
Lessons From PTAB Full or Partial Denials to Avoid Institution of an IPR or Avoid a Denial

TUESDAY, NOVEMBER 20, 2018

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

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Trends We See

CAFC

- Outlines of “no appeal of institution decision” continue to develop.
- Affirmance rate of PTAB decisions on appeal remains very high.
- Parties with pending appeal must act to have case remanded post-*SAS*; CAFC will not do *sua sponte*.

PTAB

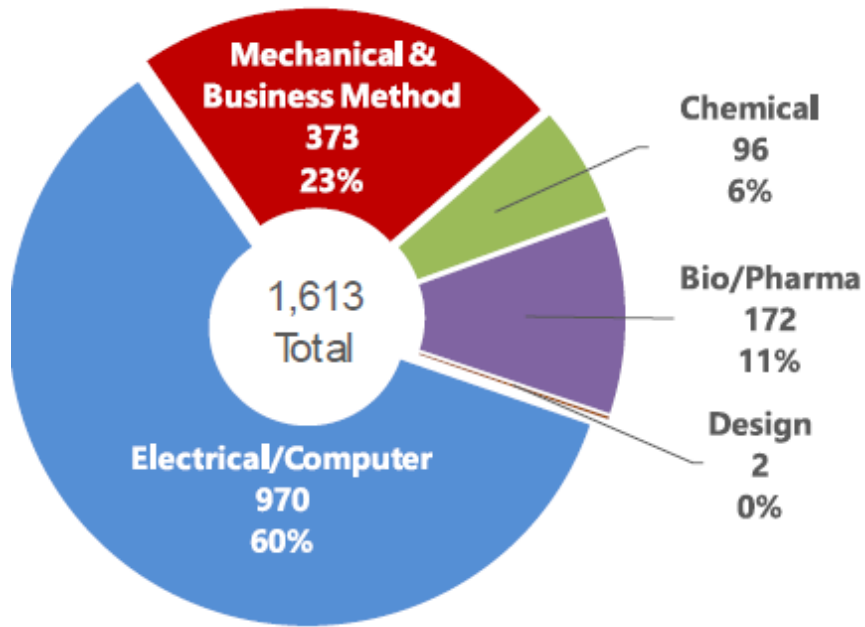
- Adjusting to post-*SAS* binary institution decisions.
- Actively working on new rule packages, including motion to amend practice.
- Consistent in its approach to granting proposed amendments and granting rehearings (hardly ever).
- Institution rate and claim cancellation rate declining somewhat.

Patent Bar

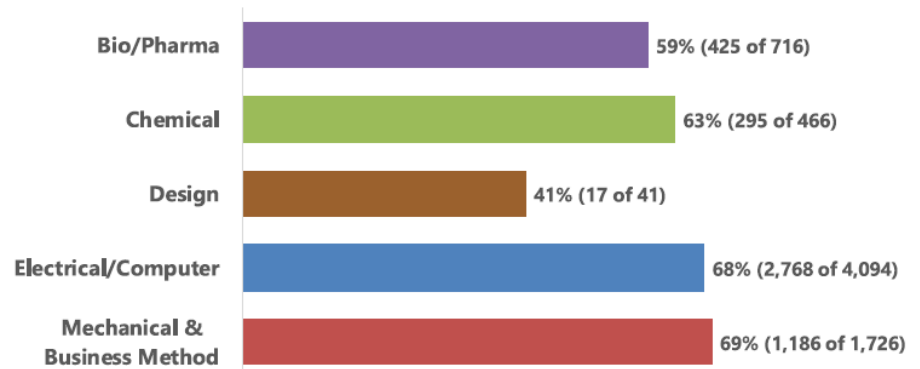
- Continuing to push to determine limits of AIA post-grant proceeding estoppel provisions.
- Continuing to explore strategy balance between AIA post-grant proceedings and litigation.

Petitions By Technology

Filed FY18 (10/1/17-9/30/18)



Institution Rates by Technology (All Time: 9/16/12 to 9/30/18)



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.

