



Training Academy Session #4

Patent Trial and Appeal Board 101 – A Primer

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Session Overview

1. Overview of *inter partes* reviews (“IPRs”) and post-grant reviews (“PGRs”) (Slides 3-5)
2. Eligibility and timing (Slides 6-8)
3. Burdens of proof (Slides 9-10)
4. Fees, word limits, and claim construction (Slides 11-12)
5. Overall timeline (Slide 13)
6. Real party-in-interest (Slide 14)
7. Common elements for IPRs and PGRs (Slides 15-21)
8. Experts (Slide 22)
9. Statistics on institution and outcomes (Slides 23-36)
10. Discretionary denials (Slide 37)
11. Motions to amend and the pilot program (Slides 38-45)
12. Interplay with district court litigation (Slides 46-49)
13. Appeal outcomes (Slides 50-53)
14. Derivation Proceedings and Interferences – a few words (Slides 54-59)

America Invents Act – Ten Years After

- America Invents Act (“AIA”) enacted on September 16, 2011
- Among major changes, Congress introduced two special proceedings at the PTO, which began on September 16, 2012
 - *Inter Partes* Review (“IPR”)
 - Post-Grant Review (“PGR”)
- Both proceedings offer an alternative to district court litigation for determining the validity/patentability of patent claims
- Congress offered IPRs and PGRs for several reasons:
 - Provide a cost-effective alternative to district courts
 - Provide a time-limited process
 - Provide a panel of patent experts
 - Provide estoppel to limit litigation of validity challenges in the district court

1. Overview of IPRs and PGRs – Topics:



The basics – types of proceedings and highlights



Eye-opening statistics

1. Overview –Types of Proceedings

***Inter Partes* Reviews (“IPRs”)**

Post-Grant Reviews (“PGRs”)

Derivation Proceedings

Interferences

2. Eligibility and Timing

IPRs

- All patents eligible
- Only 102 and 103 based on patents and printed publications

PGRs

- Only first-inventor-to-file (“FITF”) patents are eligible

- 101, 102, 103, 112 (except best mode)

Note, having or ever having had *at least one AIA claim* renders the patent eligible for a PGR

(FITF is on or after March 16, 2013; otherwise, first-to-invent (“FTI”))

2. Eligibility and Timing

IPRs

FTI: After grant or reissue

FITF: *later* of:

(a) 9 months after issuance or re-issuance; or

(b) termination of any PGR on the patent

PGRs

Within 9 months of issuance or re-issuance

2. Eligibility and Timing

IPRs

Cannot have filed a civil action challenging the validity of the patent
Must be filed within one year of service of any complaint for patent infringement

PGRs

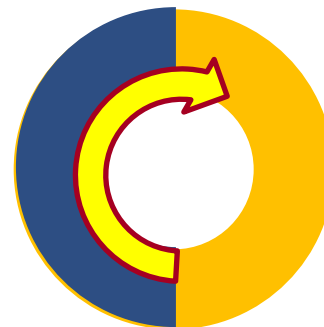
Cannot have filed a civil action challenging the validity of the patent

3. Burdens of Proof

Threshold Standards for Institution	
IPR	PGR
Petition must demonstrate a reasonable likelihood that petitioner would prevail as to at least one of the claims challenged	Petition must demonstrate that it is more likely than not that at least one of the claims challenged is unpatentable

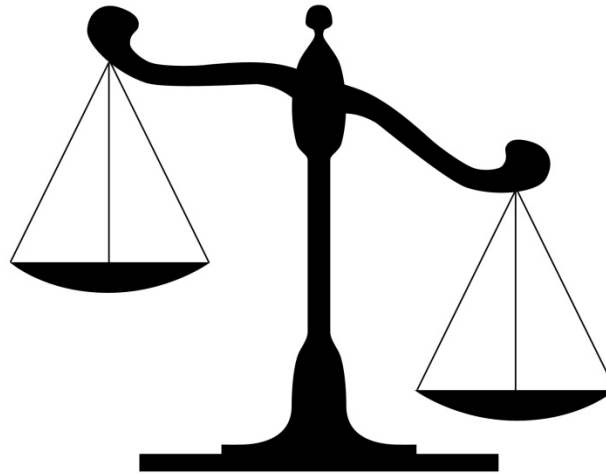


IPR:
May encompass a
50/50
chance



PGR:
Greater than
50%
chance

3. Burdens of Proof



PTAB

**Preponderance of the Evidence
(Lighter Burden)**

District Court/ITC

**Clear and Convincing
(Heavier Burden)**

4. Fees, Word Limits, and Claim Construction

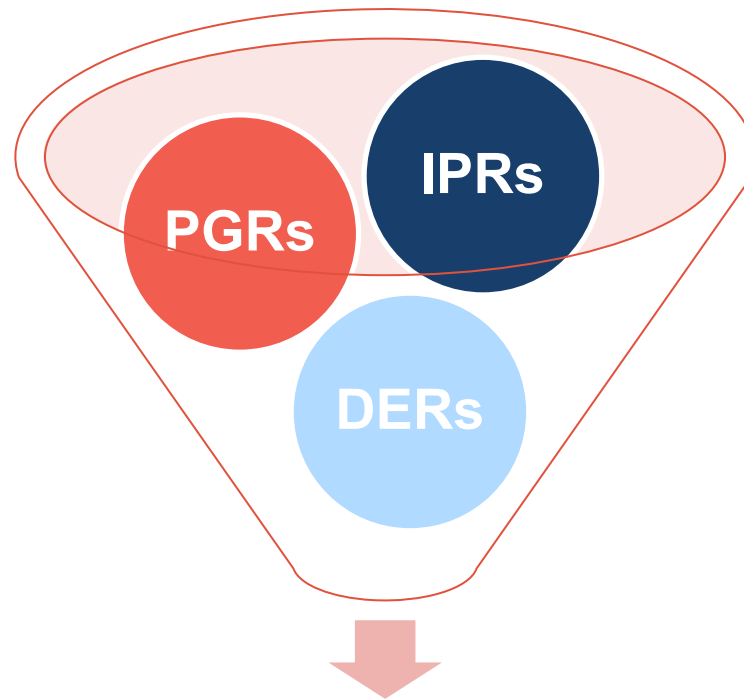
IPRs:

- \$19,000 Petition fee for up to 20 claims (each additional claim \$375)
- \$22,500 Post-Institution fee for up to 20 claims [paid at filing] (each additional claim \$750) (refundable)
- 14,000 words, double-spaced, 14-point Times New Roman font (claim charts may be single-spaced)

PGRs:

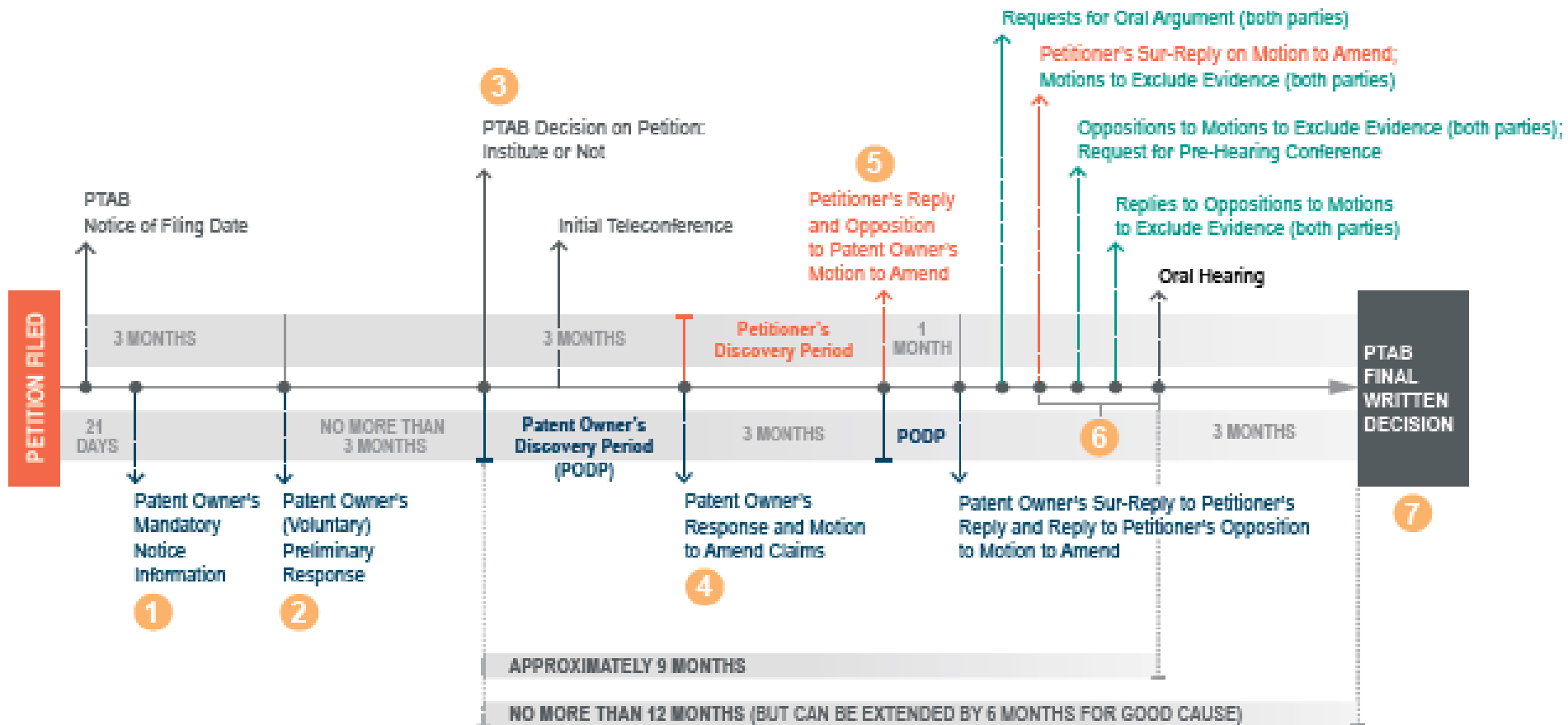
- \$20,000 Petition fee for up to 20 claims
 - (each additional claim \$475)
- \$27,500 Post-Institution fee for up to 20 claims [paid at filing]
 - (each additional claim \$1,050) (refundable)
- 18,700 words, double-spaced, 14-point Times New Roman font (claims charts may be single-spaced)

4. Fees, Word Limits, and Claim Construction

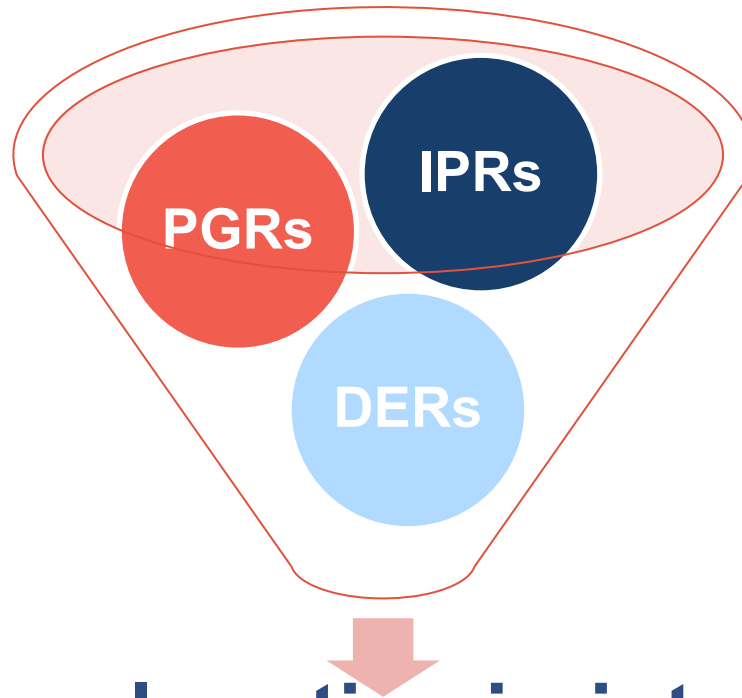


Phillips-type Construction
(as in civil action in the district court)

