prior-art references
- It is not even close
- And even if those references do not undeniably teach a claim element or two, those elements are well-known bells-and-whistles disclosed in multitudes of other prior art
- You are convinced that you can smother the PTAB and cut off every Patent-Owner angle



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FAILURE OF PARTICULARITY



Patent Trial and Appeal Board

INFORMATIVE

Standard Operating Procedure 2

Designated: 08/02/19

ADAPTICS LIMITED,
Petitioner,

v.

PERFECT COMPANY,
Patent Owner.

Trials@uspto.gov
571-272-7822



Patent Trial and Appeal Board
INFORMATIVE
Standard Operating Procedure 2
Designated: 08/02/19

Paper 20
Entered: March 6, 2019

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ADAPTICS LIMITED,
Petitioner,

v.

PERFECT COMPANY,
Patent Owner.

Case IPR2018-01596
Patent 9,772,217 B2

Before BARBARA A. BENOIT, MIRIAM L. QUINN, and
ELIZABETH M. ROESEL, *Administrative Patent Judges.*

ROESEL, *Administrative Patent Judge.*

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

Back to First Principles for a Second – Watch the Sloppy



⁴ Petitioner identifies “Exhibit 1023” as “Declaration of Rome Wallace (Mettler Toledo) and Exhibits 1–4 thereto” and “Exhibit 1024” as “Declaration of Rome Wallace, Exhibit 5 (Affidavit of Christopher Butler and exhibits thereto).” Pet. vii. ***The documents filed as Exhibits 1023 and 1024 do not, however, conform to these descriptions.*** Exhibit 1023 includes the Wallace declaration and Exhibits 1 and 2 and part of Exhibit 3 referenced therein. Exhibit 1024 includes the remainder of Wallace Exhibit 3 and Wallace Exhibit 5, the Affidavit of Christopher Butler and Exhibit A thereto, which contains archived HTML and PDF files. ***Wallace Exhibit 4 is missing.*** The pages of Exhibit 1024 are numbered from 1 to 501 and incorrectly marked with the legend, “Adaptics 1023.” ***Petitioner’s pinpoint citations to Exhibit 1024 are inaccurate, making it difficult, if not impossible, to locate the pages*** of the exhibit referenced in the Petition. For example, the Petition cites pages 1 and 34–165 of Exhibit 1024 as support for the assertion that Mettler (Ex. 1008) was published at least as early as 2010. Pet. 4. The cited pages include part of Wallace Exhibit 3, the Butler Affidavit, and part of Butler Exhibit A. Although it appears Petitioner intended to cite the Butler Affidavit and an archived PDF file corresponding to Mettler, ***the Petition fails to identify the correct pages of Exhibit 1024.***

Id. at 7

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Back to First Principles for a Second – Watch the Sloppy



⁵ The ***citation to Exhibit 1024 appears to be incorrect.*** It appears Petitioner intended to cite Exhibit 1023, pages 16 and 544, which are portions of the tables of contents for the IND780 Terminal Technical Manual and the IND780 Terminal User’s Guide, respectively.

⁶ Sartorius is not included in the heading on page 36 of the Petition, but it is included in the discussion of the ground, e.g., at pages 37, 42–43, and 50–51 of the Petition.

Id. at 9

⁷ Williams is not included in the heading on page 62 of the Petition, but it is included in the discussion of the ground at pages 62–63 of the Petition. Furthermore, in contrast to the heading on page 62 of the Petition, the discussion of the ground joins all of the references with the conjunction, “and/or.” Pet. 62. Still further, claim 9 is not listed in the heading on page 62 of the Petition, but the discussion of the ground states it is asserted against “the challenged claims” (Pet. 62), which includes claim 9. See, e.g., *id.* at 6 (listing challenged claims). The discrepancies between the headings and the text contribute to a lack of particularity of the asserted grounds, as discussed below.

Id.

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FAILURE OF PARTICULARITY



- Ground 1 – Bendel anticipates
- Ground 2 – Sartorius anticipates
- Ground 3 – Williams (for elements [A]-[F]) in combo with:
 - For element 1[G]: Bendel or Sartorius or Mettler, or Digi-Star, or Yuyama
 - For elements 5[G] – [I] & 6[G]: Bendel or Sartorius or Digi-Star, or Yuyama or Wright
- Ground 4 – Turnage (for elements [A]-[F]) in combo with:
 - Same as those under Ground 3
- Ground 5 – If Bendel and Sartorius don't anticipate, then claims obvious if combined with "Williams, Turnage, Abrams, Bordin, Mettler, Digi-Star, Yuyama, **and/or** Wright"

All claims are independent claims

Id. at 13-15

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FAILURE OF PARTICULARITY



Patent Owner: Exercise discretion to deny under 35 U.S.C. § 314(a)

PTAB:

- Petition must identify "with particularity" the claims challenged, the grounds, and the supporting evidence. 35 U.S.C. § 312(a)(3)
- Consistent with statute and Federal Circuit law, "our *Trial Practice Guide* advises that petitioners should 'avoid submitting a repository of all the information that a judge could possibly consider, and instead focus on concise, well-organized, easy-to-follow argument supported by readily identifiable evidence of record.' Office Patent Trial Practice Guide, 77 Fed. Reg. 48756, 48763 (Aug. 14, 2012)."

Id. at 15-16

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FAILURE OF PARTICULARITY



PTAB:

- “The statutory requirement for particularity in a petition for IPR takes on heightened importance when considered in conjunction with SAS’s ‘all-or-nothing’ approach.”
- “Because the Board’s practice, in light of SAS, is to institute on all grounds asserted in a petition, the Board may consider whether a lack of particularity as to one or more of the asserted grounds justifies denial of an entire petition.”
- The Board will “determine whether, in the interests of efficient administration of the Office and integrity of the patent system . . . the entire petition should be denied” *Id. at 17*

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FAILURE OF PARTICULARITY



PTAB:

- “[T]he Petition suffers from a lack of particularity that results in voluminous and excessive grounds.”
- “Petitioner’s third obviousness ground—the ‘catch-all’ ground—is the worst offender.”
- “Even if we were to . . . consider only the two-reference combinations encompassed by Petitioner’s asserted ground, Petitioner’s contention encompasses . . . a total of seventeen possible combinations [which is] unduly burdensome” *Id. at 18-19*

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FAILURE OF PARTICULARITY



PTAB:

- “Critically, however, the Petition fails to specify what Petitioner regards as the difference(s) between Bendel or Sartorius and the challenged claims. *See Graham v. John Deere Co.* . . . (requiring that the differences between the prior art and the claims at issue be ascertained as part of an obviousness analysis).”
- “Instead, Petitioner provides three ‘example’ limitations that Bendel or Sartorius may be deemed not to disclose.”
- “Petitioner’s reliance on a large number of secondary references connected by “and/or” results in a multiplicity of grounds for the same reasons”

Id. at 20



Questions?

A view from the PTAB bench

Administrative Patent Judge Robert Weinschenk

January 23, 2020

NJIPLA PTAB Year-in-Review

UNITED STATES
PATENT AND TRADEMARK OFFICE



POP decisions

Precedential Opinion Panel (POP)

- Outlined in PTAB Standard Operating Procedure 2 (SOP2), available at [go.usa.gov/xPMqx](https://www.uspto.gov/xPMqx)
- Criteria:
 - Constitutional questions
 - Important issues regarding statutes, rules, regulations
 - Important issues regarding precedential case law
 - Issues of broad applicability to Board
 - Resolve conflicts between Board decisions
 - Promote certainty and consistency



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Precedential Opinion Panel (POP)

- Default composition:
 - Director
 - Commissioner for patents
 - PTAB chief judge



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POP decisions

Case/appeal name	Case/appeal number	Topic	Status	Date decided
<i>Proppant Express Inv, LLC v. Oren Techs., LLC</i>	IPR2018-00914, Paper 38	AIA - Joinder - 315(c)	Decided	3/13/2019
<i>GoPro, Inc. v. 360Heros, Inc.</i>	IPR2018-01754, Paper 38	AIA - Time Bar - 315(b)	Decided	8/23/2019
<i>Hulu, LLC v. Sound View Innovations, LLC</i>	IPR2018-01039, Paper 29	AIA - Printed Publications - 311(b)	Decided	12/20/2019



