



Training Academy Session # 22

An Update on Recent PTAB Happenings

Erin M. Dunston
Stephen E. Murray

January 17, 2024

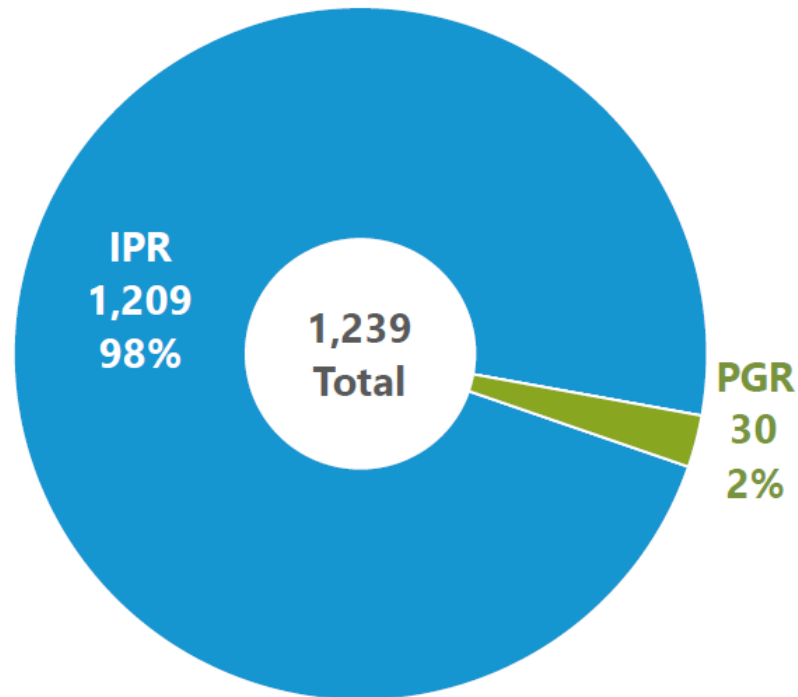
Session Overview

1. Update on PTAB Activity/Statistics (Slides 3-19)
2. Revisions to Standard Operating Procedures (“SOPs”) 2-4 (Slides 20-22)
3. Paneling Guidance (Slide 23)
4. Revisions to Director Review Process (Slides 24-26)
5. *Fintiv* Update and Advanced Notice of Proposed Rulemaking (Slides 27-30)
6. Motions to Amend Update (Slides 31-33)
7. Estoppel Update (Slide 34)
8. *OpenSky* Sanctions (Slide 35)

Recent Statistics – Fiscal Year 2023

Petitions filed by trial type

(FY23: Oct. 1, 2022 to Sept. 30, 2023)

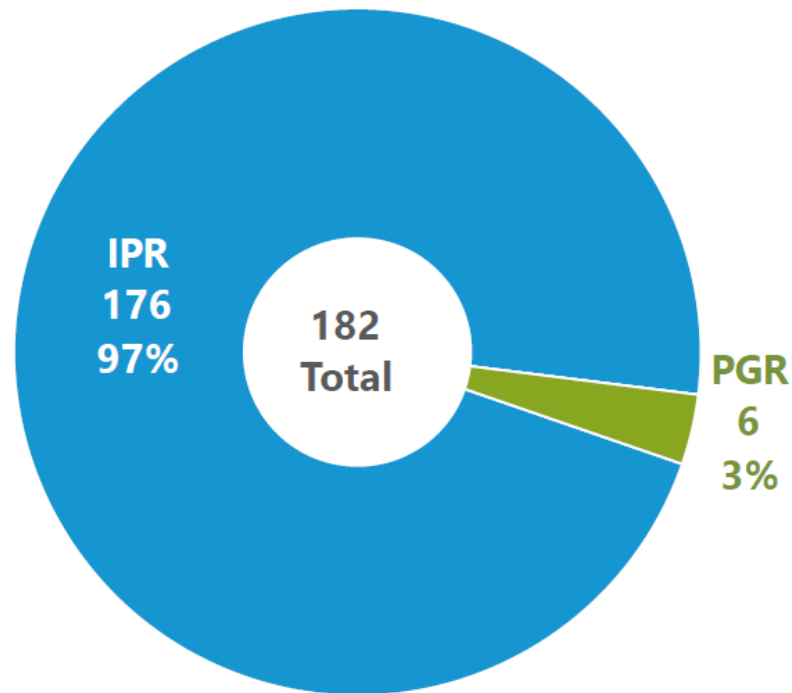


Trial types include Inter Partes Review (IPR) and Post Grant Review (PGR).

Recent Statistics – November 2023

Petitions filed by trial type

(FY24 through November: Oct. 1, 2023 to Nov. 30, 2023)

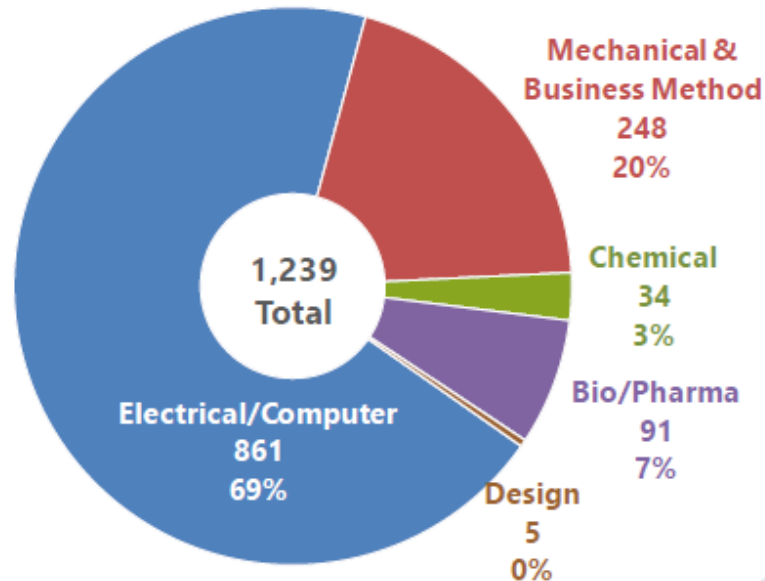


Trial types include Inter Partes Review (IPR) and Post Grant Review (PGR).

Recent Statistics – Fiscal Year 2023

Petitions filed by technology

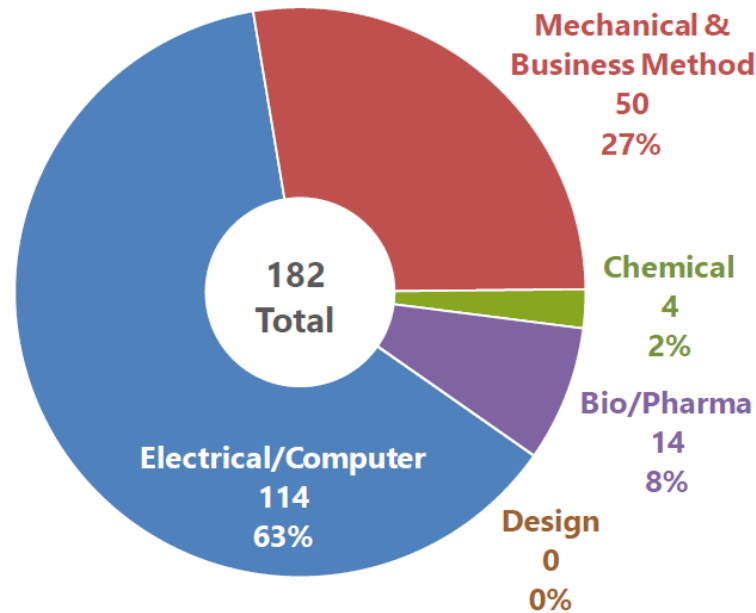
(FY23: Oct. 1, 2022 to Sept. 30, 2023)