5. Overall Timing



6. Real Party-In-Interest



**All real parties-in-interest
MUST be identified**

7. Common Elements for IPRs and PGRs

- Files open to the public
- Can move to have documents kept under seal
- AIA authorizes the PTO to set standards and procedures for taking discovery
 - Parties can agree to discovery
 - Mandatory initial disclosures
 - Routine discovery
 - Documents cited, cross-examination for submitted testimony, information inconsistent with positions advanced during the proceeding
 - Additional discovery
 - IPR: “necessary in the interest of justice” (*Garmin* factors)
 - PGR: “showing of good cause as to why” it is needed

7. Common Elements for IPRs and PGRs

• **Sanctions**

- Holding facts established
- Expunging a paper
- Excluding evidence
- Precluding a party from obtaining or opposing discovery
- Compensatory expenses, including attorneys' fees
- Judgment or dismissal of Petition

7. Common Elements for IPRs and PGRs

•Settlement

- Terminates proceeding with respect to the Petitioner; Board may terminate with respect to the Patentee [Board can step into the Petitioner's shoes]
- Board may terminate or issue a final written decision

•Final Decision

- Will address patentability of any claim challenged and any new claim added
- Appeal to the Federal Circuit

•Requests for Rehearing

- Within 14 days for non-final decision or decision to institute a trial; within 30 days of final decision or decision to *not* institute a trial

7. Common Elements for IPRs and PGRs

Be Aware:

- **Patent Owner's Clock Is Ticking**
Within 21 days of service of the Petition, need to file the mandatory notices (real party in interest, related matters, lead and backup counsel, service information) and powers of attorney
- **The Board may step into the shoes of the Petitioner**

7. Common Elements for IPRs and PGRs

Discovery and Protective Orders

- **Protective Order**

Default or custom?

- **Discovery**

- Specificity > General Request
- Is there another way to get the information?

5-Factor General Test*

- (1) More than a possibility and mere allegation must exist that something useful might be found
- (2) Is the request merely seeking early identification of opponent's litigation position?
- (3) Can party requesting discovery generate the information?
- (4) Interrogatories must be clear
- (5) Are the requests overly burdensome to answer?

* *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, IPR2012-00001 (Paper No. 26)
(precedential)

7. Common Elements for IPRs and PGRs – Depositions, Exhibits, Demonstratives

- **Depositions – Generally, 7 hours per deponent**
 - Agree with opposing counsel on scheduling, format, and timing
- **Exhibit numbering**
 - Common among multiple proceedings
- **Demonstratives**
 - No new evidence; no new arguments
 - Must exchange with other side ahead of hearing

7. Common Elements – Rules

Trial Rules – 37 C.F.R.

***Inter Partes* Review**
§§ 42.100 – 42.123

Post-Grant Review
§§ 42.200 – 42.224

Umbrella Trial Rules
§§ 42.1 – 42.80

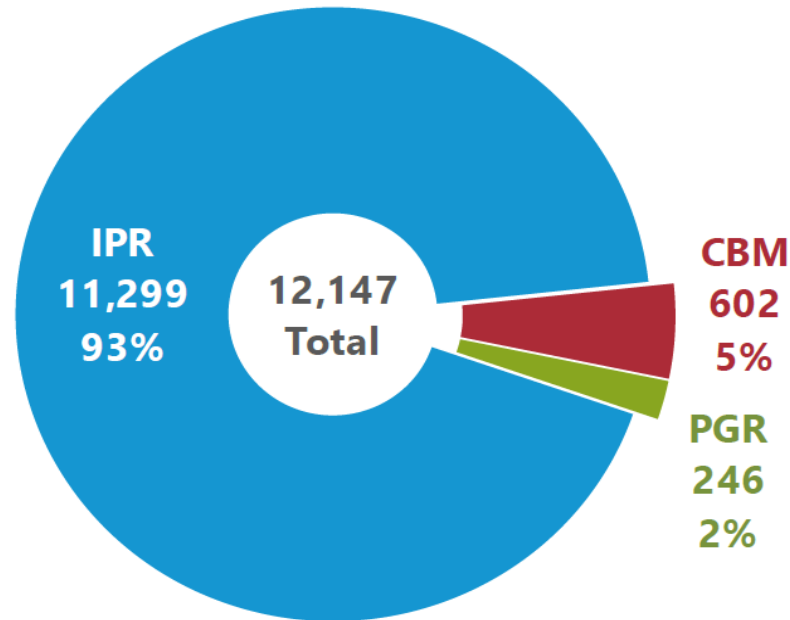
Derivation Proceedings
§§ 42.400 – 42.412

8. Experts

- Expert declaration to support Petition
 - Independent and knowledgeable with at least the skill level of the person of skill in the art
- Expert declaration may now support Patent Owner Preliminary Response
 - Change in January of 2021 eliminated the presumption that a genuine issue of material fact be viewed in a light most favorable to the Petitioner for purposes of deciding whether to institute
- Expert Declaration Usually Supports Patent Owner Response and any Motion to Amend
- Should be capable of surviving deposition
 - Typically, not in front of the APJs
- Must disclose any potential conflicts

9. Statistics

Petitions by Trial Type (All Time: Sept. 16, 2012 to Sept. 30, 2020)

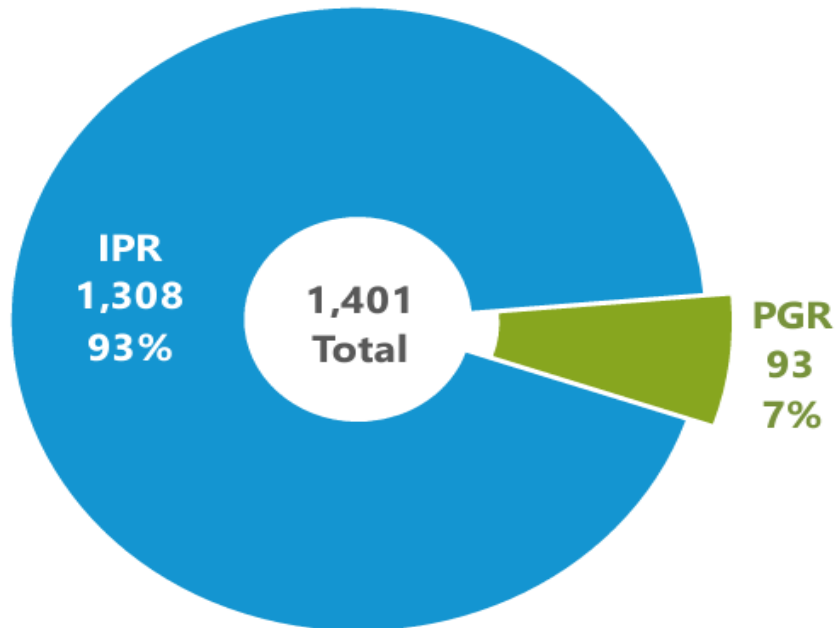


Trial types include Inter Partes Review (IPR), Post Grant Review (PGR), and Covered Business Method (CBM).



9. Statistics

Petitions filed by trial type (FY21: Oct. 1, 2020 to Sept. 30, 2021)

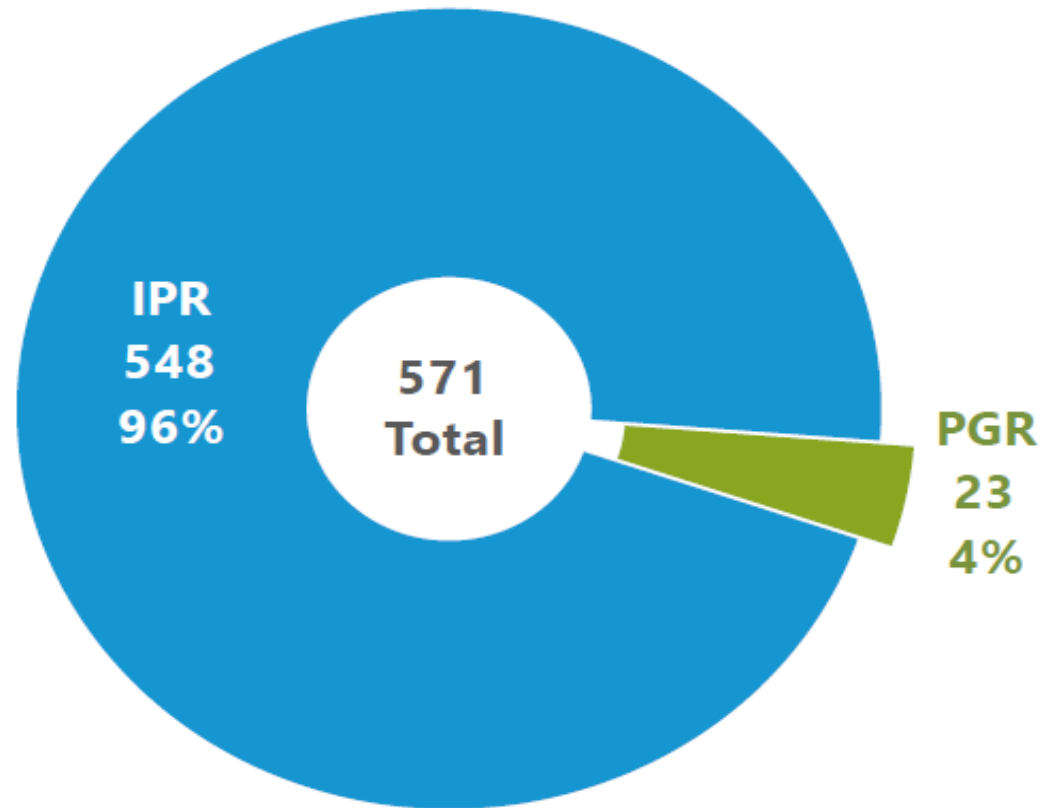


Trial types include Inter Partes Review (IPR), Post Grant Review (PGR), and Covered Business Method (CBM). The Office will not consider a CBM petition filed on or after September 16, 2020.



9. Statistics

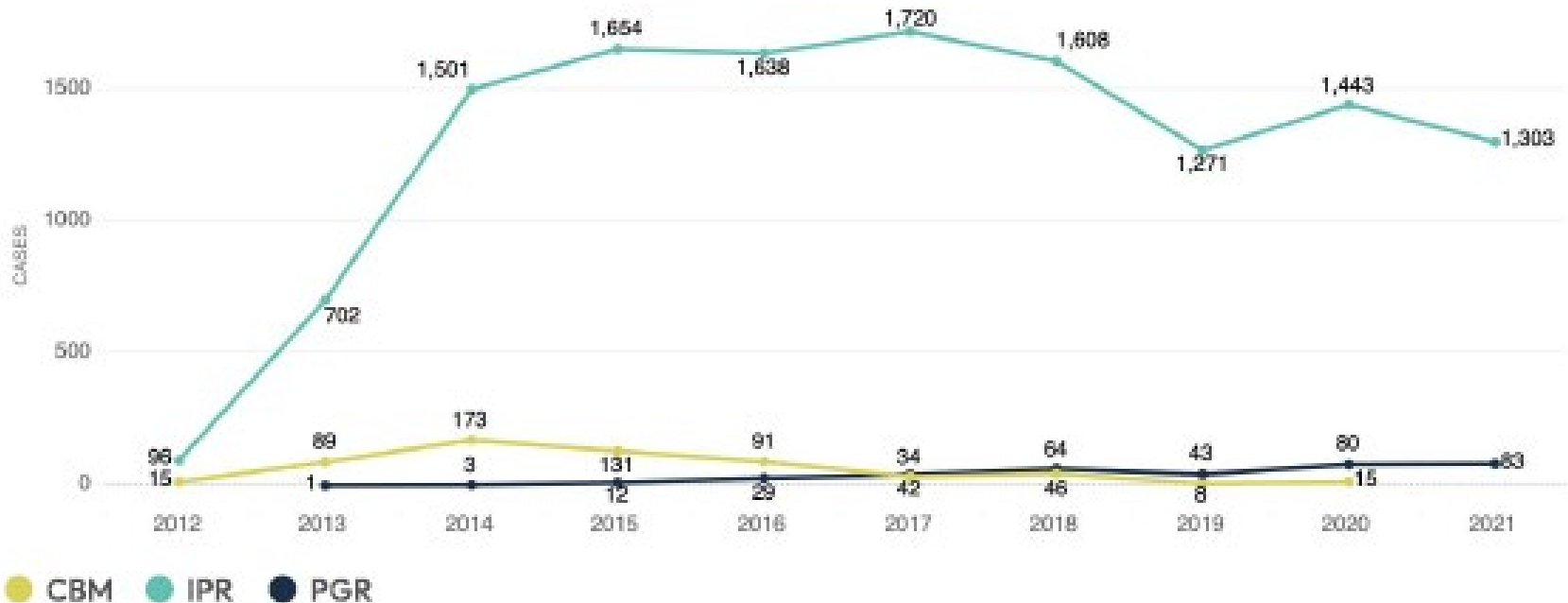
Petitions filed by trial type (FY22 through February: Oct. 1, 2021 to Feb. 28, 2022)



9. Statistics

NEW PTAB PETITIONS BY YEAR

These charts show the number of new IPR, CBM, and PGR petitions filed in the Patent & Trademark Appeals Board (PTAB) by year.