Other precedential decisions

Recent precedential decisions

Case/appeal name	Case/appeal number	Topic	Date issued	Date designated
<i>Proppant Express Invs., LLC v. Oren Techs., LLC</i>	IPR2017-01917, Paper 86	AIA - RPI - 312(a)(2), 315(b)	2/13/2019	4/16/2019
<i>Ventex Co., Ltd. v. Columbia Sportswear North America, Inc.</i>	IPR2017-00651, Paper 152	AIA - RPI - 312(a)(2), 315(b)	1/24/2019	4/16/2019
<i>Infiltrator Water Techs., LLC v. Presby Patent Trust</i>	IPR2018-00224, Paper 25	AIA - Time Bar - 315(b)	10/1/2018	9/9/2019
<i>Cisco Systems, Inc. v. Chrimar Systems, Inc.</i>	IPR2018-01511, Paper 11	AIA - Time Bar - 315(a)(1)	1/31/2019	8/29/2019
<i>Adello Biologics LLC v. Amgen, Inc.</i>	PGR2019-00001, Paper 11	AIA - RPI - 322(a)(2)	2/14/2019	4/16/2019
<i>Valve Corp. v. Elec. Scripting Prods., Inc.</i>	IPR2019-00062, -00063, -00084, Paper 11	AIA - Institution - 314(a)	4/2/2019	5/7/2019
<i>Valve Corp. v. Elec. Scripting Prods., Inc.</i>	IPR2019-00064, -00065, -00085, Paper 10	AIA - Institution - 314(a)	5/1/2019	8/2/2019
<i>NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.</i>	IPR2018-00752, Paper 8	AIA - Institution - 314(a), 325(d)	9/12/2018	5/7/2019
<i>Becton, Dickinson & Co. v. B. Braun Melsungen AG</i>	IPR2017-01586, Paper 8	AIA - Institution - 325(d)	12/15/2017	8/2/2019

Recent precedential decisions (cont.)

Case/appeal name	Case/appeal number	Topic	Date issued	Date designated
<i>Lectrosonics, Inc. v. Zaxcom, Inc.</i>	IPR2018-01129, -01130, Paper 15	AIA - MTA - 316(d)	2/25/2019	3/7/2019
<i>Amazon.com, Inc. v. Uniloc Luxembourg S.A.</i>	IPR2017-00948, Paper 34	AIA - MTA - 316(d)	1/18/2019	3/18/2019
<i>General Electric Co. v. United Techs. Corp.</i>	IPR2017-00491, Paper 9	AIA - Statutory Disclaimer	7/6/2017	9/9/2019
<i>DePuy Synthes Prods., Inc. v. Medidea, LLC</i>	IPR2018-00315, Paper 29	AIA - Oral Argument	1/23/2019	3/18/2019
<i>K-40 Elecs., LLC v. Escort, Inc.</i>	IPR2013-00203, Paper 34	AIA - Oral Argument	5/21/2014	3/18/2019
<i>Huawei Device Co., Ltd. v. Optis Wireless Tech., LLC</i>	IPR2018-00816, Paper 19	AIA - Request for Rehearing	1/8/2019	4/5/2019
<i>Focal Therapeutics, Inc. v. SenoRx, Inc.</i>	IPR2014-00116, Paper 19	AIA - Depositions	7/21/2014	7/10/2019

Trial Practice Guide Update

Trial Practice Guide Update (July 2019)

- Guidance includes:
 - Factors that may be considered by the Board in determining when additional discovery will be granted
 - Revised claim construction standard to be used in IPR, PGR, and CBM proceedings
 - Submission of testimonial evidence with a patent owner preliminary response
 - Information to be provided by the parties if there are multiple petitions filed at or about the same time challenging the same patent
 - Motion to amend practice
 - Factors that may be considered by the Board in determining whether to grant a motion for joinder
 - Procedures to be followed when a case is remanded
 - Procedures for parties to request modifications to the default protective order

Printed publications

Hulu, LLC v. Sound View Innovations, LLC

- IPR2018-01039 (PTAB Dec. 20, 2019) (Paper 29)
 - POP ordered review on the following issue:
 - What is required for a petitioner to establish that an asserted reference qualifies as a “printed publication” at the institution stage?

Hulu, LLC v. Sound View Innovations, LLC

- POP concluded:
 - “[A]t the institution stage, the petition must identify, with particularity, evidence sufficient to establish a reasonable likelihood that the reference was publicly accessible before the critical date of the challenged patent and therefore there is a reasonable likelihood that it qualifies as a printed publication.”
 - Higher standard than mere notice pleading.
 - Lower than the preponderance of the evidence standard.



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Hulu, LLC v. Sound View Innovations, LLC

- POP concluded:
 - No presumption in favor of institution or in favor of finding a reference to be a printed publication.
 - Indicia on the face of a reference, such as printed dates and stamps, are considered as part of the totality of the evidence.
 - No particular indicia are *per se* sufficient at the institution stage.



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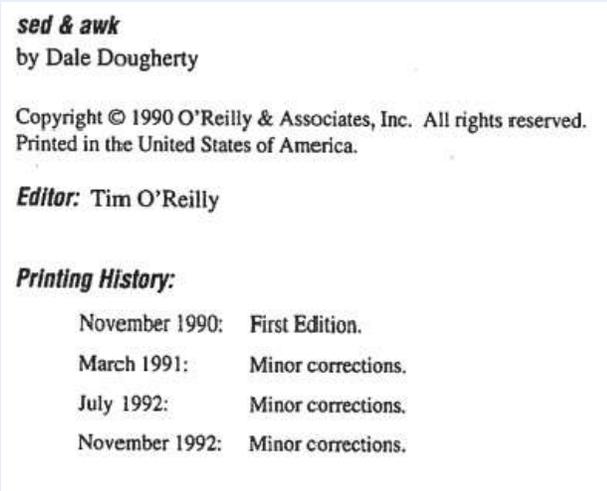
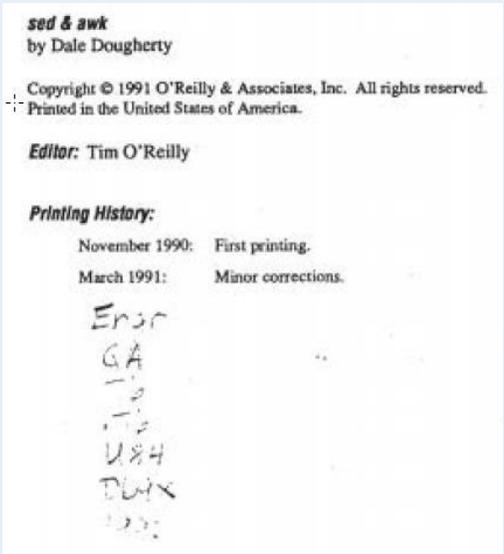
Hulu, LLC v. Sound View Innovations, LLC

- Opportunities to submit additional evidence:
 - Petitioner’s reply:
 - If patent owner challenges a reference’s status as a printed publication, petitioner may submit a supporting declaration with its reply to further support its argument.
 - Petitioner cannot change theories after filing petition.
 - Supplemental information:
 - If patent owner does not challenge a reference’s status as a printed publication, petitioner may move to submit declaration through supplemental information process.
 - If submission is more than one month after institution, petitioner must show good cause.



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Hulu, LLC v. Sound View Innovations, LLC

Prior art at issue	Additional evidence
Dougherty	Cornell Dougherty
	

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Hulu, LLC v. Sound View Innovations, LLC

- POP concluded:
 - Sufficient evidence to establish a reasonable likelihood that Dougherty is a printed publication.
 - Copyright right date of 1990, printing date of Nov. 1992, ISBN date of 8/94
 - Textbook from established publisher and well-known book series
 - Affidavit regarding Cornell Dougherty is probative that Dougherty is the type of book a university would have collected and catalogued.



Time bar triggers

Statutory time bars

- 35 U.S.C. § 315(b):
 - An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than one year after the date on which the petitioner, real party in interest, or privy of the petitioner is *served with a complaint alleging infringement of the patent*. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).
- 35 U.S.C. § 315(a)(1):
 - An *inter partes* review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest *filed a civil action challenging the validity of a claim of the patent*.