Recent Statistics – November 2023

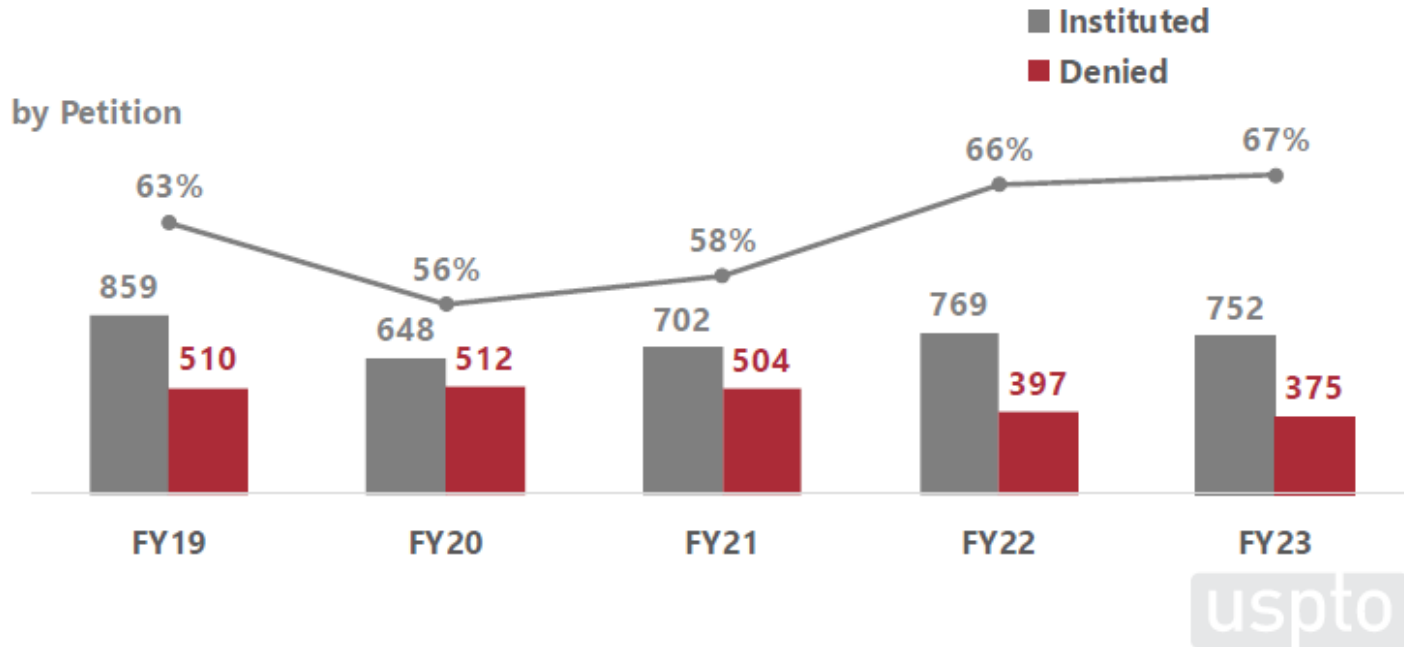
Petitions filed by technology

(FY24 through November: Oct. 1, 2023 to Nov. 30, 2023)



Recent Statistics – Fiscal Year 2023

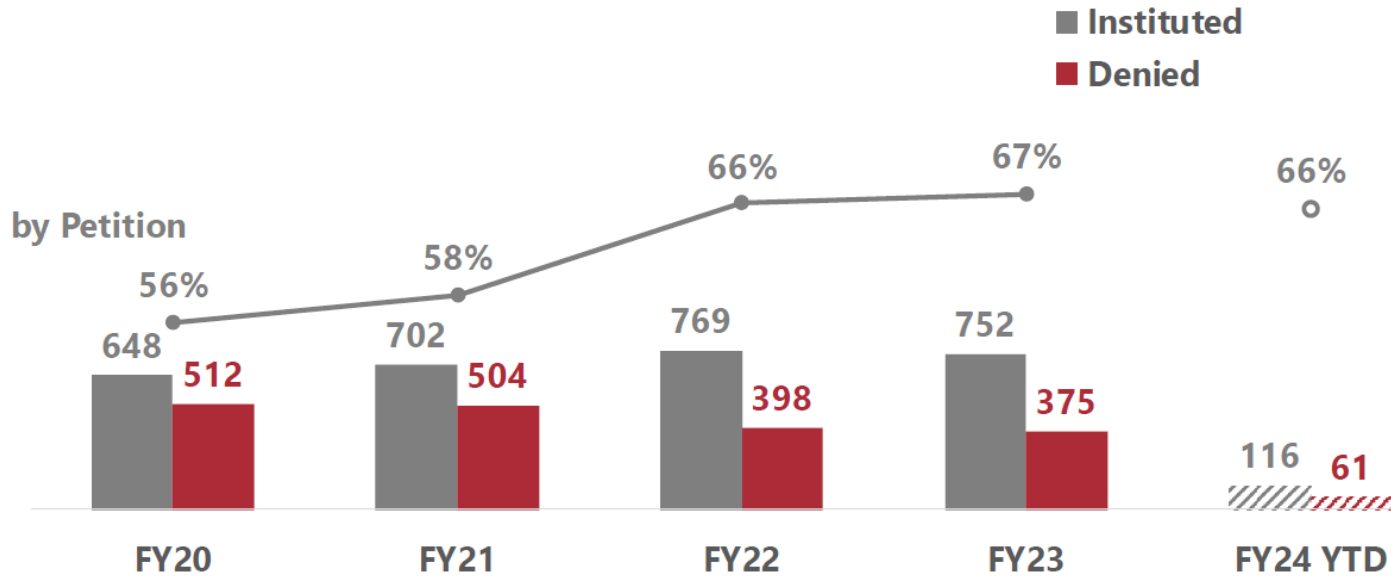
Institution rates by petition (FY19 to FY23: Oct. 1, 2018 to Sept. 30, 2023)



Recent Statistics – November 2023

Institution rates by petition

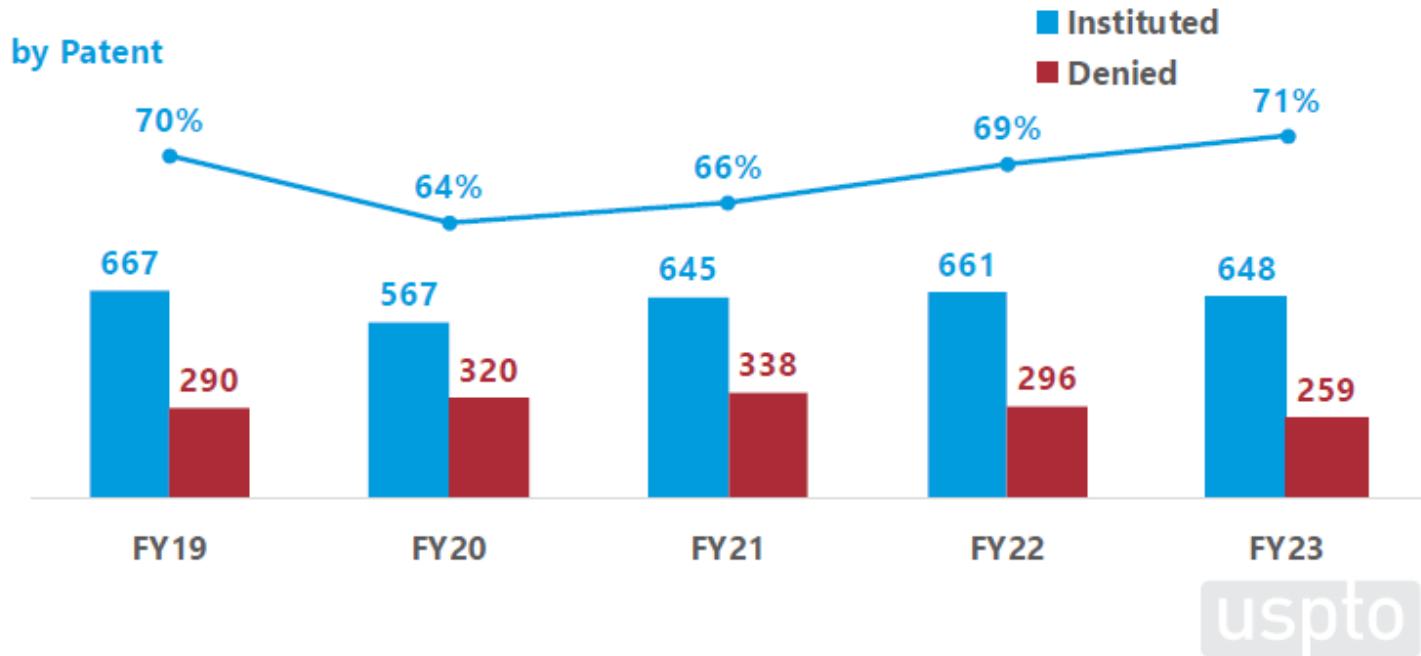
(FY20 to FY24 through November: Oct. 1, 2019 to Nov. 30, 2023)