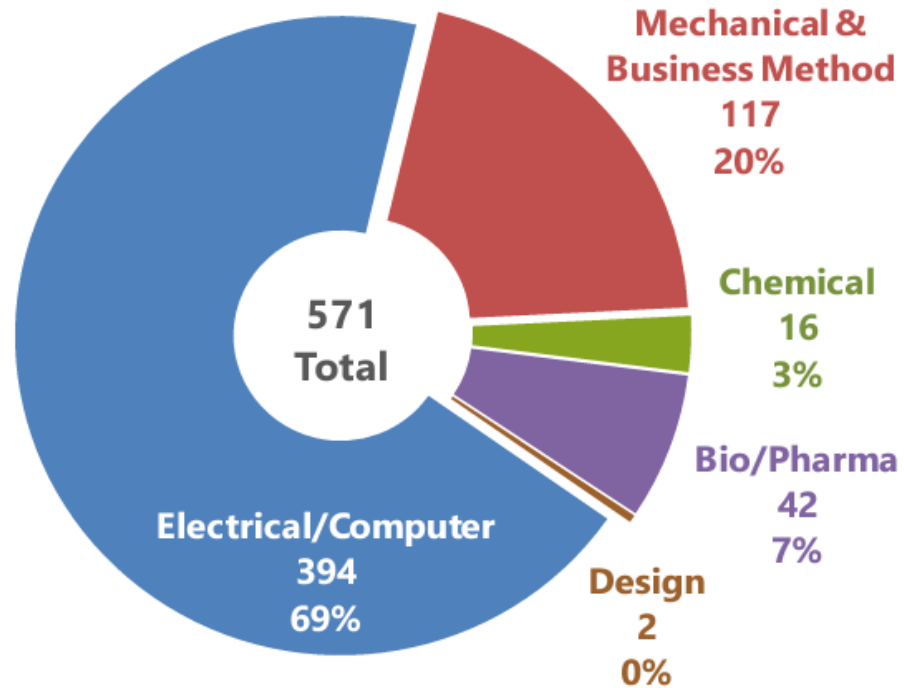


Source: Docket Navigator

9. Statistics

Petitions filed by technology

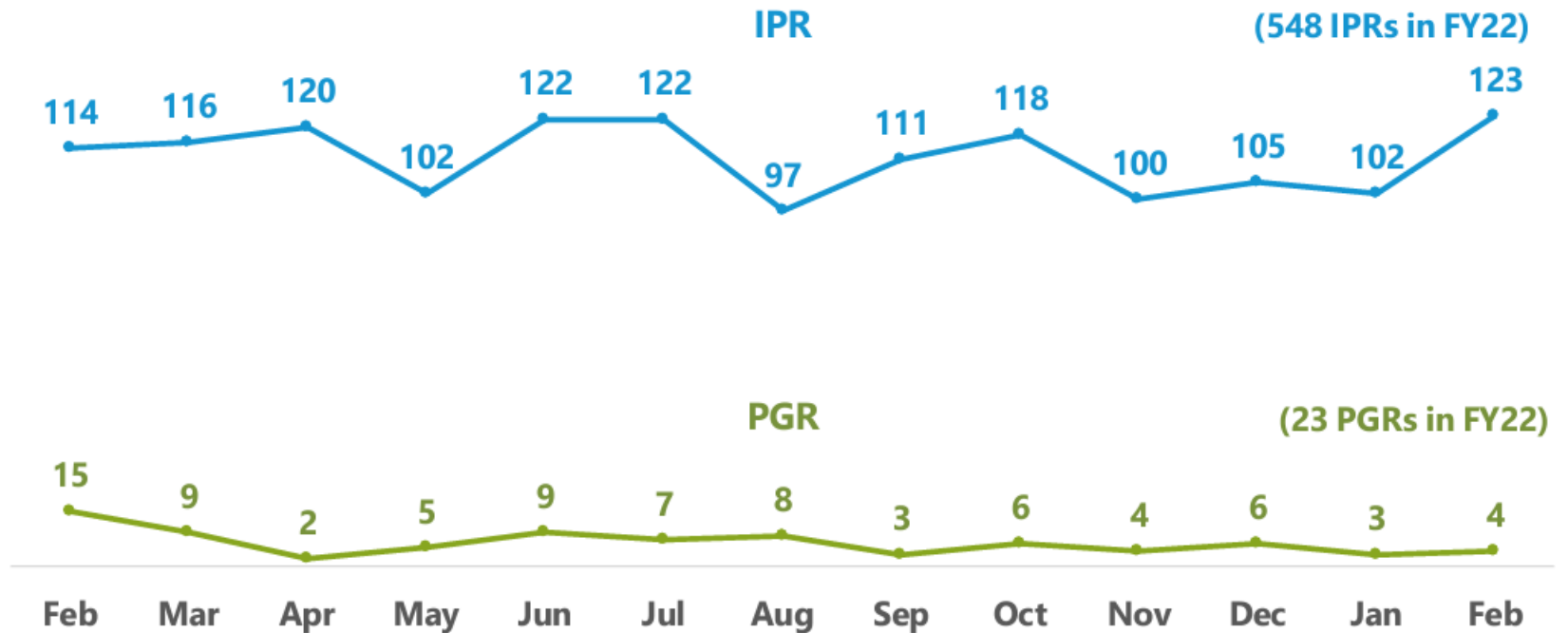
(FY22 through February: Oct. 1, 2021 to Feb. 28, 2022)



9. Statistics

Petitions filed by month

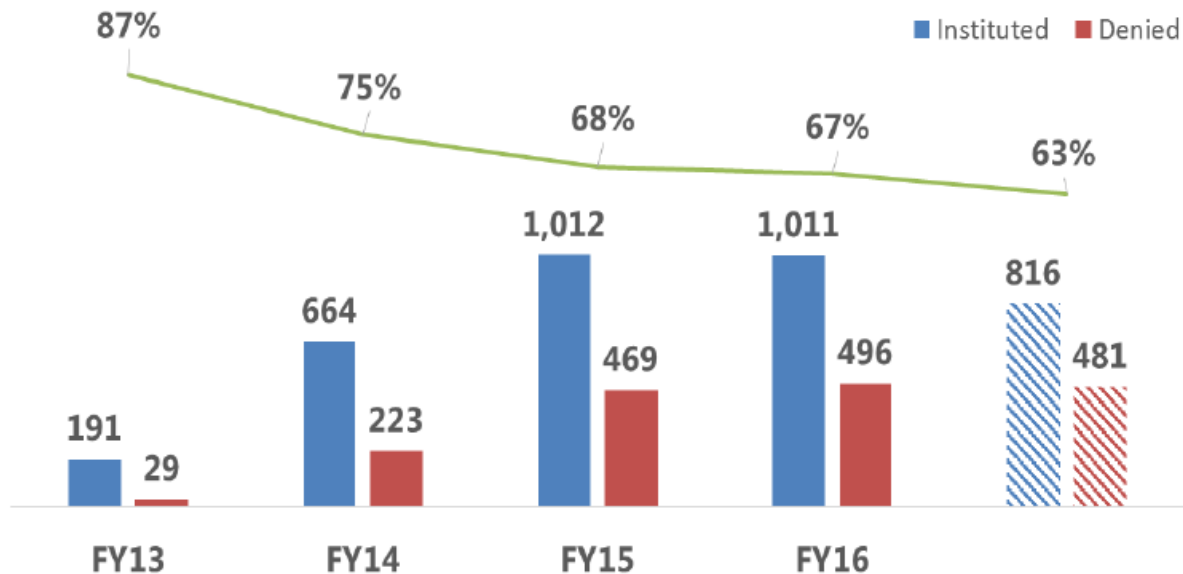
(Feb. 2022 and Previous 12 Months: Feb. 1, 2021 to Feb. 28, 2022)



9. Statistics

Institution Rates

(FY13 to FY17: 10/1/12 to 7/31/17)

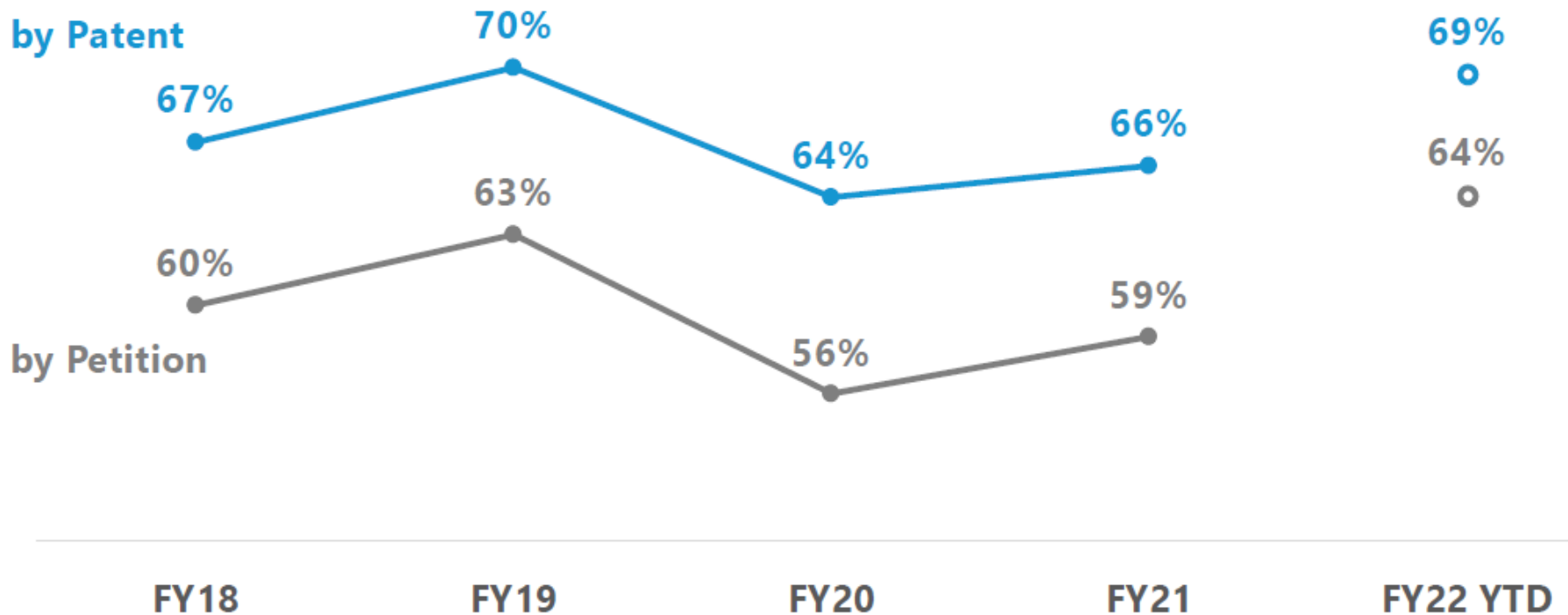


Institution rate for each fiscal year is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