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Statutory time bars

- *Click-to-Call Techs., LP v. Ingenio, Inc.*, 899 F.3d 1321 (Fed. Cir. 2018):
 - Explained that definitions of the terms “service” and “complaint” confirm that the plain meaning of the phrase “served with a complaint” is “presented with a complaint” or “delivered a complaint” in a manner prescribed by law.
 - Concluded that § 315(b) time bar is implicated once a party receives notice through official delivery of a complaint in a civil action, irrespective of subsequent events.

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GoPro, Inc. v. 360Heros, Inc.

- IPR2018-01754 (PTAB Aug. 23, 2019) (Paper 38)
 - POP ordered review on the following issue:
 - Whether the service of a pleading asserting a claim alleging infringement, where the serving party lacks standing to sue or the pleading is otherwise deficient, triggers the one-year time period for a petitioner to file a petition under 35 U.S.C. § 315(b).



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GoPro, Inc. v. 360Heros, Inc.

- POP concluded:
 - “Served with a complaint alleging infringement” in § 315(b) is plain and unambiguous.
 - The service of a pleading asserting a claim alleging infringement triggers the one-year time period for a petitioner to file a petition under § 315(b), regardless of whether the serving party lacked standing to sue or the pleading was otherwise deficient.



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Infiltrator Water Techs., LLC v. Presby Patent Trust

- IPR2018-00224 (PTAB Oct. 1, 2018) (Paper 18)
 - Vacated institution and terminated proceeding under § 315(b) after applying *Click-to-Call*.
 - Determined that § 315(b) bars institution of an *inter partes* review even though patent owner's complaint was involuntarily dismissed for lack of personal jurisdiction.



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Cisco Sys., Inc. v. Chrimar Sys., Inc.

- IPR2018-01511 (PTAB Jan. 31, 2019) (Paper 11)
 - Denied institution under § 315(a)(1) after applying *Click-to-Call*.
 - Determined that § 315(a)(1) bars institution of an *inter partes* review even though petitioner voluntarily dismissed without prejudice its earlier civil action challenging the validity of the patent.



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Joinder

Proppant Express Inv., LLC v. Oren Techs., LLC

- IPR2018-00914 (PTAB Mar. 13, 2019) (Paper 38)
 - POP ordered review on the following issues:
 - Under 35 U.S.C. § 315(c), may a petitioner be joined to a proceeding in which it is already a party?
 - Does 35 U.S.C. § 315(c) permit joinder of new issues into an existing proceeding?
 - Does the existence of a time bar under 35 U.S.C. § 315(b), or any other relevant facts, have any impact on the first two questions?

Proppant Express Inv., LLC v. Oren Techs., LLC

- POP concluded:
 - Section 315(c) permits a petitioner to be joined to a proceeding in which it is already a party.
 - Section 315(c) permits joinder of new issues to an existing proceeding.
 - The existence of a time bar under § 315(b) is one of several factors that may be considered when exercising discretion under § 315(c).



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Proppant Express Inv., LLC v. Oren Techs., LLC

- POP concluded:
 - When an otherwise time-barred petitioner requests same party and/or issue joinder, the Board will exercise its discretion only in limited circumstances when fairness requires it and to avoid undue prejudice to a party.
 - The Board may grant same party and/or issue joinder based on actions taken by a patent owner in a co-pending litigation, such as the late addition of new asserted claims.
 - The Board generally does not expect to grant same party and/or issue joinder based on a petitioner's mistakes or omissions.



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Proppant Express Inv., LLC v. Oren Techs., LLC

- Other factors
 - Stage and schedule of existing *inter partes* review
 - *General Plastic* factors
 - Events in other proceedings related to the patent



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Proppant Express Inv., LLC v. Oren Techs., LLC

- POP concluded:
 - Petitioner acknowledges that it filed the Petition and Motion for Joinder to correct an error in its petition in a previous case.
 - Because petitioner's own conduct created the need for it to request joinder, this case does not involve one of the limited circumstances in which the Board will exercise its discretion to allow same party and/or issue joinder.



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Trial Practice Guide Update

- Additional procedure:
 - A party who files a motion for joinder should arrange a conference call with the panel, petitioner, and patent owner of the first proceeding within 5 business days of filing the motion.
 - Purpose is to allow panel to timely manage the proceedings.



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Thank you!

Robert Weinschenk

Administrative patent judge

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Impact of *SAS Institute Inc. v. Iancu* on PTAB Institutions and Proceedings

Mark J. Feldstein

January 23, 2020

New Jersey Intellectual Property Law Association

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The Supreme Court's 2017-2018 Patent Docket

- *Oil States Energy Services v. Greene's Energy Group*
– Do IPRs violate Article III or the Seventh Amendment?
- *SAS Institute v. Iancu*
– Can the Board issue a Final Written Decision for only some claims challenged by petitioner?

Partial Institutions: Statute and Regulation

- 35 USC § 318(a):
 - The Board “shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner.”

- 37 CFR 42.108(a)
 - “When instituting *inter partes* review, the Board **may authorize the review to proceed on all or some** of the **challenged claims** and on all or some of the **grounds** of unpatentability asserted for each claim.”
 - Board could choose to institute on some claims and deny review of others
 - Final Written Decision would address only instituted claims

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SAS Institute v. ComplementSoft, PTAB-IPR2013-00226

IPR overview

- SAS’s Petition
 - 16 claims
 - 10 grounds
- PTAB’s Institution
 - 9 claims (1, 3-10) total
 - 5 (at least partial) grounds
- PTAB’s FWD
 - 8 claims (1, 3, 5-10) unpatenable

Reference[s] ²	Basis	Claims challenged
Coad	§ 102	1
Coad, Oracle Primer, and Oracle8 Primer	§ 103	1
Antis	§ 102	1-3 and 5
Antis and Coad	§ 103	1-3, 5, 6, 8, 10-12, 15, and 16
Antis, Coad, and Burkwald	§ 103	4 1, 3, 5, 6, 8, 10
Antis, Coad, and Eick	§ 103	7
Antis, Coad, and Building Applications	§ 103	9
Antis, Coad, and Corda	§ 103	13
Antis, Coad, and Access 97 Visual Basic	§ 103	14

Dependent Claims 2-16 Are Unpatentable Over Each Reference and Combination of References Asserted for Claim 1 in View of the Prior Art

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***SAS Institute v. ComplementSoft*, PTAB-IPR2013-00226**

Denied or partially instituted grounds

- Claims 11-16 (multiple grounds)
 - ✗ **SAS’s analysis “insufficient to show** that the prior art teaches the means-plus-function limitation of claim 11. Thus, we decline to institute *inter partes* review on any proposed ground for claims 11-16”
- Anticipation by *Coad* (claim 1)
 - ✗ **“not persuaded** that SAS has shown a reasonable likelihood of prevailing in its assertion that claim 1 is anticipated by *Coad*”
- Anticipation by *Antis* (claims 1-3, 5)
 - ✗ **“SAS has not shown a reasonable likelihood of prevailing** in its assertion that claims 1-3 and 5, all of which require an editor, are anticipated by *Antis*”
- Obviousness of over *Antis* and *Coad* (claims 1-3, 5, 6, 8, 10-12, 15, and 16)
 - ✓ **“a reasonable likelihood that SAS will prevail”** for claims 1, 3, 5, 6, 8, and 10
 - ✗ **“SAS has failed to demonstrate a reasonable likelihood** that it would prevail on a challenge of claim 2 based on obviousness over *Antis* and *Coad*”

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***SAS Institute v. ComplementSoft*,**

Federal Circuit Appeal, 825 F.3d 1341 (Fed. Cir. 2016)

- **SAS**
 - Board’s failure to address all challenged claims in FWD violates 35 USC § 318(a)
- **Federal Circuit**
 - “We found, however, **no statutory requirement that the Board’s final decision address every claim raised** in a petition for inter partes review. Section 318(a) only requires the Board to address claims as to which review was granted.” (citations and quotations omitted)
 - “[W]e **reject SAS’s argument that the Board must address all claims challenged** in an IPR petition in its final written decision.”
- **J. Newman dissent**
 - “The exclusion of some of the challenged claims from the statutory procedures and estoppels of the AIA, accomplished by **accepting some of the claims for which review is sought while ignoring others**, in the PTO’s absolute discretion, **serves no purpose** other than to negate the intended legislative purpose of the AIA.”