Recent Statistics – Fiscal Year 2023

Institution rates by patent

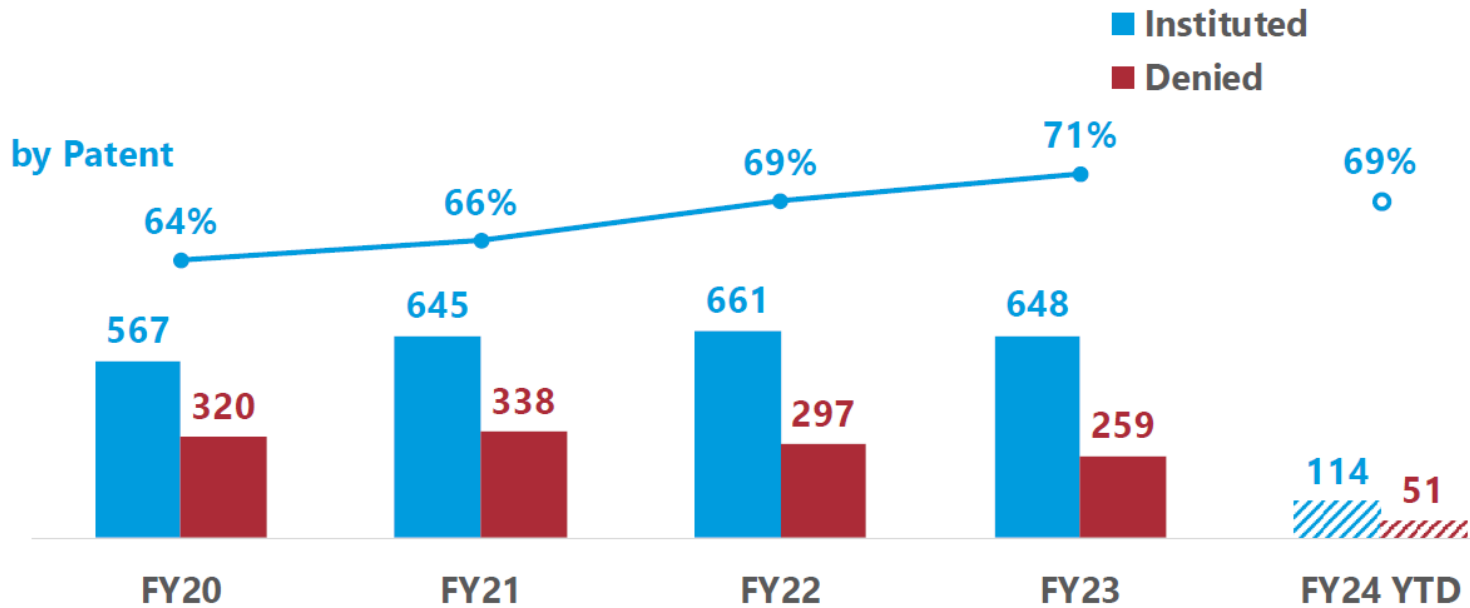
(FY19 to FY23: Oct. 1, 2018 to Sept. 30, 2023)



Recent Statistics – November 2023

Institution rates by patent

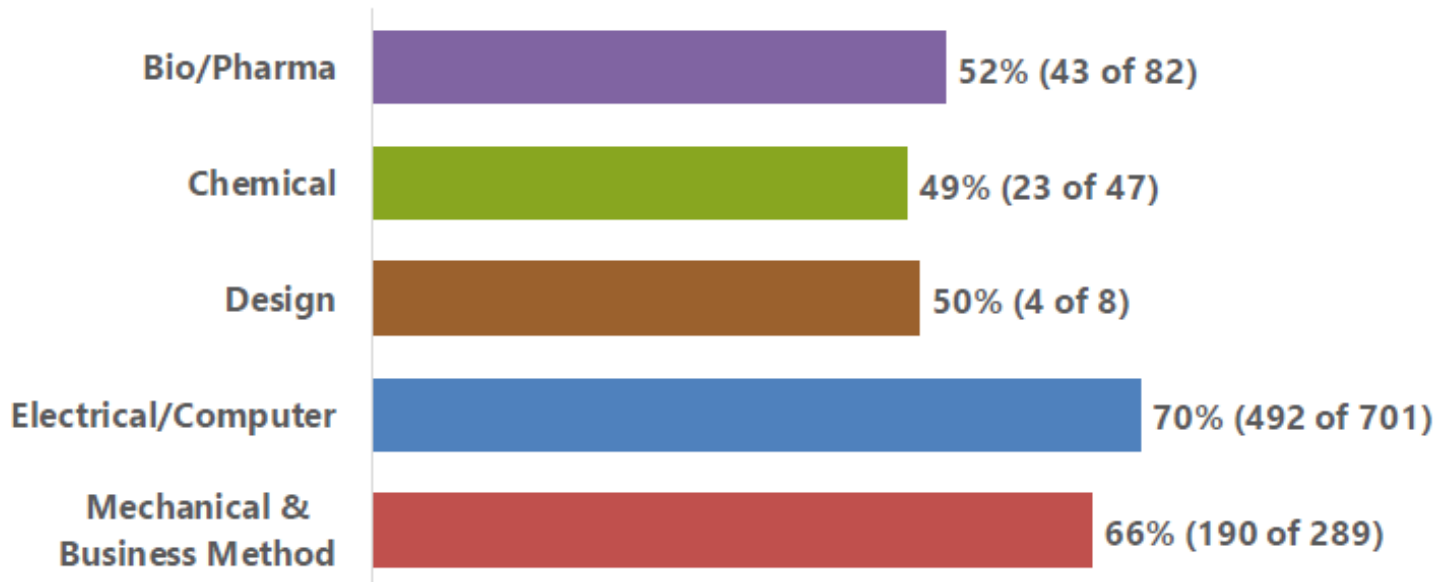
(FY20 to FY24 through November: Oct. 1, 2019 to Nov. 30, 2023)



Recent Statistics – Fiscal Year 2023

Institution rates by technology

(FY23: Oct. 1, 2022 to Sept. 30, 2023)