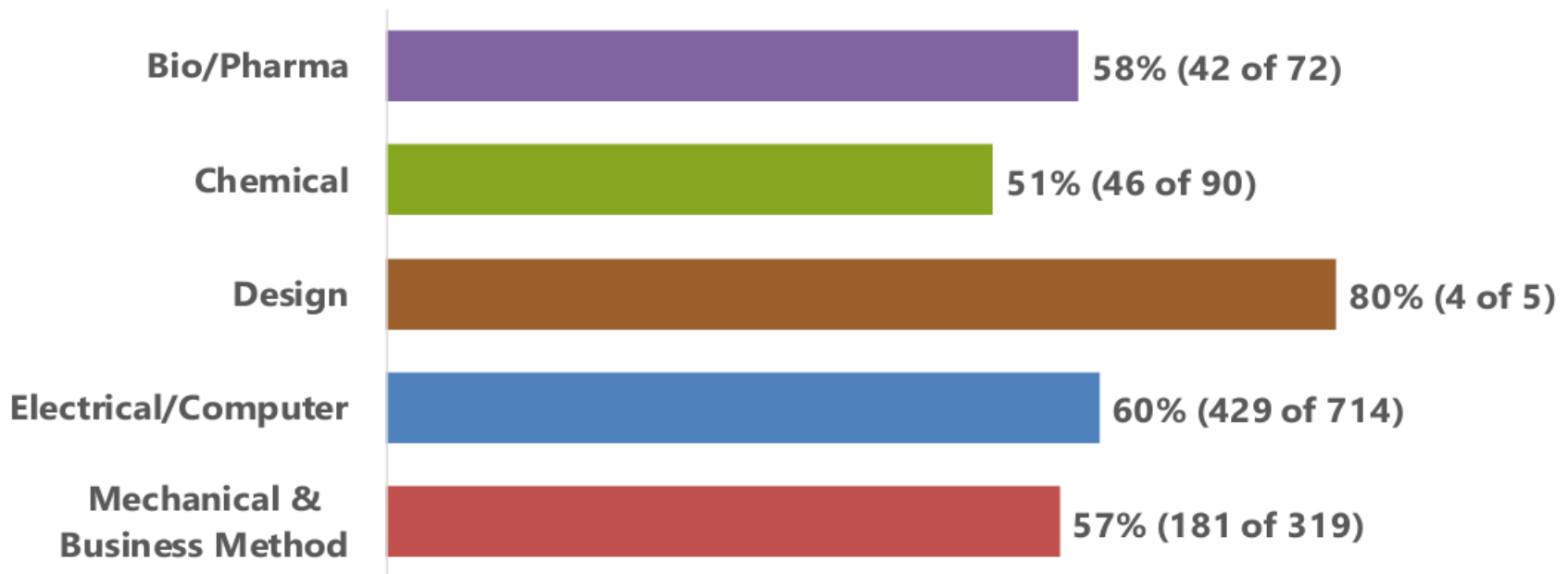
9. Statistics

Institution rates by patent and by petition (FY18 to FY22 through February: Oct. 1, 2017 to Feb. 28, 2022)



9. Statistics

Institution rates by technology (FY21: Oct. 1, 2020 to Sept. 30, 2021)

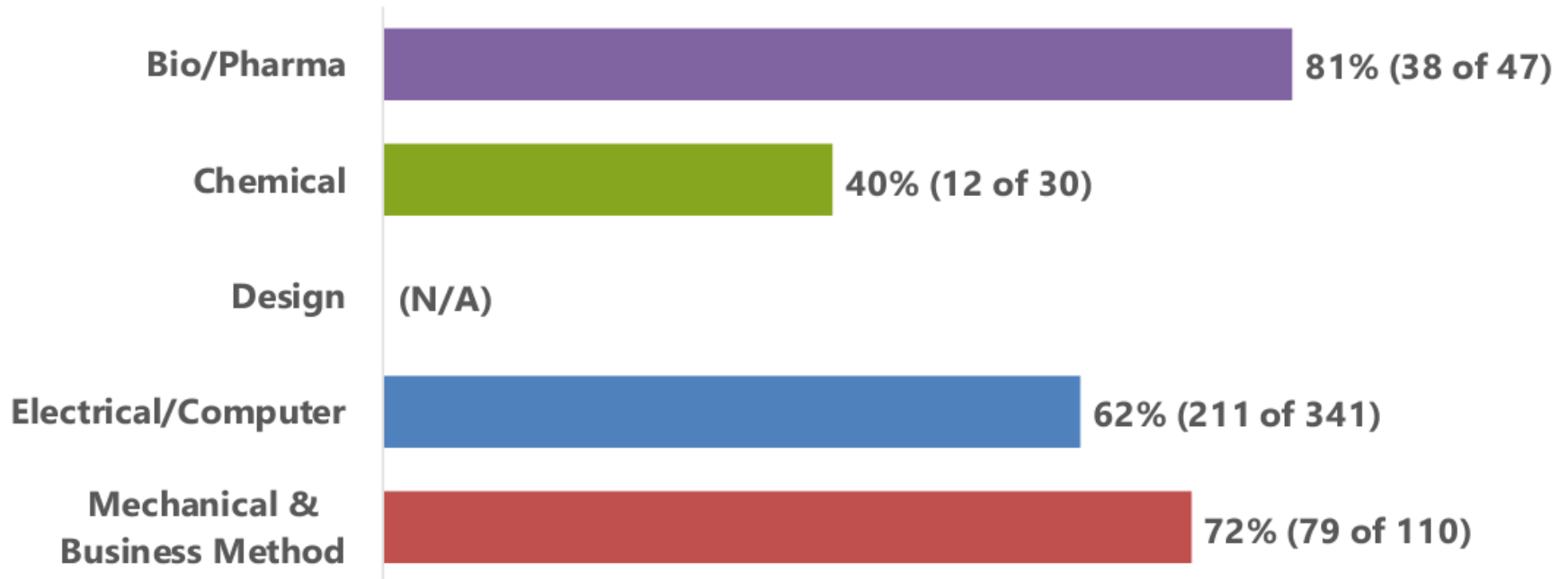


Institution rate for each technology is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



9. Statistics

Institution rates by technology (FY22 through February: Oct. 1, 2021 to Feb. 28, 2022)



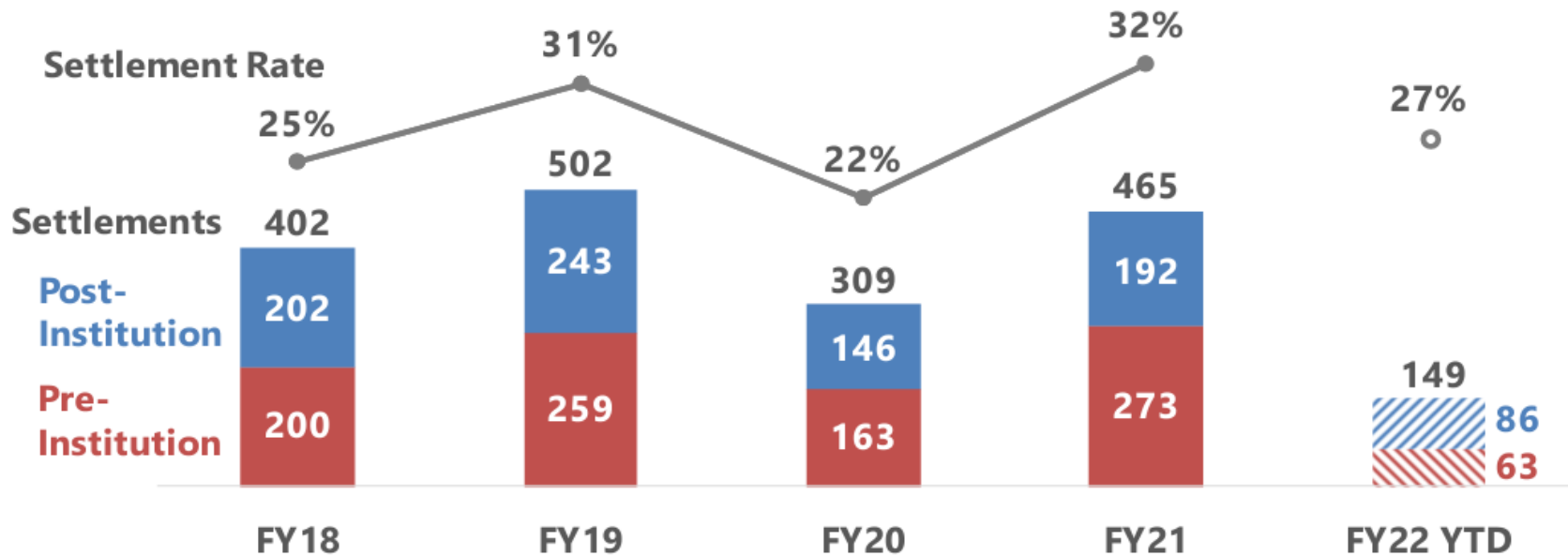
Institution rate for each technology is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



9. Statistics

Settlements

(FY18 to FY22 through February: Oct. 1, 2017 to Feb. 28, 2022)



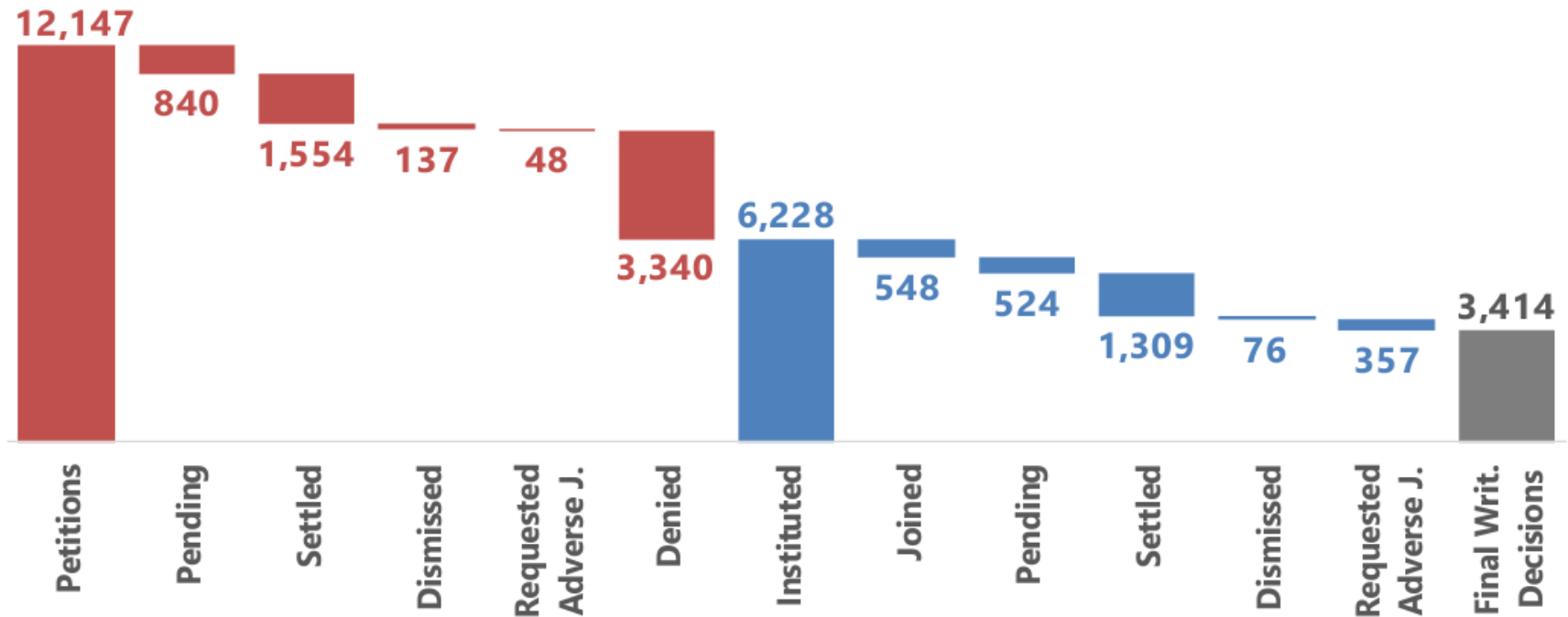
Settlement rate is calculated by dividing total settlements by concluded proceedings in each fiscal year (i.e., denied institution, settled, dismissed, requested adverse judgment, and final written decision), excluding joined cases.