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***SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018)**

Question Presented:

- Does 35 U.S.C. § 318(a), which provides that the Patent Trial and Appeal Board in an *inter partes* review “shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner,” **require that Board to issue a final written decision as to every claim challenged by the petitioner**, or does it allow that Board to issue a final written decision with respect to the patentability of only some of the patent claims challenged by the petitioner, as the Federal Circuit held?

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***SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348 (2018)**

What did SAS decide?

- 5-4 decision: “When the USPTO institutes an *inter partes* review, it must decide the patentability of **all of the claims** the petitioner challenged **[in the petition]**” based on the plain text of § 318(a).
 - Gorsuch for the majority (joined by Roberts, Kennedy, Thomas, Alito)
 - Breyer dissenting (joined by Ginsburg, Sotomayor; Kagan joined all but one paragraph about *Chevron*)
 - Ginsburg dissenting (joined by Breyer, Sotomayor, Kagan)

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PTAB and Federal Circuit Implementation of SAS

Does the PTAB institute all **claims** or all **grounds**?

- § 318 requires FWD on “any patent *claim* challenged by the Petitioner”
- SAS mainly discusses “claims,” not grounds
 - But, rejected argument that the “statute allows the Director to institute proceedings on a claim-by-claim and ground-by-ground basis”

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PTAB and Federal Circuit Implementation of SAS

Binary decision on all claims and all grounds

- Guidance on the impact of SAS on AIA trial proceedings (April 26, 2018)
 - “At this time, if the PTAB institutes a trial, **the PTAB will institute on all challenges raised** in the petition.”
- PTAB SAS Q&As (June 5, 2018)
 - “PTAB will institute on **all challenges raised** in the petition or not institute at all (i.e., it will be a binary decision). There will be no partial institution based on claims. **There will be no partial institution of grounds.**”
- PGS Geophysical AS v. Iancu, 891 F.3d 1354, 1360 (Fed. Cir. 2018)
 - “We read those and other similar portions of the SAS opinion as interpreting the statute to require a **simple yes-or-no** institution choice respecting a petition, **embracing all challenges included in the petition**, and we have seen no basis for a contrary understanding of the statute in light of SAS.”

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Immediate Fall Out and Transition Issues

- **Federal Circuit**
 - Generally remanded undecided cases for PTAB to consider previously uninstituted grounds
- **PTAB**
 - Add non-instituted grounds with case specific scheduling adjustments, such as:
 - a. Issue an order instituting on all claims and all grounds presented in the petition and order the parties to meet and confer;
 - b. Depending on the stage of the trial proceeding, the Board may authorize additional briefing, evidence, and a supplemental hearing, as well as extend procedural dates;
 - c. Receive a joint request filed by the parties for rehearing to waive additional claims and/or grounds; or
 - d. Receive a joint motion to limit claims and/or grounds.

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Biodelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc., 935 F.3d 1362 (Fed. Cir. 2019)

- Oct. 2014: IPR petitions filed
- May 2015: Partial institutions
- May 2016: FWD, not unpatentable
- Feb. 2018: Federal Circuit oral argument
- Apr. 2018: *SAS Institute, Inc. v. Iancu*
- May 2018: Bio-Delivery requested remand under SAS
- July 2018: FWD vacated, “remand to implement the Court’s decision in SAS”

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Biodelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc., PTAB-IPR2015-00165, paper 91 (PTAB Feb. 7, 2019)

- “[O]f the seven grounds of unpatentability presented in the Petition, we determine that **Petitioner failed to establish, on the merits, a reasonable likelihood of prevailing as to six** of those grounds entirely (Grounds 2–7).”
- “instituting trial as to those grounds at this time is **neither in the interest of the efficient administration** of the Office, **nor** in the interest of securing an **inexpensive resolution** of this proceeding”
- “In implementing SAS, therefore, we evaluate the Petition to make ‘a binary choice—either institute review or don’t.’
- “Having evaluated the Petition, we decide, for the reasons discussed herein, that **we do not institute review.**”

Ground	Reference[s]	Basis	Challenged Claims
1	Chen ²	§ 102(b)	1, 4, 6–8, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, 109, and 125–127
2	Chen	§ 103(a)	1, 4, 6–8, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, 109, and 125–127
3	Chen in view of Leung ³	§ 103(a)	1, 4, 6–8, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, 109, and 125–127
4	Chen in view of Leung and Modern Coating ⁴	§ 103(a)	1, 4, 6–8, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, 109, and 125–127
5	Tapolsky ⁵	§ 102(b)	1, 4, 6–9, 11, 12, 26, 27, 32, 44, 51, 65, 72, 82, and 125–127
6	Tapolsky	§ 103(a)	1, 4, 6–9, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, and 125–127
7	Tapolsky in view of Modern Coating	§ 103(a)	1, 4, 6–9, 11, 12, 26, 27, 32, 38, 44, 51, 58, 65, 72, 82, and 125–127

Biodelivery Scis. Int'l, Inc. v. Aquestive Therapeutics, Inc., 935 F.3d 1362, 1364 (Fed. Cir. 2019)
(granting motion to dismiss appeal)

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Long Term Impact of SAS:

No partial institutions

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Chevron Oronite Co. v. Infineum USA L.P., Case IPR2018-00923, Paper 9 (PTAB Nov. 7, 2018) (designated “informative”)

- Reasonable likelihood of prevailing on only 2 of 20 challenged claims.
- Institution “is not efficient use of the Board’s time and resources”:

“Here, Petitioner demonstrates, at most, a reasonable likelihood of prevailing with respect to two dependent claims out of a total of twenty challenged claims. On this record, instituting a trial with respect to all twenty claims based on evidence and arguments directed to dependent claims 3 and 4 is not an efficient use of the Board’s time and resources.”

- Institution **DENIED**.

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Adaptics Ltd. v. Perfect Co., Case IPR2018-01596, Paper 20 (PTAB Mar. 6, 2019) (designated “informative”)

- “Petitioner’s reliance on up to ten references connected by the conjunction ‘and/or’ results” in hundreds of possible combinations “none of which is presented with sufficient particularity.”

X. CLAIMS 1, 5, 6, 13, 14, 21, AND 22 WERE OBVIOUS OVER BENDEL OR SARTORIUS IN VIEW OF TURNAGE, ABRAMS, OR BORDIN, AND IN FURTHER VIEW OF EACH OTHER, METTLER, DIGI-STAR, YUYAMA, AND/OR WRIGHT

- “The statutory requirement for particularity in a petition for IPR takes on heightened importance when considered in conjunction with SAS’s ‘all-or-nothing’ approach”
- “Even when a petitioner demonstrates a reasonable likelihood as to at least one claim, however, institution of an IPR remains discretionary.”
- Institution **DENIED**.

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Deeper, UAB v. Vexilar, Inc., Case IPR2018-01310,
Paper 7 (PTAB Jan. 24, 2019) (designated “informative”)

- Reasonably likelihood of prevailing on only 2 of 23 claims in 1 of 4 grounds.
- “On this record, and based on the particular facts of this proceeding, **instituting a trial** with respect to all twenty-three claims and on all four grounds based on evidence and arguments directed to only two claims and one ground **would not be an efficient use of the Board’s time and resources.**”
- Institution **DENIED**.

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Biofrontera Inc. v. DUSA Pharms., Inc., IPR2018-01585,
Paper 10 (PTAB Feb. 26, 2019)

- Reasonable likelihood of prevailing on only 3 of 19 claims.
- “Although we do not look strictly at precise percentages of institutable grounds and/or claims, this case presents a clear instance where the benefits of holding a trial to resolve the challenges having a reasonable likelihood would be overwhelmed by the burden of addressing the challenges having no reasonable likelihood.”
- “[I]nstitution would not serve the just, speedy, and inexpensive resolution of the parties’ dispute, or of inter partes reviews as a whole.”
- Institution **DENIED**.