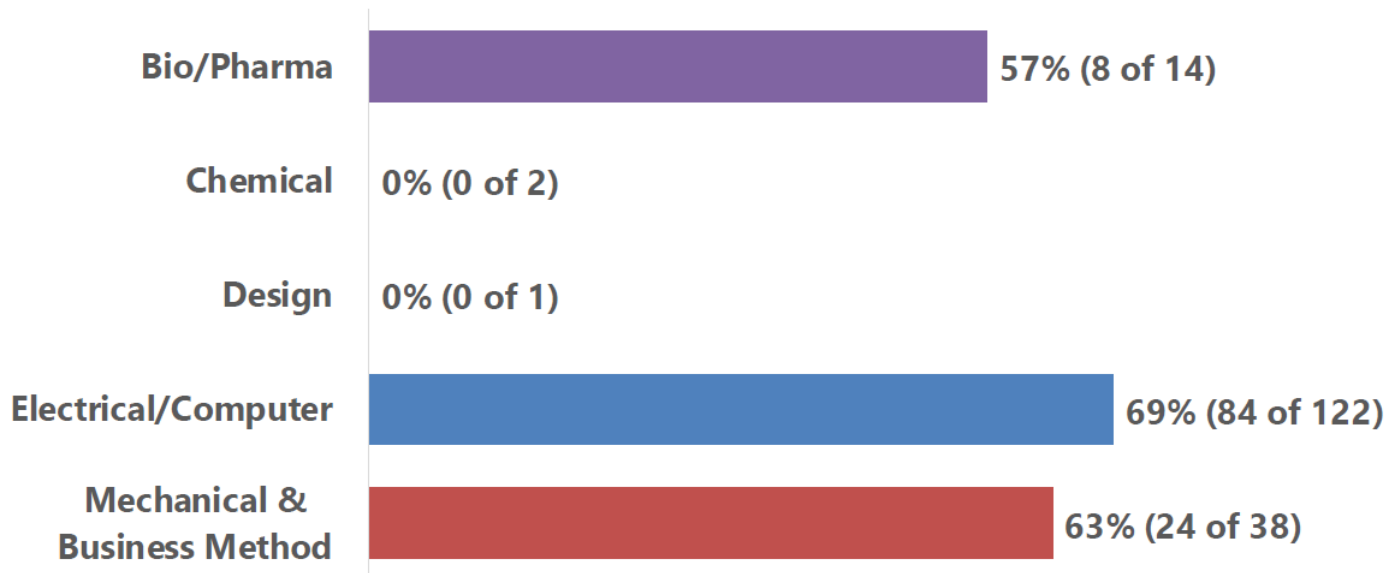


Institution rate for each technology is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



Recent Statistics – November 2023

Institution rates by technology (FY24 through November: Oct. 1, 2023 to Nov. 30, 2023)



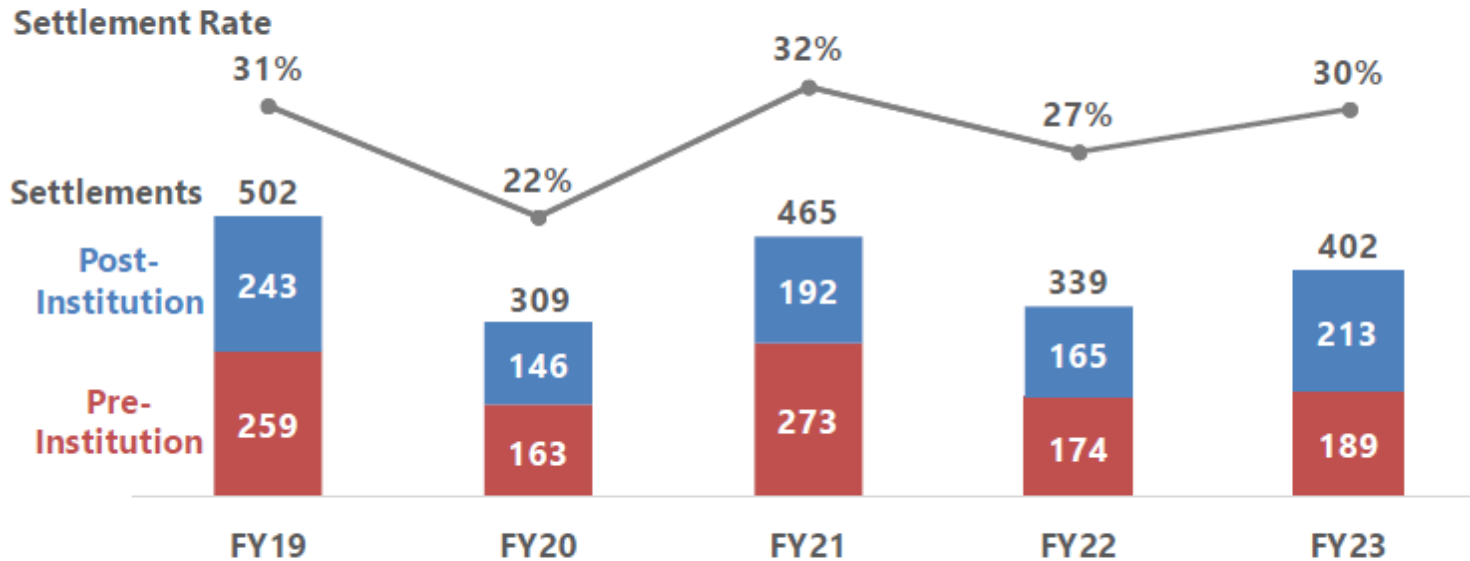
Institution rate for each technology is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



Recent Statistics – Fiscal Year 2023

Settlements

(FY19 to FY23: Oct. 1, 2018 to Sept. 30, 2023)



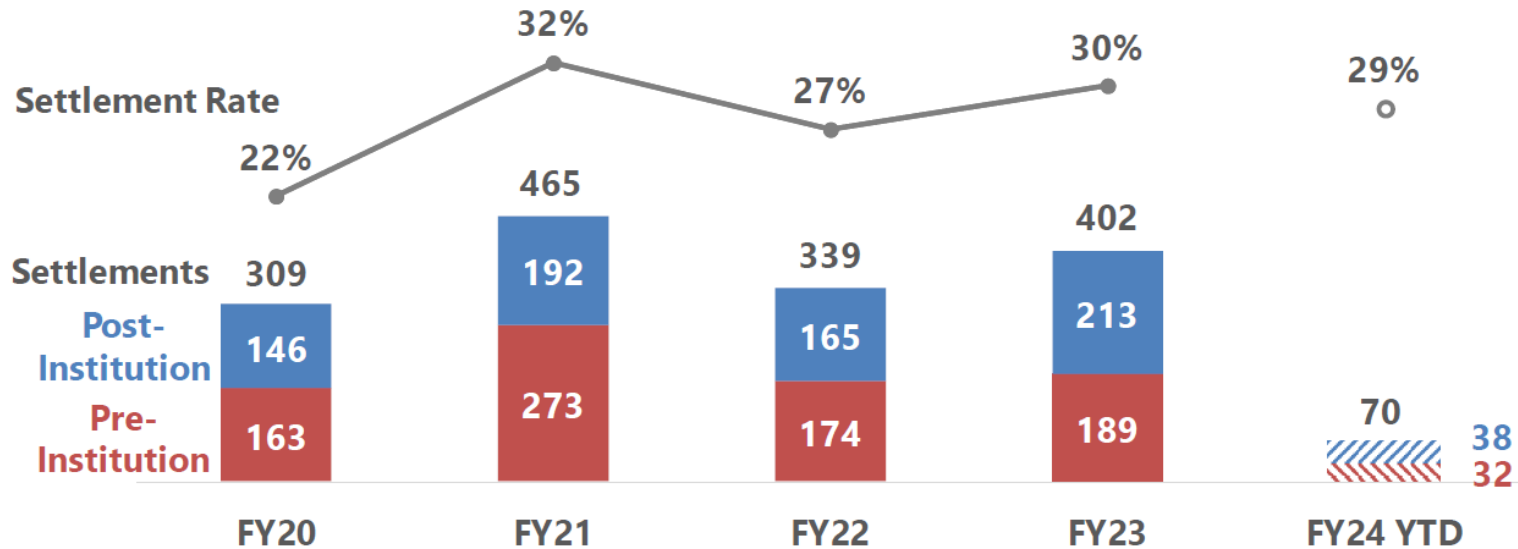
Settlement rate is calculated by dividing total settlements by concluded proceedings in each fiscal year (i.e., denied institution, settled, dismissed, requested adverse judgment, and final written decision), excluding joined cases.