9. Statistics

Status of Petitions

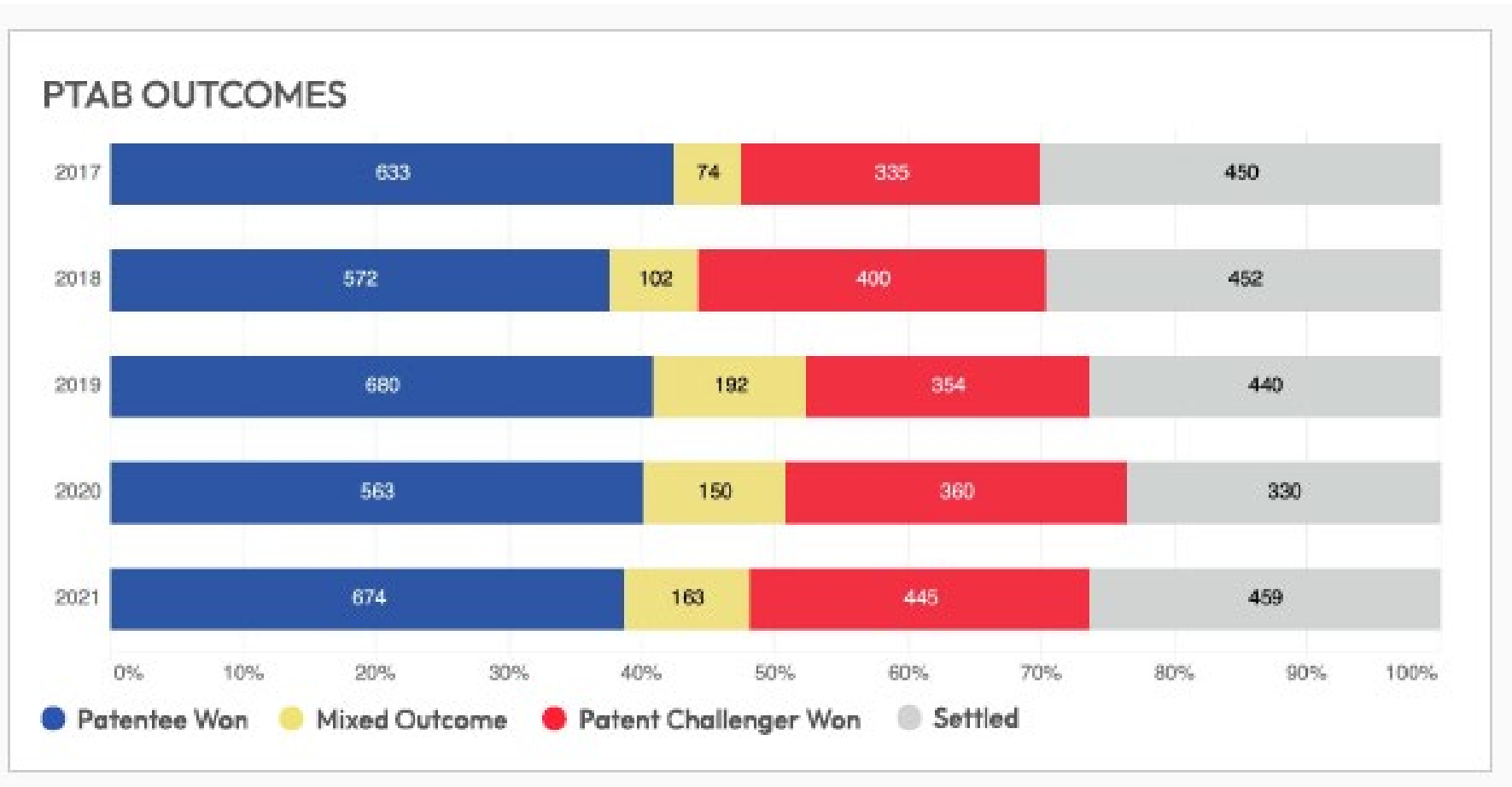
(All Time: Sept. 16, 2012 to Sept. 30, 2020)



These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.



9. Statistics

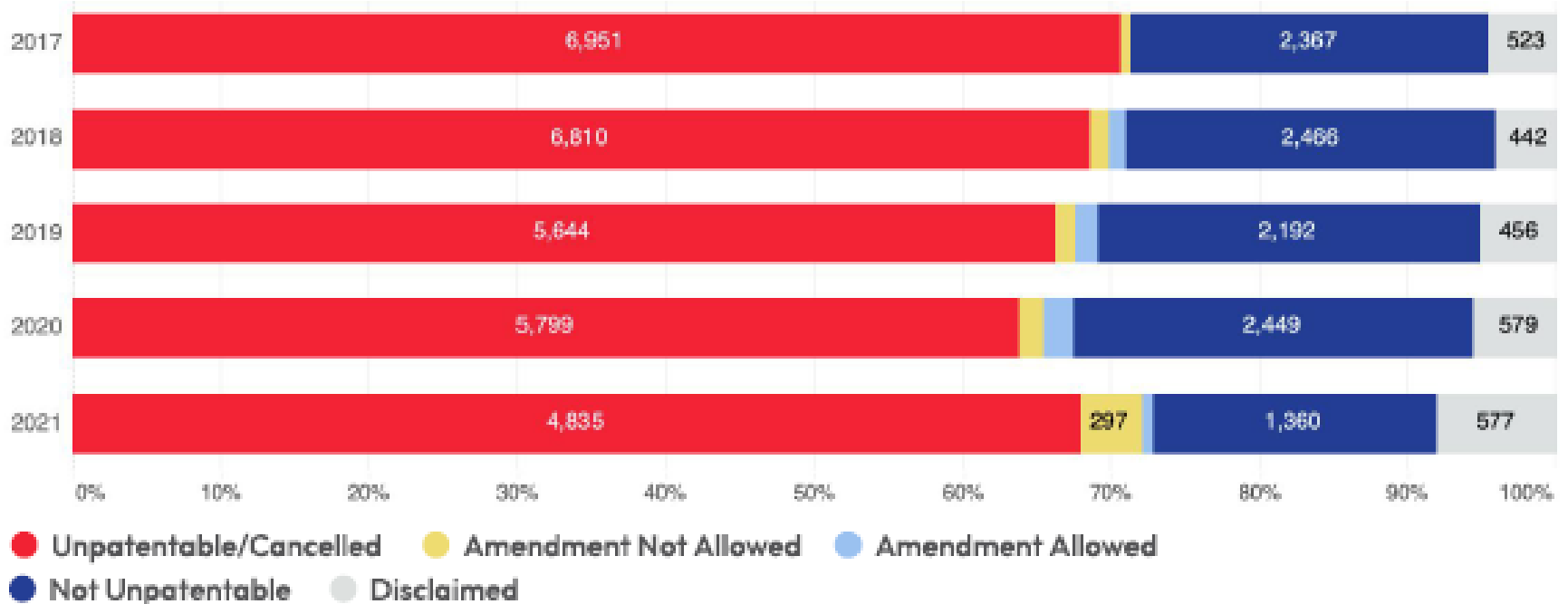


Source: Docket Navigator

9. Statistics

DETERMINATIONS OF PATENT CLAIMS IN FINAL WRITTEN DECISIONS

This chart shows the number of claims deemed unpatentable or not unpatentable in IPR, CBM or PGR Final Written Decisions over the past six years.



Source: Docket Navigator

10. Discretionary Denials

•“May” not “Shall”

- PTAB not obligated to institute an IPR
 - Supreme Court interpretation of 35 U.S.C. 314(a)

•Common Discretionary Obstacles

- Parallel District Court Litigation
 - *Fintiv* factors
 - *E.g.*, proximity of trial date, issue overlap
- “325(d)” Denials
 - *Becton Dickinson* factors
 - Whether “same or substantially the same prior art or arguments previously were presented to the Office”
- Multiple proceedings

11. Motions to Amend

- **Amending Claims**

- First amendment authorized, but the rules require a pre-filing conference with the Board

“During an *inter partes* review . . . the patent owner may file 1 motion to amend the patent in 1 or more of the following ways: (A) Cancel any challenged patent claim. (B) For each challenged claim, propose a reasonable number of substitute claims.” 35 U.S.C. § 316(d)(1)

“A patent owner may file one motion to amend a patent, but only after conferring with the Board.” 37 C.F.R. § 42.121(a)

11. Motions to Amend

• Amending Claims

- Generally, one-for-one substitution
- Must narrow scope
- Need to show patentable distinction
- Clearly state contingency of substitution
- Must be responsive to a ground of unpatentability involved in the trial. *37 C.F.R. §§ 42.121(a)(2), 42.221(a)(2)*.
- Additional motions to amend may be permitted by joint request to materially advance settlement or for good cause shown.

See 35 U.S.C. § 316(d)(2), 37 C.F.R. § 42.121(c)