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Long Term Impact of SAS:

Petitioner estoppel for “any ground that the petitioner raised or reasonably could have raised during that inter partes review”

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Statute

- 35 U.S.C. §315 (e) ESTOPPEL.—
- (1) PROCEEDINGS BEFORE THE OFFICE.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.
- (2) CIVIL ACTIONS AND OTHER PROCEEDINGS.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

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35 U.S.C. § 325(e) for PGRs.

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Rules

- 37 C.F.R. §42.73 (d) Estoppel.
- (1) Petitioner other than in derivation proceeding. A petitioner, or the real party in interest or privy of the petitioner, is estopped in the Office from requesting or maintaining a proceeding with respect to a claim for which it has obtained a final written decision on patentability in an inter partes review, post-grant review, or a covered business method patent review, on any ground that the petitioner raised or reasonably could have raised during the trial, except that estoppel shall not apply to a petitioner, or to the real party in interest or privy of the petitioner who has settled under 35 U.S.C. 317 or 327.

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***Shaw Indus. Group, Inc. v. Automated Creel Systems, Inc.*, 817 F.3d 1293 (Fed. Cir. 2016)**

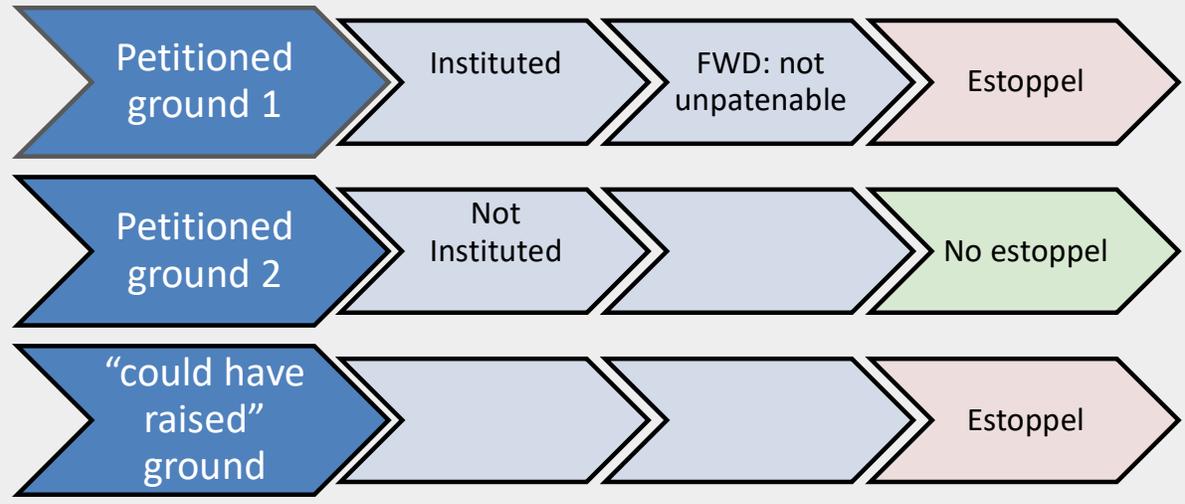
- PTAB instituted on 2 grounds; “Payne” ground denied as redundant.
- FWD found some claims not unpatentable
- Shaw appealed
 - *seeking* “mandamus instructing the PTO to reevaluate its redundancy decision and to institute IPR based on the Payne-based ground”
 - *because* “it may be estopped from arguing the ground in any future proceedings.”
- Federal Circuit denied mandamus
 - “The IPR does not begin until it is instituted... Thus, Shaw did not raise—nor could it have reasonably raised—the Payne-based ground *during* the IPR.
 - “The plain language of the statute prohibits the application of estoppel under these circumstances.”

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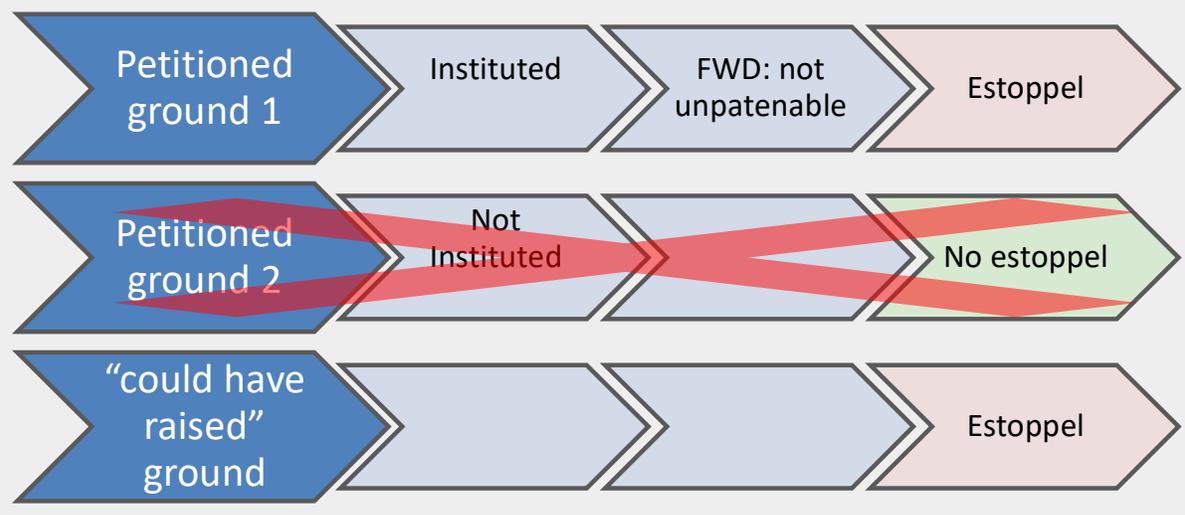
The world before SAS: Partial Institutions and Estoppel

- Over simplified estoppels following partial institution



Post-SAS: No Partial Institutions

- No non-estopped grounds following institution (over simplified)



Post-SAS strategies:

Petitioner Considerations

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Petitioners: Pick Your Grounds Carefully

- No requirement to institute even if “reasonable likelihood” threshold is met (slip op. at 8)
 - Board may reject for “too many grounds”
 - Board may reject grounds too similar to previous arguments/art
- Explain why petition is not redundant under § 325(d)

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Petitioners: One vs. Multiple Petitions

- One petition:
 - Board may have to institute both grounds, *if*
 - SAS means must decide all grounds in petition at Final Written Decision, or
 - Grounds have some mutually exclusive claims
 - Explain why grounds are not redundant under § 325(d)
- Multiple petitions
 - More space to explain arguments
 - Board may reject one petition as not showing “reasonable likelihood”
 - Even if mutually exclusive claims between grounds, could reject second petition
 - Explain why grounds are not redundant under § 325(d)

Petitioners: One vs. Multiple Petitions

Hypothetical #1: strong ground for a few claims, weaker ground for most

- Single petition with multiple grounds

	PTAB determination	Institution decision
Ground 1 (claim 1 and 10)	Reasonable likelihood	Institution denied
Ground 2 (claims 2-9)	No reasonable likelihood	
Ground 3 (11-20)	No reasonable likelihood	

- Multiple petitions

	PTAB determination	Institution decision
Petition 1 (claim 1 and 10)	Reasonable likelihood	Institution granted
Petition 2 (claims 2-9)	No reasonable likelihood	Institution denied
Petition 3 (11-20)	No reasonable likelihood	Institution denied

Petitioners: One vs. Multiple Petitions

Hypothetical #2: strong ground for most claims, weaker for a few

- Single petition with multiple grounds

	PTAB determination	Institution decision
Ground 1 (claims 1-20)	Reasonable likelihood claims 1-6, 9-16, 19, 20	Institution granted
Ground 2 (claims 7, 8)	No reasonable likelihood	
Ground 3 (claims 7, 18)	No reasonable likelihood	

- Multiple petitions

	PTAB determination	Institution decision
Petition 1 (claims 1-20)	Reasonable likelihood claims 1-6, 9-16, 19, 20	Institution granted
Petition 2 (claims 7, 8)	No reasonable likelihood	Institution denied
Petition 3 (claims 7, 18)	No reasonable likelihood	Institution denied