Recent Statistics – November 2023

Settlements

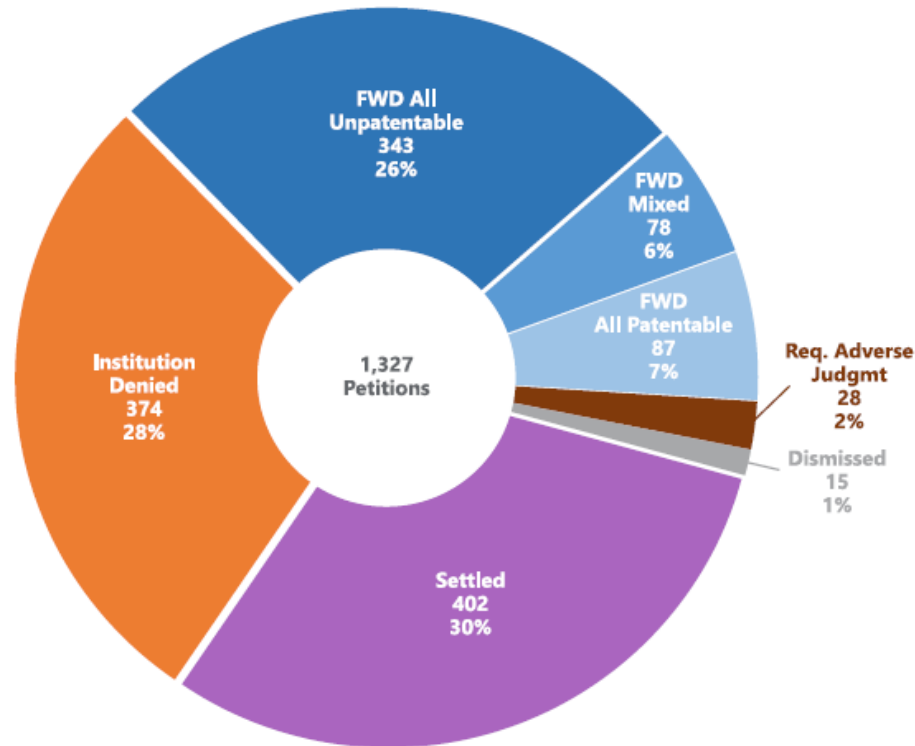
(FY20 to FY24 through November: Oct. 1, 2019 to Nov. 30, 2023)



Recent Statistics – Fiscal Year 2023

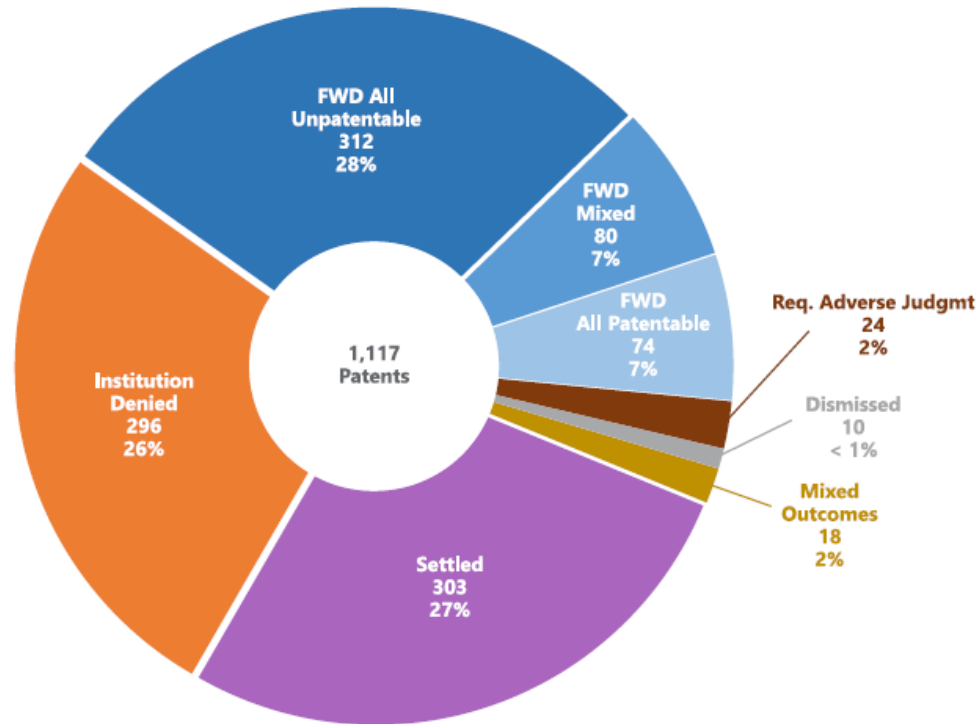
Outcomes by petition

(FY23: Oct. 1, 2022 to Sept. 30, 2023)



Recent Statistics – Fiscal Year 2023

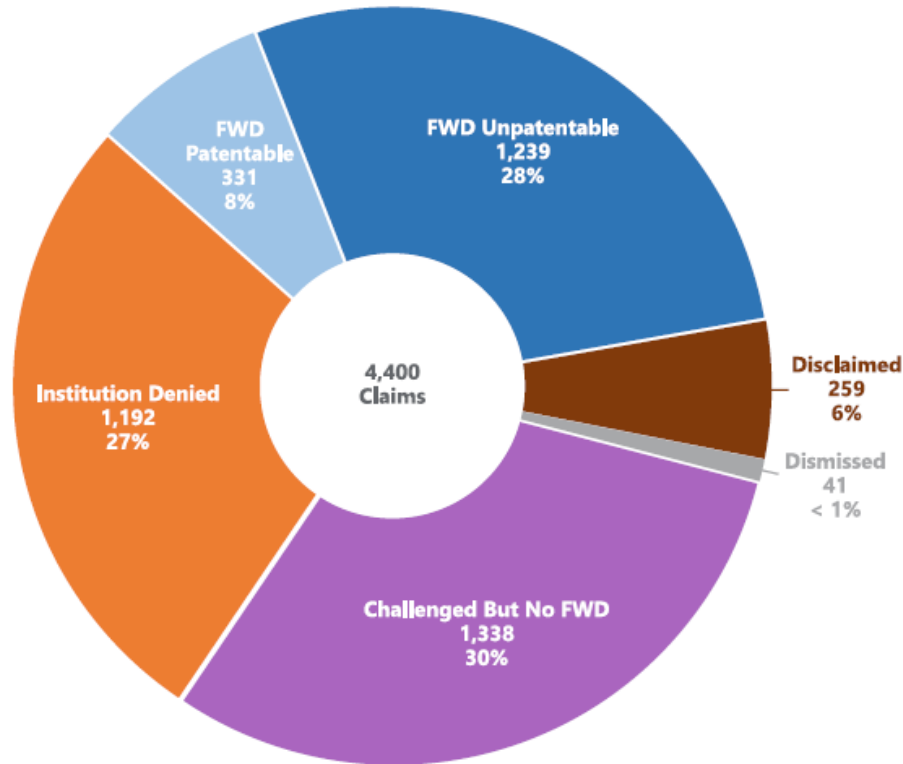
Outcomes by patent (FY23: Oct. 1, 2022 to Sept. 30, 2023)