11. Motions to Amend

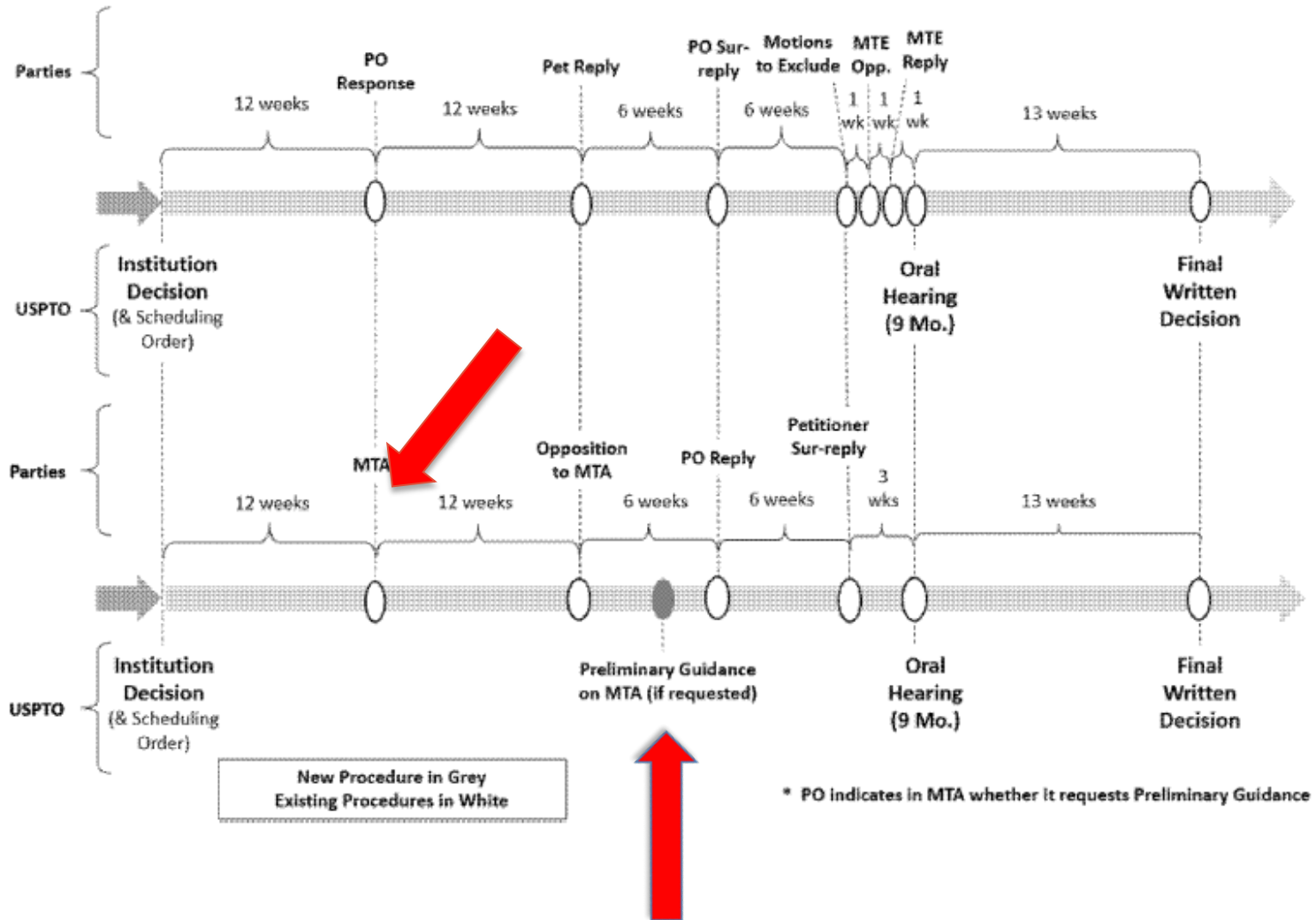
- **AIA trial is not a patent examination**

- Board does not conduct a prior art search or enter rejections
- If granted, the substitute claim is issued without any Office search or examination
- Petitioner bears the burden of establishing unpatentability of the proposed substitute claims

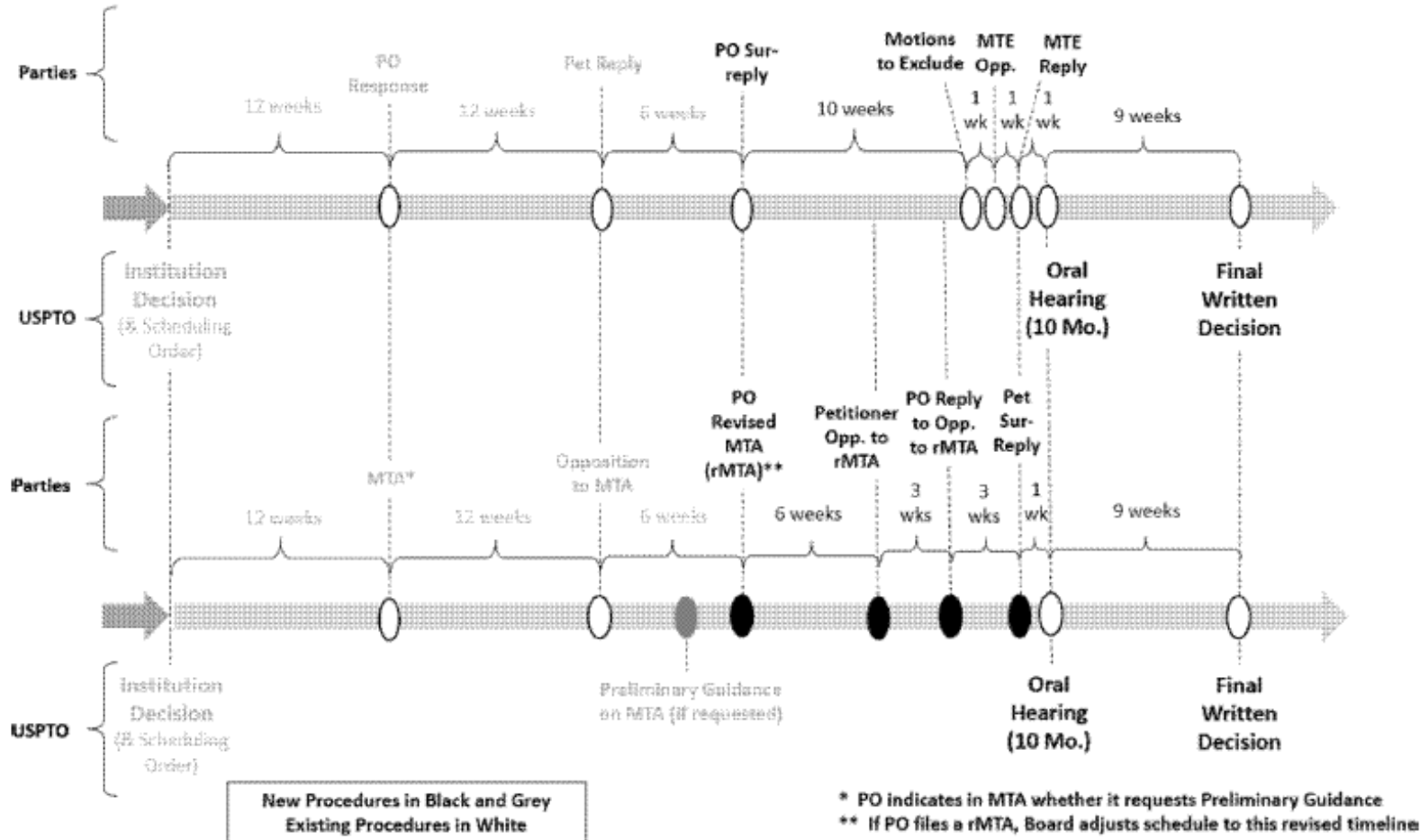
11. Motions to Amend – Pilot Project

- Applies to all AIA trials instituted on or after March 15, 2019
- Gives the Patent Owner two new options:
 - (1) Can receive PRELIMINARY GUIDANCE from the Board
 - Short paper or call; preliminary and non-binding; focuses on added limitations
 - (2) Can file a REVISED MTA after receiving the Petitioner's opposition to the original MTA and/or after receiving the Board's preliminary guidance (if requested)
 - Can include new arguments and/or evidence, but must be responsive to issues raised in the preliminary guidance and/or Petitioner's opposition

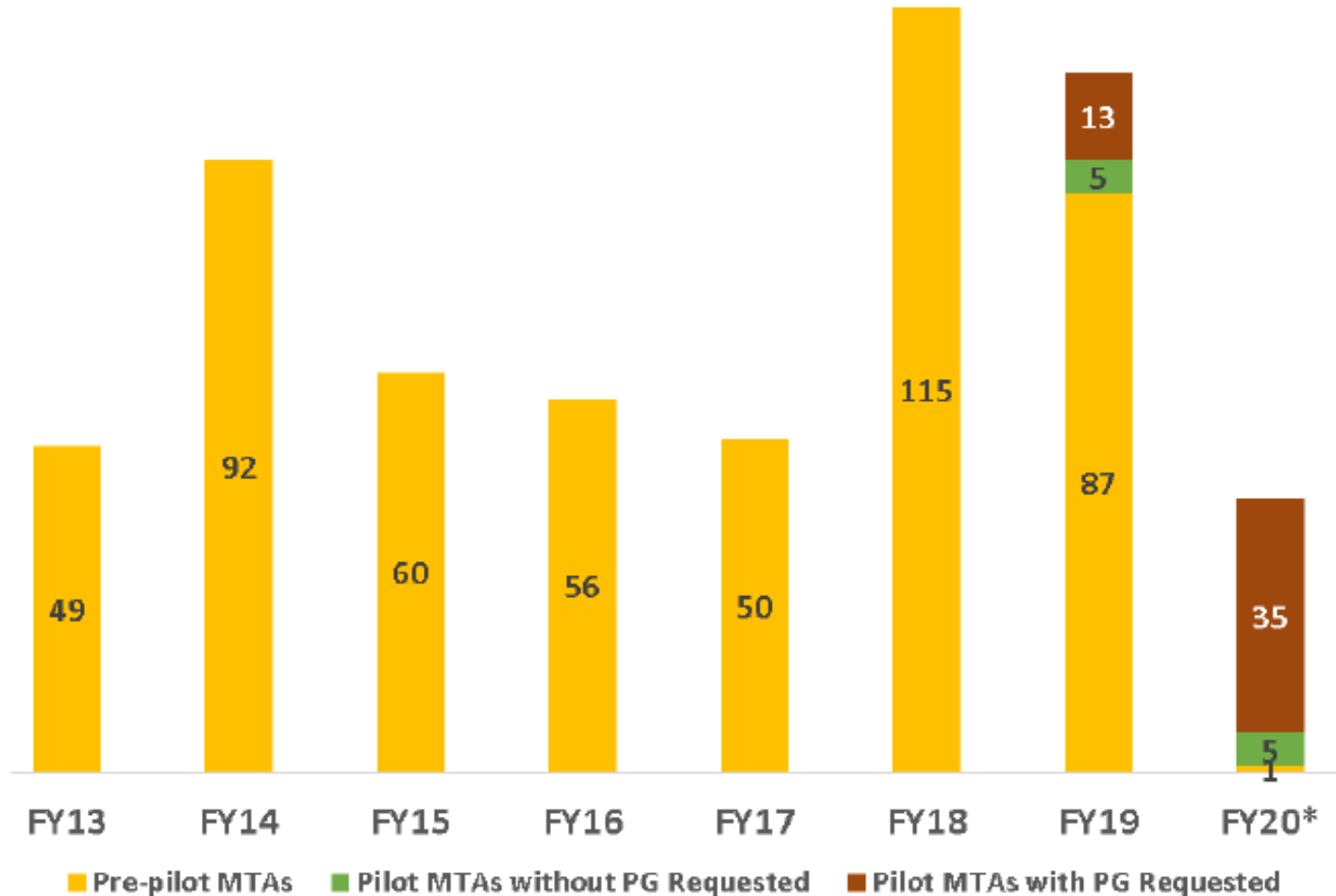
11. Motions to Amend – Pilot Project



11. Motions to Amend – Pilot Project



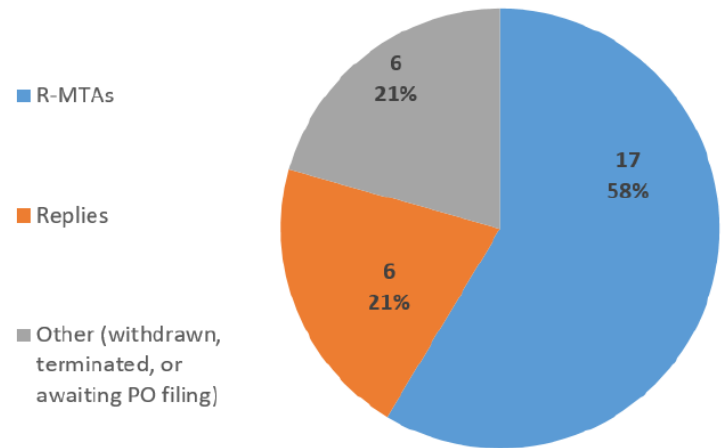
11. Motions to Amend – Pilot Project



* The one pre-pilot MTA filed in FY20 is a corrected MTA of an MTA originally filed in FY19. FY20 data is through March 31, 2020.