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Petitioners: One vs. Multiple Petitions

- Estoppel considerations

- Estoppel attaches to all grounds if single petition, multiple grounds instituted
- Estoppel may not attach if two petitions, one of which is denied institution

Petitioners: One vs. Multiple Petitions

Hypothetical #1: strong ground for a few claims, weaker ground for most

- Single petition with multiple grounds

	PTAB determination	Institution decision	Estoppel (oversimplified)
Ground 1 (claim 1 and 10)	Reasonable likelihood	Institution denied	NO
Ground 2 (claims 2-9)	No reasonable likelihood		NO
Ground 3 (11-20)	No reasonable likelihood		NO

- Multiple petitions

	PTAB determination	Institution decision	Estoppel (oversimplified)
Petition 1 (claim 1 and 10)	Reasonable likelihood	Institution granted	YES
Petition 2 (claims 2-9)	No reasonable likelihood	Institution denied	maybe not
Petition 3 (11-20)	No reasonable likelihood	Institution denied	maybe not

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Petitioners: One vs. Multiple Petitions

Hypothetical #2: strong ground for most claims, weaker for a few

- Single petition with multiple grounds

	PTAB determination	Institution decision	Estoppel (oversimplified)
Ground 1 (claims 1-20)	Reasonable likelihood claims 1-6, 9-16, 19, 20	Institution granted	Yes
Ground 2 (claims 7, 8)	No reasonable likelihood		Yes
Ground 3 (claims 7, 18)	No reasonable likelihood		Yes

- Multiple petitions

	PTAB determination	Institution decision	Estoppel (oversimplified)
Petition 1 (claims 1-20)	Reasonable likelihood claims 1-6, 9-16, 19, 20	Institution granted	Yes
Petition 2 (claims 7, 8)	No reasonable likelihood	Institution denied	maybe not
Petition 3 (claims 7, 18)	No reasonable likelihood	Institution denied	maybe not

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Post-SAS strategies:

Chevron Oronite Co. v. Infineum USA L.P.

- Three concurrently filed petitions, each covering all claims in the same patent:
 - IPR2018-00922
 - 6 grounds based on 2 primary references and additional secondary references to address dependent claims
 - Instituted
 - IPR2018-00923
 - 1 ground based on combination of 3 references
 - Denied
 - IPR2018-00924
 - 3 grounds based on 1 primary reference with 2 secondary references for dependent claims
 - Denied

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Post-SAS strategies:

Patent Owner Considerations

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Patent Owner Considerations

Arguments for the Preliminary Patent Owner Response

Pre-SAS

- Procedural arguments, e.g.
 - 1-year bar (§315)
 - redundant (§325)
- All claims patentable
- Deny institution as to certain dependent claims

Post-SAS

- Procedural arguments, e.g.
 - 1-year bar (§315)
 - redundant (§325)
- All claims patentable
- ~~• Deny institution as to certain dependent claims~~
- Deny entire petition, where:
 - large number of claims / grounds are not unpatentable
 - too many grounds, excessive and burdensome for trial

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Mark focuses on U.S. district court litigation, primarily concerning the enforcement of U.S. patent rights and trade secret issues, and post-grant trial proceedings at the U.S. Patent and Trademark Office (USPTO), including inter partes review (IPR) and post grant review (PGR). Mark's practice encompasses a range of technologies, including pharmaceuticals, biochemistry, polymers, small molecule chemistry, nanotechnology, optics, and medical and analytic devices.

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Questions?

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2019-2020 Supreme Court Decisions Affecting PTAB Proceedings

CHRISTOPHER LOH

PARTNER, VENABLE LLP

Overview

DECIDED

- ▶ *Helsinn Healthcare S.A. v. Teva Pharm. USA, Inc.*, 139 S. Ct. 628 (Jan. 22, 2019)
- ▶ *Return Mail, Inc. v. United States Postal Serv.*, 139 S. Ct. 1853 (Jun. 10, 2019)
- ▶ *Peter v. Nantkwest, Inc.*, No. 18-801, 205 L. Ed. 2d 304 (Dec. 11, 2019)

TO BE DECIDED

- ▶ *Thryv, Inc. v. Click-To-Call Techs., LP*, No. 18-916 (argued Dec. 9, 2019)

CERT DENIED ON JAN. 13, 2020

- ▶ *Athena Diagnostics Inc. v. Mayo Collaborative Services LLC*, No. 19-430
- ▶ *Regents of the University of Minnesota v. LSI Corporation, et al.*, No. 19-337

Helsinn v. Teva

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- ▶ The **on-sale bar** of 35 U.S.C. §102 bars a patent on an invention that was on sale more than one year before a patent application on that invention was filed.
- ▶ “Secret sales” have been found under pre-2012 Federal Circuit §102 precedent to raise the on-sale bar.

E.g., Special Devices, Inc. v. OEA, Inc., 270 F. 3d 1353, 1357 (Fed. Cir. 2001)
Woodland Trust v. Flowertree Nursery, Inc., 148 F. 3d 1368, 1370 (1998)

- ▶ Did the passage of the America Invents Act (AIA) in 2012 change §102 precedent, such that secret sales no longer raise the on-sale bar?

Helsinn v. Teva

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Pre-AIA §102(b)

A person shall be entitled to an invention unless... (b) the invention was patented or described in a printed publication in this or a foreign country **or in public use or on sale in this country**, more than one year prior to the date of the application for patent in the United States...

Post-AIA §102(a)(1)

A person shall be entitled to an invention unless... (1) the claimed invention was patented, described in a printed publication, or in public use, **on sale, or otherwise available to the public** before the effective filing date of the claimed invention...

“Otherwise available to the public” suggests that sales must be public to trigger the on-sale bar under the AIA.

Helsinn v. Teva

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- ▶ **Apr. 2001:** Helsinn and MGI enter into two agreements which are included (with doses and price terms redacted) in MGI's Apr. 2001 8-K.
 - ▶ License agreement requires MGI to pay Helsinn \$11M+royalties to distribute 0.25 and 0.75 mg dose palonosetron products.
 - ▶ Supply and purchase agreement requires Helsinn to supply MGI's requirements for those products, and specifies price, method of payment and method of delivery.
- ▶ **Jan. 30, 2002:** On-sale bar date for all four patents-in-suit, which cover the FDA-approved 0.25 mg dose.
- ▶ **May 23, 2013:** Effective **post-AIA** filing date of one of the patent-in-suit.

Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc., 855 F.3d 1356, 1360-62 (Fed. Cir. 2017)

Helsinn v. Teva

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- ▶ On Jan. 22, 2019, SCOTUS (Thomas) ruled 9-0 that the AIA **did not change** pre-AIA precedent concerning the on-sale bar:

Helsinn's argument places too much weight on §102's catchall phrase. Like other such phrases, "otherwise available to the public" captures material that does not fit neatly into the statute's enumerated categories but is nevertheless meant to be covered. Given that the phrase "on sale" had acquired a well-settled meaning when the AIA was enacted, we decline to read the addition of a broad catchall phrase to upset that body of precedent...

Because we determine that Congress did not alter the meaning of "on sale" when it enacted the AIA, we hold that an inventor's sale of an invention to a third party who is obligated to keep the invention confidential can qualify as prior art under §102(a).

Helsinn v. Teva

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HOW HAS HELSINN AFFECTED PTAB PROCEEDINGS?

- ▶ A few 2019 PTAB filings have cited *Helsinn* for the general proposition that the AIA did not change pre-AIA on-sale bar precedent.

Man Wah Holdings Ltd. v. Raffel Systems LLC, PGR2019-00029, paper 9 (Jul. 10, 2019)
(citing *Helsinn* to support proposition that the post-AIA on-sale bar applies to design patents)

Triple Plus Ltd. v. Mordechai Ben Old, PGR2018-00038, paper 11 (Feb. 19, 2019)
(*Helsinn* “recently affirmed that the AIA did not change the pre-AIA meaning of ‘on-sale.’”)

- ▶ We have yet to see a post-*Helsinn* PTAB proceeding instituted based on secret sales, or sales where the details of the claimed subject matter were not publicly disclosed.

Helsinn v. Teva

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AVOIDING THE ON-SALE BAR AFTER HELSINN?