Recent Statistics – Fiscal Year 2023

Outcomes by claim challenged

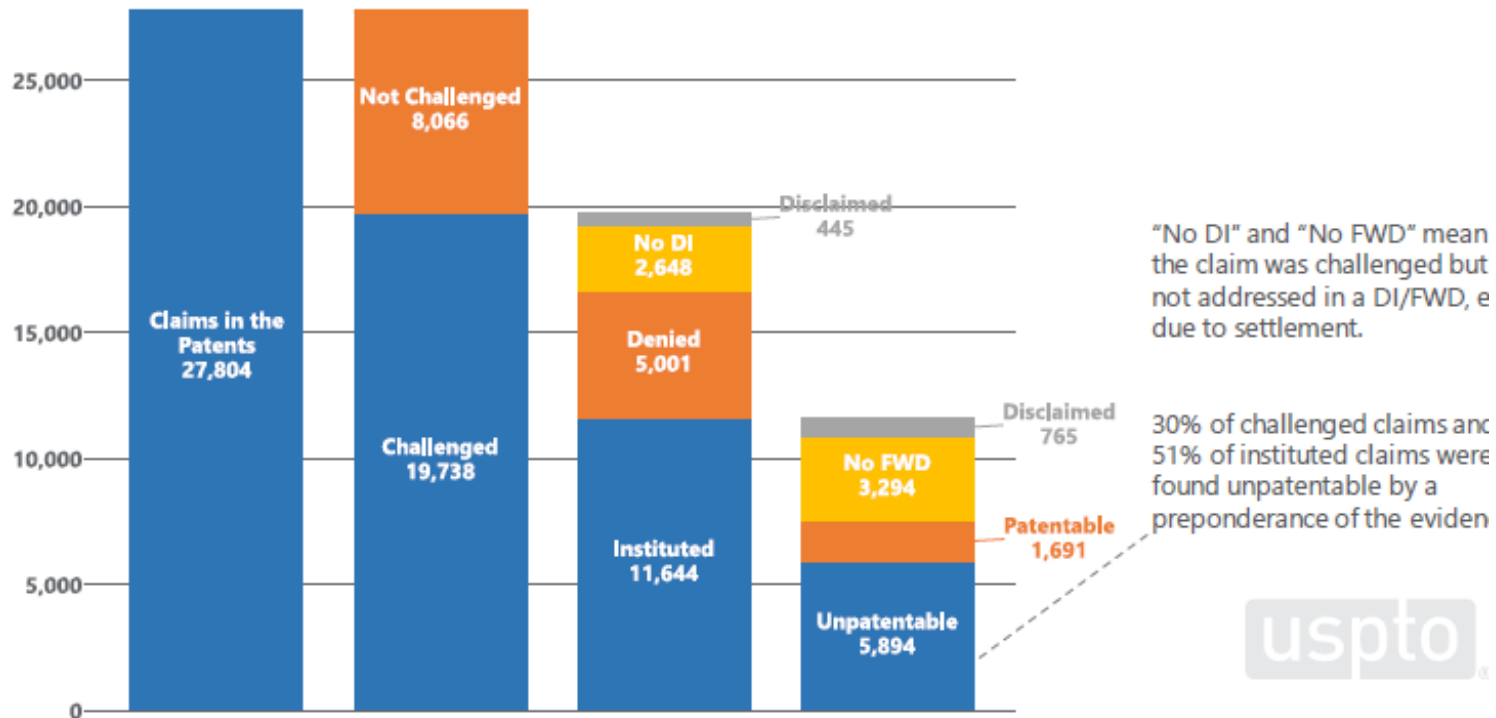
(FY23: Oct. 1, 2022 to Sept. 30, 2023)



Recent Statistics – Fiscal Year 2023

Claim outcomes

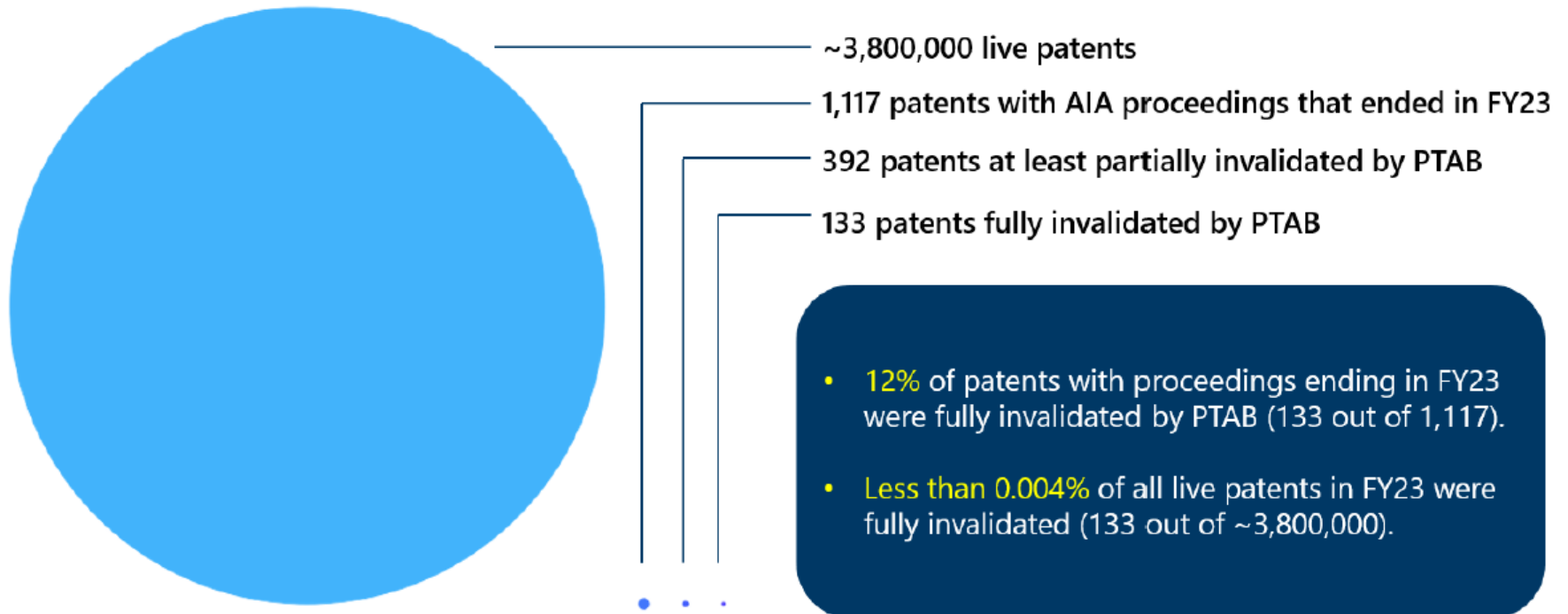
(FY23: Oct. 1, 2022 to Sept. 30, 2023)



Recent Statistics – Fiscal Year 2023

All patents: Fiscal Year 2023

(FY23: Oct. 1, 2022 to Sept. 30, 2023)



Revisions to SOP 2 (Precedential Designations)