11. Motions to Amend – Pilot Project

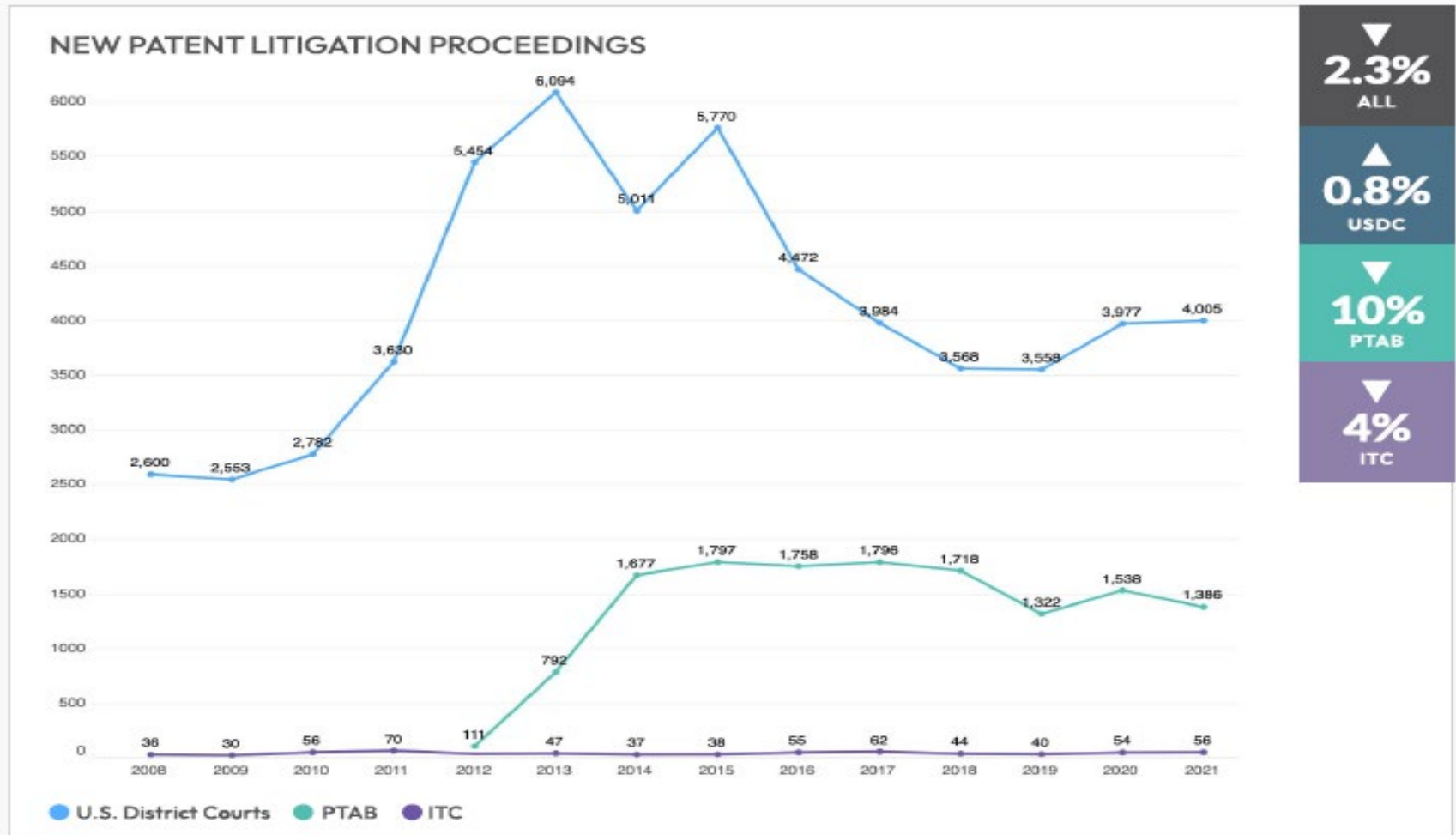
- Changes to Patent Owner Behavior?



Graph VIII is a new pie chart that depicts patent owner next filings after receiving preliminary guidance from the Board on an MTA. The Board issued the first preliminary guidance on an MTA under the pilot program on October 16, 2019, and the first filing by a patent owner after receiving the Board’s preliminary guidance was on October 30, 2019. Graph VIII shows that as of March 31, 2020, after receiving the Board’s preliminary guidance, in 17 of 29 cases (58%), the patent owner filed a revised MTA. In six of 29 cases (21%), the patent owner filed a reply in support of its initial MTA, and in six of 29 cases (21%), the MTA was withdrawn, the case was terminated, or the due date for the patent owner’s next filing had not occurred as of March 31, 2020.

Source: USPTO Motion to Amend Study Installment 6, Update through March 31, 2020

12. Interplay with District Court Litigation



12. Interplay with District Court Litigation

Estoppel

IPRs

- Raised or reasonably could have raised

PGRs

- Raised or reasonably could have raised

12. Interplay with District Court Litigation

Federal Circuit on Estoppel

- The Federal Circuit recently held that § 315(e) “estoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to all grounds not stated in the petition but which reasonably could have been included against the claims included.”
- *Calif. Inst. of Tech. v. Broadcom Ltd.*, 2020-2222 (Fed. Cir. Feb. 4, 2022) overruling *Shaw Indus. Grp. v. Automated Creel Sys.*, 817 F.3d 1293, 1296 (Fed. Cir. 2016).

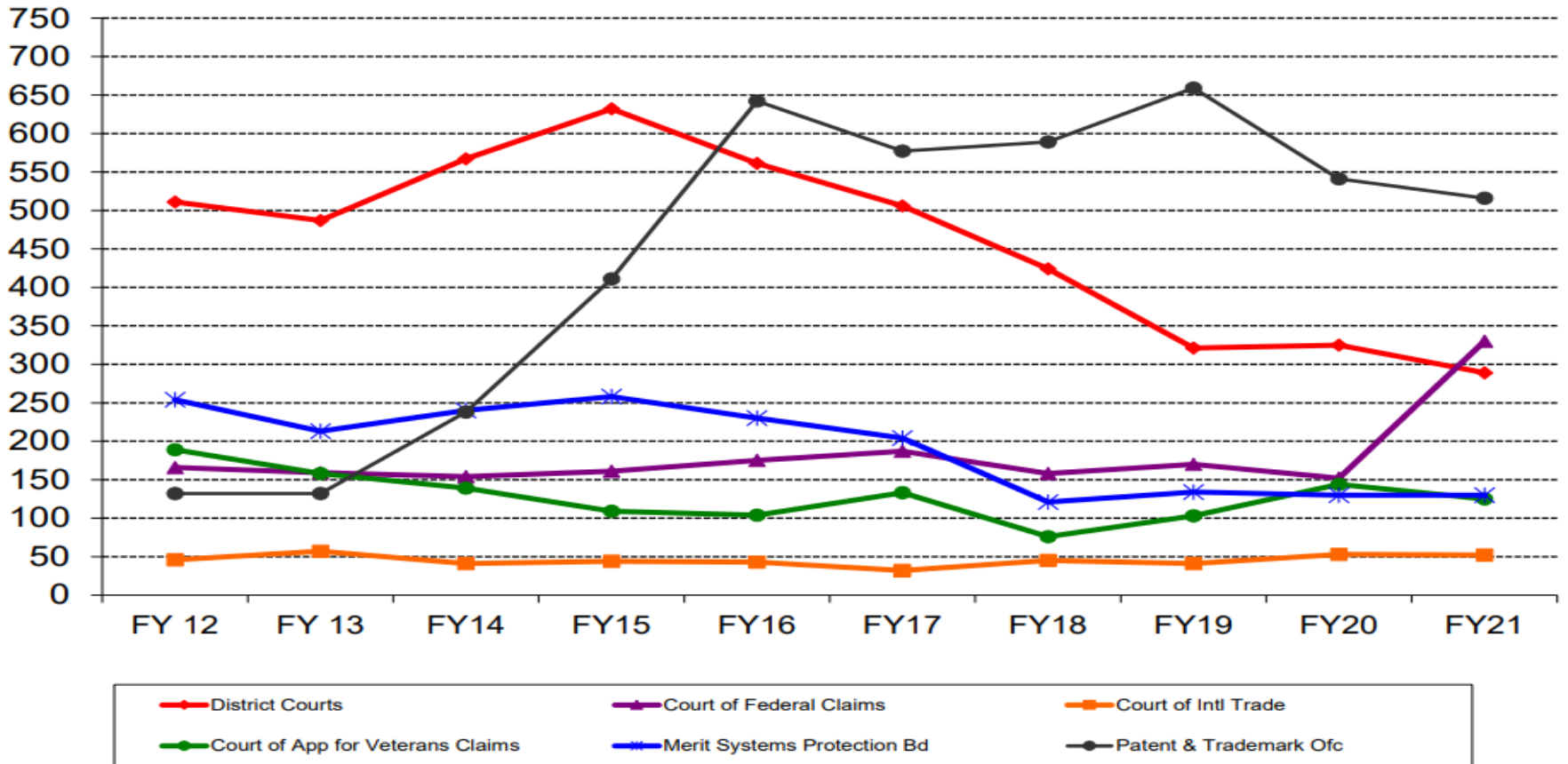
12. Interplay with District Court Litigation

• **Stays: Fact-intensive inquiry**

- Inform district court if a Petition filed or there is an intent to file
- District court will likely want to know:
 - Whether all asserted claims are involved
 - Whether all codefendants have joined or will join the PTAB proceedings and, if not, whether they at least agree to be estopped
 - Whether the parties agree that a stay of the district court proceeding is in the interests of both parties

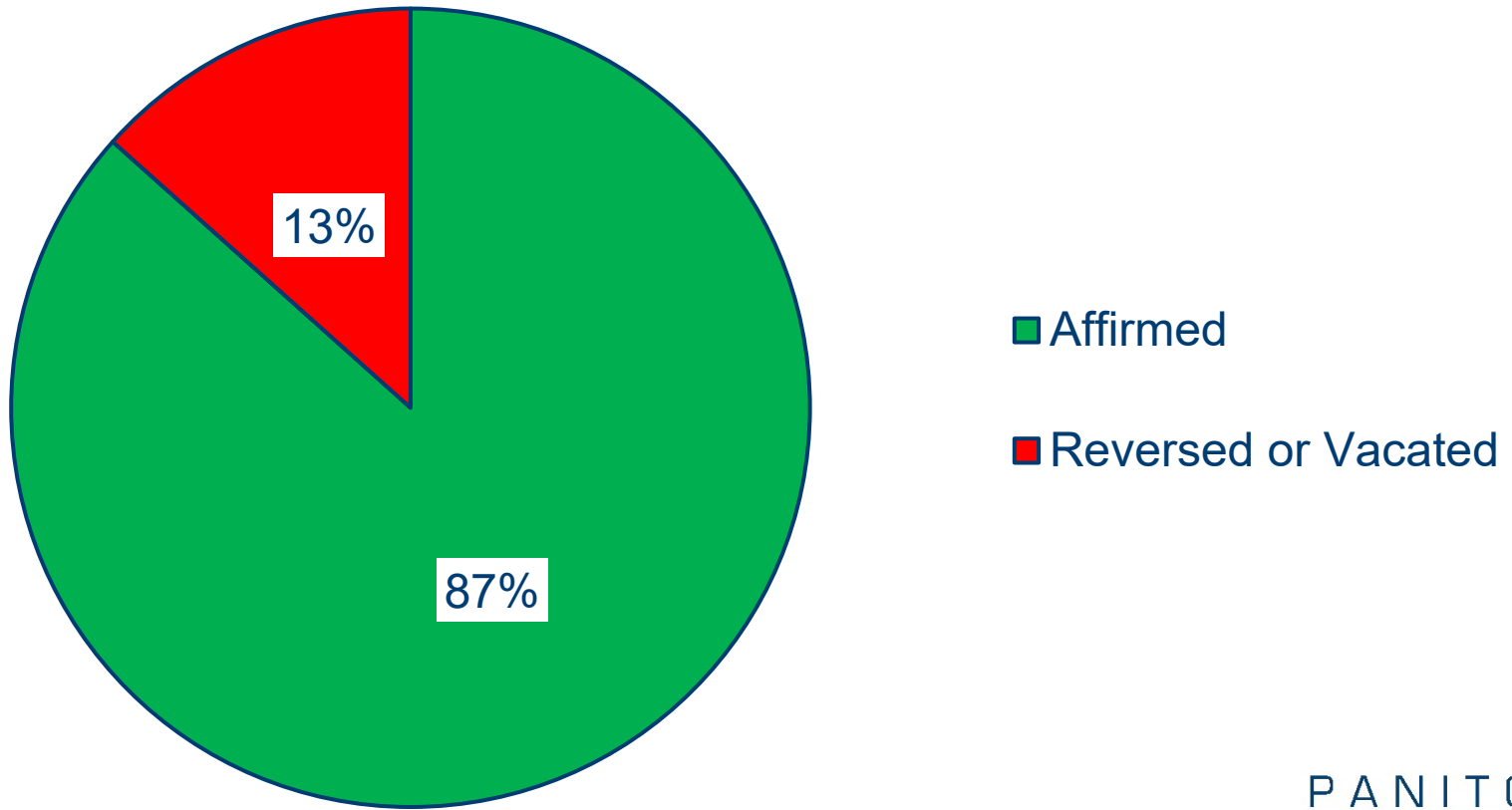
13. Appeal Outcomes

United States Court of Appeals for the Federal Circuit
Appeals Filed in Major Origins