- ▶ Omit the hallmarks of a commercial sale (e.g., definite price, delivery, and payment terms) in transaction documents.
- ▶ If the invention to be patented is a product, structure the transaction as a service agreement (e.g., for contract manufacturing, testing, or programming services).
- ▶ If the invention to be patented is in early stages, emphasize its experimental nature in the transaction documents.
- ▶ Keep lines of communication open between transactional and IP departments!

Return Mail v. USPS

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- ▶ The passage of the AIA in 2012 established three new procedures for the PTAB to re-examine previously issued patents:
 1. *Inter partes* review (IPR)
 2. Post grant review (PGR)
 3. Covered business method review (CBM)
- ▶ The AIA states that a “**person**” may petition for these reviews.

35 U.S.C. §§ 311, 321 (covering IPRs and PGRs)
AIA §18(a)(1)(B), 125 Stat. 330 (covering CBMs)
- ▶ Is the US Government or an agency thereof—like the US Postal Service—a “person” who can petition for these reviews?

Return Mail v. USPS

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- ▶ On Jun. 10, 2019, SCOTUS (Sotomayor) ruled 6-3 that the **US Government is not a person** who can petition for AIA review:

The patent statutes do not define the term “person.” In the absence of an express statutory definition, the Court applies a “longstanding interpretive presumption that ‘person’ does not include the sovereign,” and thus excludes a federal agency like the Postal Service.

139 S. Ct. at 1861-62
- ▶ SCOTUS majority rejected the argument that this would disadvantage the Government relative to private parties, noting that the law creates an opposing asymmetry in forcing private parties to bring patent cases against the Government in one court—the Court of Federal Claims (CFC)—and denying them injunctive relief there.

139 S. Ct. at 1867 (citing 28 U. S. C. §1498(a))

Return Mail v. USPS

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HOW HAS RETURN MAIL AFFECTED PTAB PROCEEDINGS?

- ▶ Two final written decisions of unpatentability have been vacated in view of *Return Mail*.

USPS v. Return Mail, Inc., CBM2014-00116, Paper 43 (Aug. 21, 2019)
DOJ v. Discovery Patents, LLC, IPR2016-01041, Paper 30 (Sep. 9, 2019)

- ▶ Participants in one set of IPRs are disputing whether the 315(b) time bar applies to the Government and those in privity with it after *Return Mail*.

E.g., Microsoft Corp. v. Science Applications Int'l Corp., IPR2019-1360, paper 24 (Nov. 6, 2019)
(alleging SAIC sued Government in CFC in 2017 and Microsoft entered into gov't contract in 2018)

- ▶ After *Return Mail*, the only forum in which the Government (apart from PTAB) unambiguously can challenge to the validity of issued patents is the CFC.

28 U. S. C. §1498(a)

Peter v. Nantkwest

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- ▶ A patent applicant can appeal an adverse PTAB decision upholding a PTO rejection under 35 U.S.C. §145 to a **district court (E.D. Va.)**, which reviews the decision *de novo* and allows the introduction of new evidence.
- ▶ § 145 states that “[a]ll the expenses of the proceedings shall be paid by the applicant.”
- ▶ The *en banc* Federal Circuit held that “[a]ll the expenses” does not include USPTO attorneys fees.
- ▶ Question for *certiorari*: Whether the phrase “[a]ll the expenses of the proceedings” in § 145 encompasses the personnel expenses the USPTO incurs in § 145 district court proceedings, **including attorneys fees**.

Peter v. Nantkwest

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- ▶ On Dec. 11, 2019, SCOTUS (Sotomayor) ruled 9-0 that §145 did not entitle PTO to its attorneys fees:

In common statutory usage, the term “expenses” alone has never been considered to authorize an award of attorney’s fees with sufficient clarity to overcome the American Rule presumption [against shifting attorney’s fees]...

That “expenses” and “attorney’s fees” appear in tandem across various statutes shifting litigation costs indicates that Congress understands the two terms to be distinct and not inclusive of each other...

In later years, when Congress intended to provide for attorney’s fees in the Patent Act, it stated so explicitly. See, e.g., 35 U. S. C. §285.

205 L. Ed. 2d at 312-313

Peter v. Nantkwest

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WILL NANTKWEST AFFECT PTAB PROCEEDINGS?

- ▶ *Nantkwest* has been the only case in the 170-year history of §145 in which the PTO has sought its attorneys fees in a §145 proceeding.
- ▶ Due to its one-off nature—and the infrequency of §145 proceedings—*Nantkwest* is unlikely to have much effect.

Thryv v. Click-To-Call

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- ▶ 35 U.S.C. §315(b)—**the IPR time bar**—precludes institution of an IPR on a patent where the petitioner waits more than one year after being sued in district court for infringement of that patent.
- ▶ The *en banc* CAFC in this case held that the time bar applied where the infringement suit was voluntarily dismissed without prejudice—overturning the PTAB's prior practice of not applying the time bar in such circumstances.
- ▶ 35 U.S.C. §314(d), however, states that “the determination by the Director whether to institute an [IPR] under this section shall be final and **nonappealable.**”
- ▶ Question for *certiorari*: Does §314(d) permit CAFC to review PTAB's decision not to apply a §315(b) time bar?

Thryv v. Click-To-Call

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Thryv's + Government's Position: Time bar determination not appealable

1. §314(d) precludes judicial review of “[t]he determination ...whether to institute an inter partes review.” The decision whether the §315(b) time bar applies is an “integral part” of the §314(a) institution decision.
2. SCOTUS's 2016 *Cuozzo* decision holds that matters “closely tied” to §314(a) institution decisions are nonappealable. A decision not to apply a time bar is such a “closely tied” matter: it is a “condition precedent” to institution.
3. Allowing appeals of final written decisions on the basis of time bar determinations would permit “the Federal Circuit to unwind the Board's final decision on patentability on the basis of an unrelated threshold determination.”

Click-To-Call's Position: Time bar determination appealable

1. There is a “strong presumption” favoring availability of judicial review.
2. §314(d) limits review of the Director's merits determination under §314(a); it does not concern §315(b), which establishes an “outright ban on agency authority.”
3. SCOTUS's 2018 *SAS* decision establishes that “§ 314(d) precludes judicial review **only** of the Director's 'initial determination' under § 314(a) that 'there is a 'reasonable likelihood' that the claims are unpatentable.'”
4. Petitioner's position creates ambiguity as to what matters are “closely tied” to institution decisions.
5. Allowing judicial review of time bar decisions will promote efficiency by prompting the PTAB to apply the time bar more proactively.

WILL THRYV AFFECT PTAB PROCEEDINGS?

- ▶ The PTAB has adopted the *en banc* CAFC's position that dismissal of a complaint without prejudice does not lift the §315(b) time bar – so a SCOTUS decision in Thryv's favor will not change PTAB practice in that regard.

Infiltrator Water Techs v. Presby Patent Trust, IPR2018-00224, Paper 18 (Oct. 1, 2018) (precedential)
Baker Hughes Oilfield Operations v. Smith Int'l, IPR2016-01440, Paper 42 (Oct. 4, 2018)

- ▶ But if SCOTUS rules that §314(d) prohibits CAFC review of PTAB time bar determinations, such a ruling may void CAFC decisions concerning the time bar generally—including those addressing real-party-in-interest (RPI) issues.

2019 CAFC Time Bar Decisions (RPI)

- ▶ An IPR may be time-barred where the petitioner—after the IPR petition is filed but before the IPR is instituted—merges with an entity who was sued on the IPR-ed patent more than one year before the petition date.

Power Integrations, Inc. v. Semiconductor Components Indus., LLC, 926 F.3d 1306, 1314 (Fed. Cir. 2019)
("[T]he best reading of § 315(b) requires consideration of privity and RPI relationships arising after filing but before institution [of an IPR].")

- ▶ The late identification of a real-party-in-interest (RPI) does not justify application of the time bar, where there was no evidence that the petitioner intended to conceal the RPI's identity, and patent owner already was aware of who the RPI was.