- Revision 11 to SOP 2 (July 24, 2023)
 - SOP 2 addresses review procedure for designating PTAB decisions as “precedential” or “informative”
 - “Precedential” = binding on PTAB for subsequent cases with similar facts/issues
 - “Informative” = not binding, but provides “norms” on recurring issues and guidance on certain issues
 - Precedential Opinion Panel is gone
 - Nominations → Advisory Committee → Executive Management → Director
 - A nomination can come from **any person**
 - Advisory Committee of at least 11 members, typically from: Office of Under Secretary, PTAB (not original panel members), Office of the Commissioner, Office of General Counsel, Office of Policy and International Affairs
 - Executive Management includes Chief Judge, Deputy Chief Judge, Vice Chief Judges, and Senior Lead Administrative Patent Judges

SOP 3 (Remands) – October 6, 2023

- SOP 3 (previously SOP 9) – October 6, 2023
 - Provides procedures for decisions remanded from the Federal Circuit
 - PTAB judges no longer required to discuss remanded cases with PTAB management

Remand Scenario	Additional Briefing	Additional Evidence	Oral Argument
Erroneous Claim Interpretation	Yes, unless the claim interpretation to be applied on remand was proposed by one of the parties and the effect thereof has been fully briefed	No, unless evidence of record is insufficient to afford due process	No
Failure to Consider the Evidence	Yes, unless the evidence was fully briefed on the record	No	No
Inadequate Explanation by the Board	No, unless the briefing on the issues is inadequate for the Board to have made a decision in the first instance	No	No
Erroneous Application of Law	Yes, unless the law was fully briefed on the record but not reflected in Board decision	No	No
Lack of Due Process/Denial of APA rights	Yes	Yes, for parties whose rights have been violated, unless additional briefing on evidence of record is sufficient to afford due process	Yes, if necessary to afford due process
Improper Consideration of the Arguments	Yes, unless argument is fully briefed in the record	No	No

SOP 4 – October 6, 2023

- SOP 4
 - Provides processes for circulating draft and post-issuance decisions
 - Some PTAB decisions previously required to be circulated to “Circulation Judge Pool” before issuance
 - Circulation and Review is now optional for all decisions

The Director is not involved prior to issuance, directly or indirectly, in directing or otherwise influencing PTAB panel decisions, unless the Director is a member of the panel. Similarly, the PTAB Management Pre-Issuance Optional Review team does not provide feedback on decisions prior to issuance unless they are a member of the panel or a panel member requests such feedback.

- Notice of Proposed Rulemaking also issued on October 6, 2023 (88(193) Federal Register 69578-83), which sought comments by December 5, 2023
 - Proposes to add Part 43, which will provide new regulations governing pre-issuance circulation and review of decisions

Paneling Guidance – September 22, 2023

- Directs PTAB and TTAB to avoid empaneling judges holding stocks or bonds (public or private) in any disclosed party or RPI, regardless of dollar value
 - Executive branch ethics regulations permissive when aggregate publicly traded stocks in the parties do not exceed \$15,000
 - Guidance provided with goal of upholding public confidence in integrity of government activities and minimizing impartiality challenges
- Voluntary disclosure to management of stock or bond ownership in any company by judge, spouse, or minor children
- Judges are to “promptly notify the paneling staff if repaneling is necessary”
- Judges are to confer with the PTO’s Office of General Counsel if the judge becomes aware after a case has been paneled
- Took effect 60 days after September 22, 2023 (*i.e.*, November 21, 2023) and “applies to all future proceedings before the USPTO. The USPTO will not revisit any prior decisions—or any future decisions—in which our judges complied with the applicable ethics rules.”

Revisions to Director Review Process

- PTO announced on July 24, 2023, that changes were being made to Director Review (“DR”):
 - (1) parties may now request DR on institution decisions
 - (2) provided updated guidance as to what types of issues will be considered in DR, as well as guidance on various topics
 - Including initiation of DR at the Director’s sole discretion, remands to PTAB for further proceedings, and sanctions authority of the Director
 - (3) gave the Director the option to delegate review to a new panel, the “Delegated Rehearing Panel” (“DRP”)
 - (4) created a new Appeals Review Panel (“ARP”), which the Director may convene *sua sponte*, to review PTAB *ex parte*, reexamination, and reissue appeal decisions
- “The USPTO will engage in a public notice and comment rulemaking process on these interim updates in the near future to allow stakeholders to weigh in on the changes.”

Revisions to Director Review Process

- Issues for Director Review
 - (1) Decision whether to institute a trial
 - Abuse of discretion
 - Important issues of law/policy
 - (2) Final Written Decisions
 - Abuse of discretion
 - Important issues of law/policy
 - Erroneous findings of material fact/conclusions of law
 - (3) Decision granting a request for rehearing (subject to certain requirements)
 - Abuse of discretion
 - Important issues of law/policy
 - Erroneous findings of material fact/conclusions of law
- Director can now delegate review to Delegated Rehearing Panel

Revisions to Director Review Process

- July 24, 2023 Revised Interim Director Review Process
 - Director can now delegate review to Delegated Rehearing Panel
 - Selected from Chief Judge, Deputy Chief Judge, Vice Chief Judges, and Senior Lead Judges
 - Director can identify a specific issue for DRP to consider
 - Rehearing requests available – but no further Director review (*sua sponte* only)
 - Appeals Review Panel
 - Director can convene (*sua sponte* only) to review appeals (*ex parte*, reexamination, reissue)
 - ARP includes Director, Commissioner for Patents, Chief Judge

Fintiv Discretionary Denials

- *Fintiv* Factors
 - Whether parallel proceeding is stayed or likely to be stayed
 - Relationship of trial date to statutory deadline for FWD
 - Investment in parallel proceeding
 - Overlap of Issues
 - 2022 Guidance – *Sotera* stipulation precludes denial
 - Petitioner and defendant same party?
 - Other circumstances
 - 2022 Guidance – if “compelling evidence of unpatentability,” institute
- Federal Circuit review of *Fintiv*
 - Affirmed District Court holding that *Fintiv* Instructions are not reviewable
 - Not Constitutional challenge
 - Institution as “direct, immediate, express subject”
 - Directly bears on Director’s discretion to institute
 - Applies equally to delegates (*Ethicon*)

Federal Circuit Review of *Fintiv*

- Reversed District Court on issue of Notice-and-Comment rulemaking
 - Adherence to rulemaking procedures different than substantive reviewability
 - 5 U.S.C. § 701 – review applies unless
 - Statute precludes review
 - IPR statute does not show intent to preclude judicial review on procedures
 - Agency action committed to agency discretion by law
 - No evidence USPTO has legal discretion to avoid notice-and-comment rulemaking
- Apple has standing to challenge
 - Non-speculative likelihood of future harm

Proposed Changes to *Fintiv* Framework

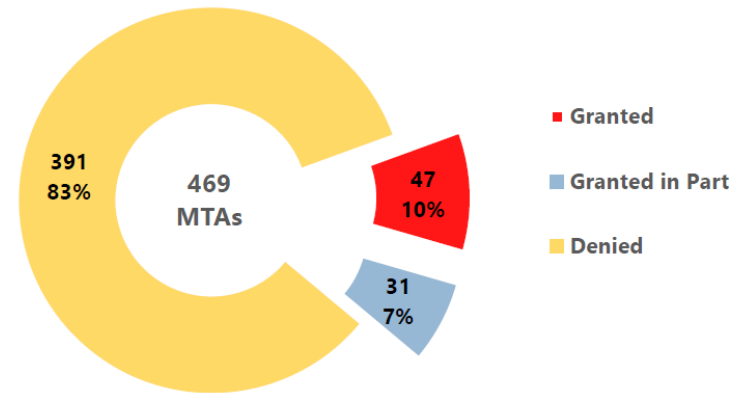
- April 21, 2023 Advanced Notice of Proposed Rulemaking (“ANPRM”) (88(77) Federal Register 24503-18)
 - Current practice uses “median time-to-trial data” rather than projected trial date
 - Deny in view of parallel litigation where trial in district court likely to occur before deadline for FWD unless safe harbors met:
 - *Sotera* stipulation filed by Petitioner
 - Litigation stayed
 - Petition presents “compelling merits”
 - “Highly likely” Petitioner would prevail
 - Petition filed w/in 6 months of complaint service