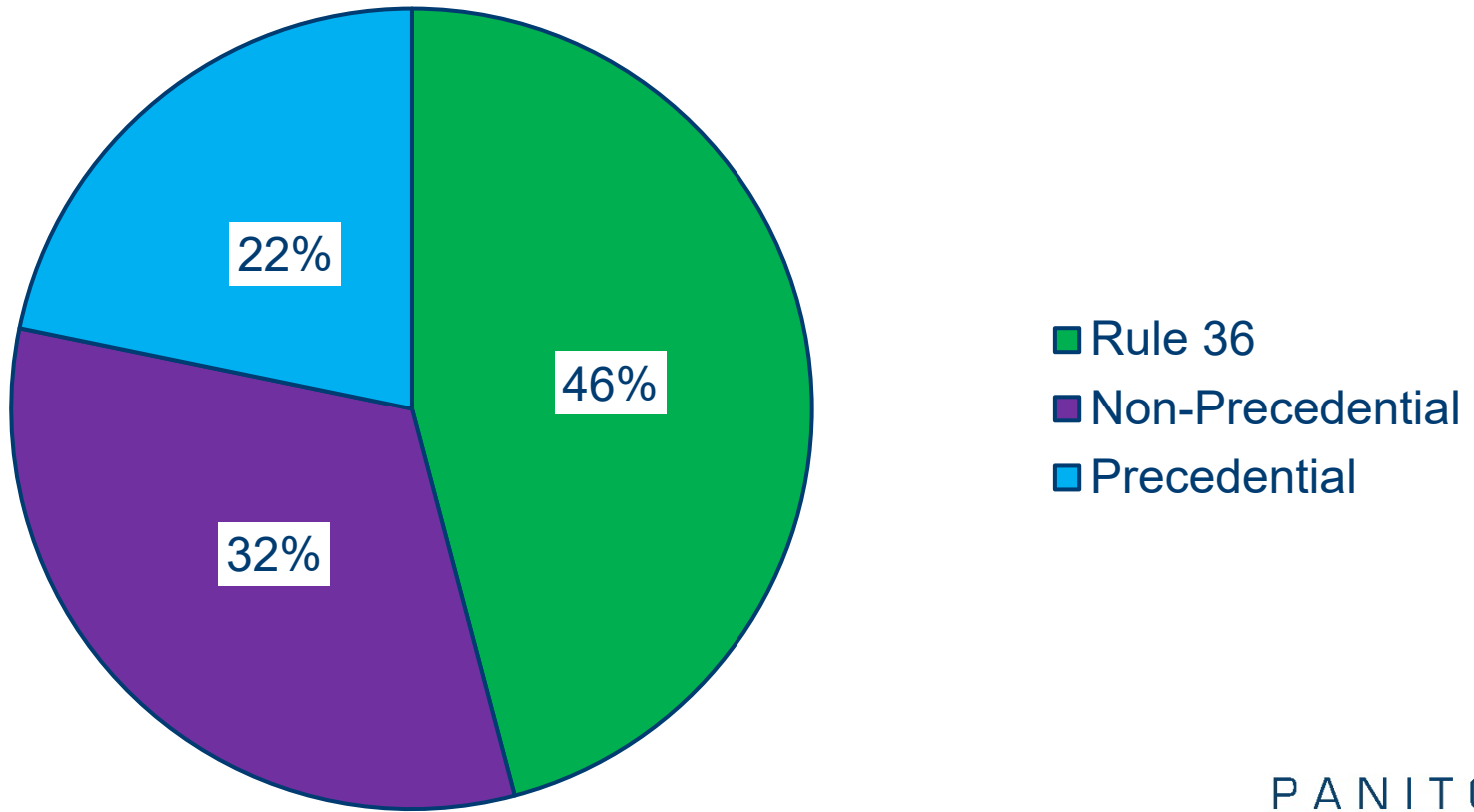
13. Appeal Outcomes

CAFC IPR Decisions



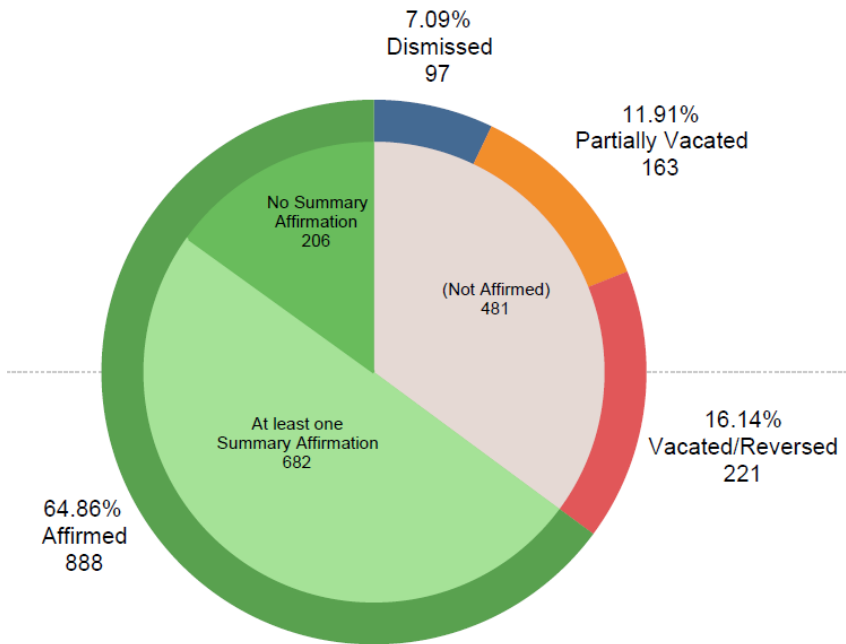
13. Appeal Outcomes

CAFC IPR Opinion Type

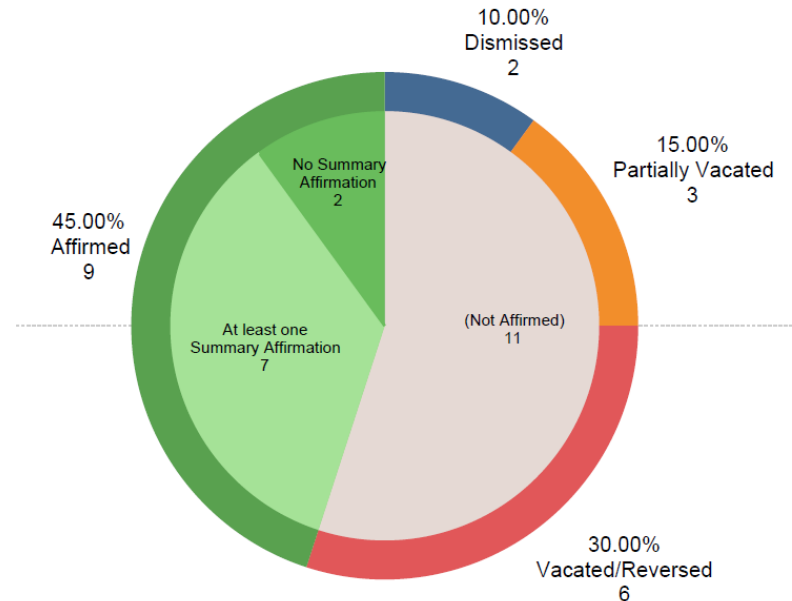


13. Appeal Outcomes

IPR CAFC Results



PGR CAFC Results



SOURCE: DOCKET NAVIGATOR

Q42017 to Present

14. Derivation Proceedings and Interferences

- Derivation proceedings remain
 - Previously a subset of interference proceedings
- Owner of patent **A** (later filing date) may have relief against owner of patent **B**
 - If both **A** and **B** claim the same invention;
 - If the invention claimed in **B** was derived from the inventor of the invention claimed in **A**; and
 - If action filed within 1 year of issue of **B**
- District Court/Federal Circuit appeals
- Effective for applications containing a claim with an effective filing date *18 months* after enactment, *i.e.*, on or after March 16, 2013

14. Derivation Proceedings and Interferences

- **Who can initiate a derivation proceeding?**
 - Inventor/Applicant
- **Qualification?**
 - Any patent having a claim with an *effective filing date* on or after March 16, 2013
 - Note, interference proceedings will still apply to patents having a claim with an effective filing date prior to March 16, 2013
- **Timing?**
 - Within 1 year of publication of a claim to the derived invention
- **Grounds for filing?**
 - Inventor of an earlier-filed application derived the claimed invention from petitioner (inventor of the later-filed application)
 - Declaration and supporting evidence are required

14. Derivation Proceedings and Interferences

• Derivation Petition Requirements

- Petitioner must provide substantial evidence to support the allegations that the inventor named in an earlier application derived the claimed invention and must show:
 - (1) the petitioner's invention is the same or substantially the same and is not patentably distinct from the earlier applicant's invention;
 - (2) the invention was derived from the inventor on the petitioner's application;
 - (3) the earlier application was filed without the inventor's authorization; and
 - (4) the construction of the petitioner's claims accurately reflects the true invention.

14. Derivation Proceedings and Interferences

- Prior to AIA, the U.S. was the only country to value who *invented* first, as opposed to who filed first
- Priority = First to invent = The purpose of an interference
 - Generally, first party to reduce the invention to practice
 - But can be earlier date of conception and later date of reduction to practice **if** coupled with reasonably diligent effort to reduce the invention to practice from just before the other party's date of conception until the reduction to practice
 - Party that is both first to conceive and first to reduce to practice is the “first to invent” and other party's diligence is irrelevant
 - Diligence only matters when a party is first to conceive and second to reduce to practice
- Mini-trial [“on paper”]/*inter partes* proceeding before the Board
- Federal Rules of Evidence generally apply
- Limited discovery

14. Derivation Proceedings and Interferences

- The Board *shall* decide priority . . . *may* decide patentability
- Two Primary Phases
 - Motions phase
 - Motions on various patentability issues
 - Priority phase
 - Who invented first?
 - Do you have sufficient proof?
- Interferences are *not* dead yet!



14. Derivation Proceedings and Interferences

• Interferences Remain Relevant

- 35 U.S.C. §§ 102(g), 135 and 291 Apply

- To each claim of an application or patent

IF

- Such application or patent contains or contained at *any* time:

- A claim to an invention having an effective filing date prior to March 16, 2013

OR

- A reference under 120, 121 or 365(c) to any patent or application that contains or contained at *any* time such a claim

• Be aware of 35 U.S.C. § 135(b)

- One-year deadline to copy issued and published claims

Speakers



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