Mayne Pharma Int'l Pty. Ltd. v. Merck Sharp & Dohme Corp.,
No. 18-1593, 2019 U.S. App. LEXIS 18602 at *14 (Fed. Cir. Jun. 21, 2019)

Athena v. Mayo (cert denied)

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- ▶ A CAFC panel in *Athena v. Mayo*, 915 F.3d 743 (Fed. Cir. 2019) held that diagnostic claims (to a method of detecting myasthenia gravis by detecting labeled MuSK protein-autoantibodies in a biological sample) was patent-ineligible under §101.
- ▶ CAFC acknowledged that “Prior to [Athena’s] discovery, no disease had been associated with MuSK,” but ultimately held the claims ineligible under SCOTUS’s 2012 *Mayo* decision.
- ▶ According to CAFC, the claims fail the *Mayo* §101 test because “claims 7-9 are **directed to a natural law** because the claimed advance was only in the discovery of a natural law, and that the **additional recited steps only apply conventional techniques** to detect that natural law.”

915 F.3d at 751

Athena v. Mayo (cert denied)

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- ▶ The *en banc* CAFC in *Athena v. Mayo*, 927 F.3d 1333 (Fed. Cir. 2019) split 7-5 in denying rehearing, but all criticized the current state of §101 jurisprudence:

Concur in denying reh'g en banc	Dissent from denying reh'g en banc
Lourie (+ Reyna, Chen): §101 should bar patenting of natural laws themselves, but use or detection of natural laws should be patentable	Moore (+ O'Malley, Wallach, Stoll) : CAFC wrongly has turned <i>Mayo</i> into a “per se” prohibition of diagnostic claims
Hughes (+ Prost, Taranto): SCOTUS or Congress should clarify eligibility of diagnostic patents	Newman (+ Wallach): <i>Mayo</i> 's holding is narrower than the majority thinks; it does not categorically prohibit diagnostic claims
Dyk (+ Hughes, Chen): §101 is necessary to prevent overly broad “conceptual” claims, but narrower claims should survive	Stoll (+ Wallach): Narrow diagnostic claims such as <i>Athena</i> 's don't present a preemption concern
Chen: <i>Mayo</i> conflicts with SCOTUS's <i>Diehr</i> precedent, which rejects overlap between §101 eligibility and §102 invention requirements	O'Malley: <i>Mayo</i> conflicts with SCOTUS's <i>Diehr</i> precedent, which rejects overlap between §101 eligibility and §102 invention requirements

Athena v. Mayo (cert denied)

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- Questions presented for certiorari:

Athena's Question	Mayo's Question
Whether a new and specific method of diagnosing a medical condition is patent-eligible subject matter, where the method detects a molecule never previously linked to the condition using novel man-made molecules and a series of specific chemical steps never previously performed.	Whether patent claims to a method of diagnosis are ineligible under 35 U.S.C. §101 where the claims employ admittedly "standard" and "known" laboratory techniques to detect the presence of an autoantibody that, when present, correlates to a particular disease.

Athena v. Mayo (cert denied)

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Athena's Arguments For Cert.	Mayo's Arguments Against Cert.
<ol style="list-style-type: none">1. CAFC is deeply divided on how to apply SCOTUS's <i>Mayo</i> precedent.2. CAFC and lower courts are confused on many issues related to SCOTUS §101 jurisprudence, e.g., (i) patentability of claims to man-made molecules, (ii) comparison of the unusual claims in <i>Mayo</i> to "more typical patent claims," (iii) level of abstraction from which to assess §101 eligibility, (iv) need to address preemption, and (v) propriety of dividing claims into "new" v. "old"/conventional elements.3. Government, practitioners and commentators agree that additional guidance on §101 is required.4. CAFC's <i>Athena</i> decision discourages medical innovation.	<ol style="list-style-type: none">1. The <i>Athena</i> inventors admitted that they discovered a natural law; the patent describes only "known ways" to observe that law; and the broadest claims preempt "all ways" of diagnosing MuSK-related disease by observing MuSK autoantibodies.2. CAFC has demonstrated no "confusion" in applying <i>Mayo</i> to this, or other life sciences cases.3. This case is no different from other §101 cases SCOTUS has declined to hear since <i>Mayo</i>.4. Diagnostic claims do not deserve special treatment under §101.5. There is no evidence that CAFC's <i>Athena</i> decision will affect medical innovation.6. Policy arguments re §101 are for Congress, not SCOTUS, to resolve.

Athena v. Mayo (cert denied)

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HOW WILL DENIAL OF CERT IN ATHENA AFFECT PTAB PROCEEDINGS?

- ▶ The CAFC panel decision in *Athena* (915 F.3d 743) remains good law.
- ▶ Diagnostic claims remain subject to § 101 attack in PTO rejections and PGR proceedings unless they recite molecules or steps that do not constitute routine, well-understood or conventional technology.
- ▶ SCOTUS's denial of cert in *Athena* (and in *Berkheimer*, *Vanda*, *Power Integrations* etc.) indicates that Congressional amendment of § 101 likely will be required to fix patent eligibility standards.

U. Minn. v. LSI (cert denied)

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- ▶ A CAFC panel (Dyk, Wallace, Hughes) in *Regents of the Univ. of Minn. v. LSI Corp.*, 926 F.3d 1327 (Fed. Cir. 2019) held that **state sovereign immunity (SSI)** does not shield state-owned patents from IPRs.
- ▶ The CAFC relied heavily on *Saint Regis v. Mylan*, 896 F.3d 1322 (Fed. Cir. 2018), cert. denied, 139 S. Ct. 1547 (2019), holding that tribal immunity did not apply to IPRs because IPRs are more like “agency enforcement actions” than civil litigation (to which both tribal immunity and SSI traditionally are limited).
- ▶ The CAFC also took the unusual step of including “additional views” analogizing IPRs to bankruptcy proceedings to discharge state student loan debt—an *in rem* proceeding in which SCOTUS in *Tenn. Student Assistance Corp. v. Hood*, 541 U.S. 440, 453 (2004) held that SSI did not apply.

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- ▶ Question for *certiorari*: Whether IPRs brought by private respondents against the University of Minnesota in this case are barred by SSI.
- ▶ Note the unusual procedural posture of this case:
 1. U. Minn. sued respondents in district court.
 2. Respondents petitioned for IPRs.
 3. U. Minn. moved PTAB to dismiss IPR petitions shortly after they were filed.
 4. Two expanded PTAB panels (3 ALJs + CJ + DCJ + 2 VCJs) denied U. Minn.'s motions – a majority finding that SSI applied to IPRs, but that U. Minn. waived SSI by suing Respondents in district court.
 5. PTAB never instituted IPRs against U. Minn.

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U. Minn.'s Arguments For Cert.	Respondents' Arguments Against Cert.
<ol style="list-style-type: none">1. IPRs are adversarial proceedings between private parties, closely resemble civil litigation, and thus are subject to SSI. See, e.g., SCOTUS's SAS decision.2. "[States] did not consent to actions brought against them by the federal government in federal agencies. How could they? Adversarial agency adjudications are a product of the 'vast growth of the administrative state' the Framers 'could not have anticipated.' [CAFC] cited no founding-era examples of States being subject to suit by the federal government in any forum other than a federal court."3. IPRs are not <i>in rem</i>, but are <i>in personam</i>. E.g., an IPR decision upholding patentability binds only the IPR petitioner; others are free to raise the same challenge against the same patent.	<ol style="list-style-type: none">1. U. Minn. simply repeats arguments made unsuccessfully by petitioner in <i>St. Regis</i>.2. CAFC correctly invoked two SCOTUS decisions (<i>Oil States</i> and <i>Return Mail</i>) analogizing IPRs to agency actions to which SSI does not apply.3. CAFC correctly invoked another SCOTUS decision (<i>Tenn. Student Assistance Corp.</i>) analogizing IPRs to <i>in rem</i> actions to which SSI does not apply. In IPRs, "there is no exercise of personal jurisdiction over the patent owner (whether a state or private party)."4. This is a poor vehicle for answering the question because (i) PTAB did not institute IPRs; (ii) SCOTUS must resolve predicate (unasked) question of whether PTAB can enter "default judgment" against non-appearing patent owner; (iii) U. Minn. waived SSI by electing to sue Respondents for infringement.

Questions?

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