Other Proposed Changes in the ANPRM

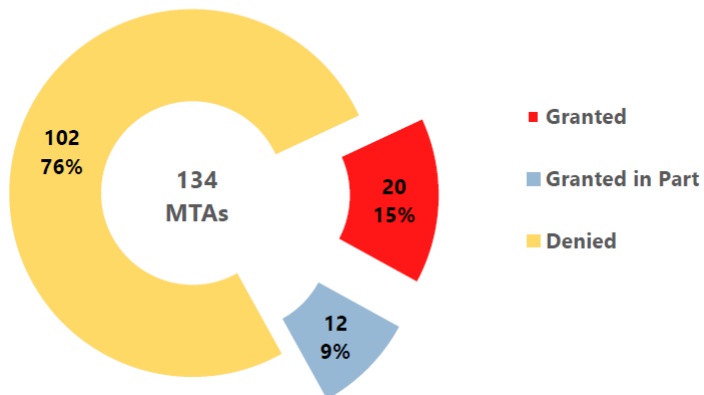
- Discretionary Denials for petitions:
 - Filed by for-profit entity
 - Filed by petitioner not sued or threatened with infringement suit
 - Non-practicing entity
 - Filed against certain “under-resourced” patent owners
 - That are serial in nature UNLESS
 - Earlier petition not resolved on merits OR
 - Exceptional circumstances shown
- 14,500 comments submitted by close of comment period (June 20, 2023)

Motions to Amend

Graph VI: Disposition of all MTAs (FY13 to FY22 through March: Oct. 1, 2012 to Mar. 31, 2023)



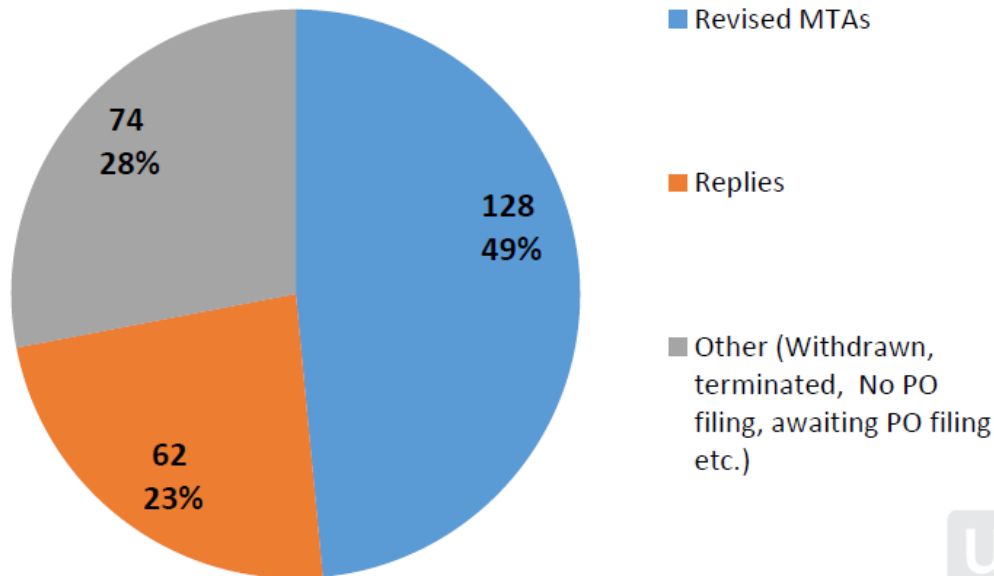
Graph VII: Disposition of pilot MTAs (Pilot: Mar. 15, 2019 to Mar. 31, 2023)



Motions to Amend

Graph XIII: Patent Owner filings after original MTA

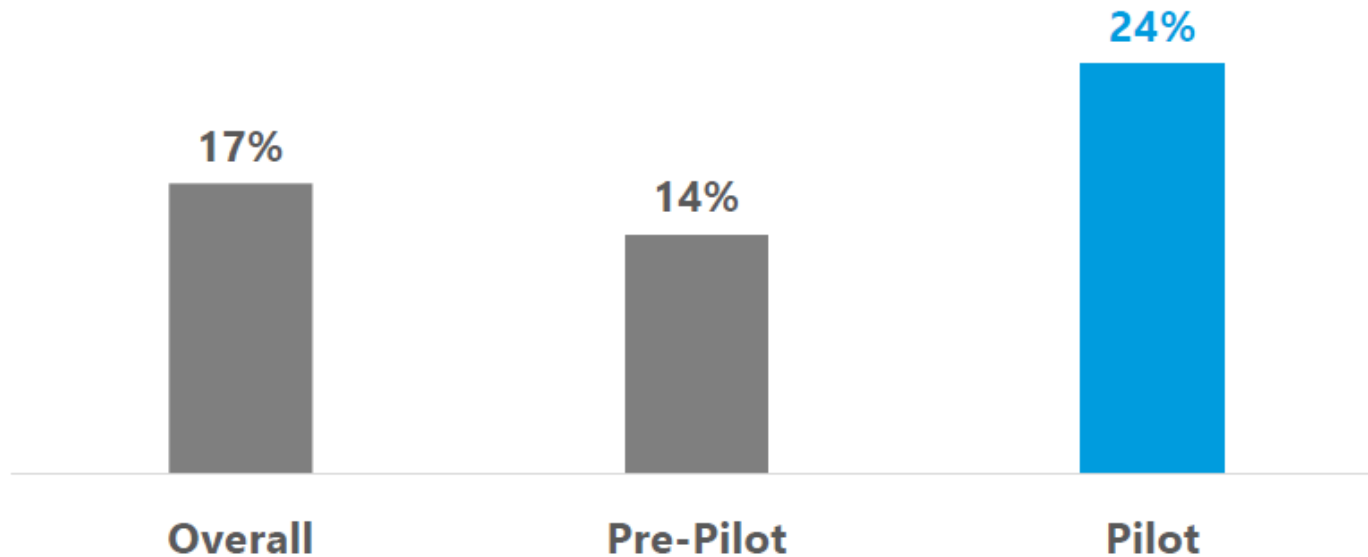
(Pilot: Mar. 15, 2019 to Mar. 31, 2023)



Motions to Amend

Graph VIII: MTA grant rates

(Pre-Pilot: Oct. 1, 2012 to Mar. 14, 2019 &
Pilot: Mar. 15, 2019 to Mar. 31, 2023)



Estoppel Update

- *Ironburg Inventions Ltd. V. Valve Corp.*, 64 F.4th 1274 (Fed. Cir. 2023)
 - IPR estoppel applies to “grounds a skilled searcher conducting a diligent search reasonably could have been expected to discover”
 - Degree of difficulty involved in locating reference is relevant
 - “Scorched earth” search
 - Burden on the patentee

OpenSky Sanctions

- OpenSky petition – copied earlier Intel petition that was denied under *Fintiv*
 - Instituted and Intel was allowed to join
- Director Vidal *sua sponte* review to address possible abuse of process
 - OpenSky failed to comply with ordered discovery
 - OpenSky had been negotiating with both parties
 - Improper purpose of extracting money from one or both of Intel and VLSI
 - Precluded OpenSky from participation – made Intel the lead
 - Ordered OpenSky to show cause why it shouldn't pay VLSI damages/attorney fees
 - Intel eventually succeeds
 - Not over yet – Federal Circuit appeal stayed while Director continues to null sanctions

Speakers



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