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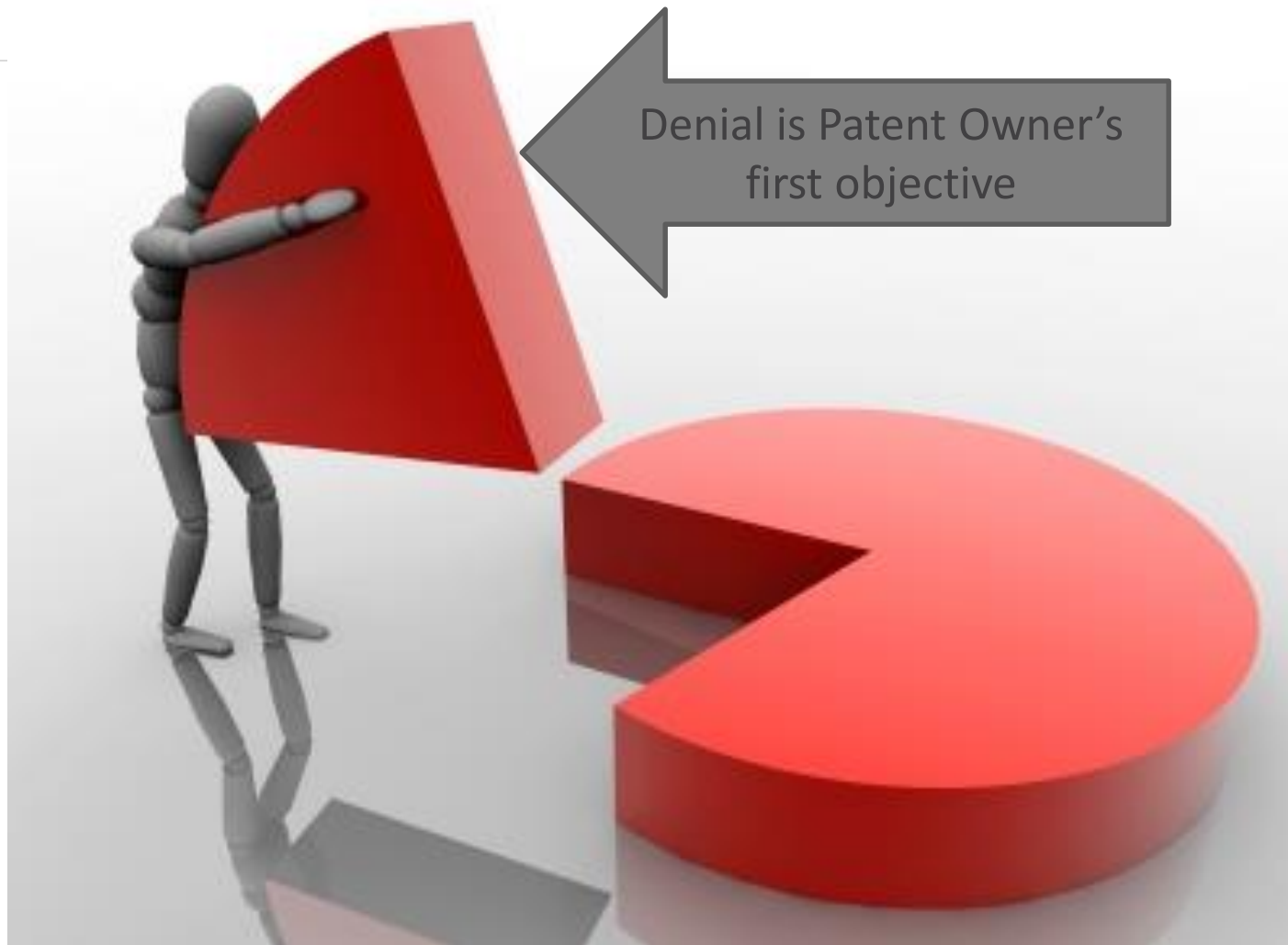
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The overall institution rate across all technologies is 67% (4691/7043).

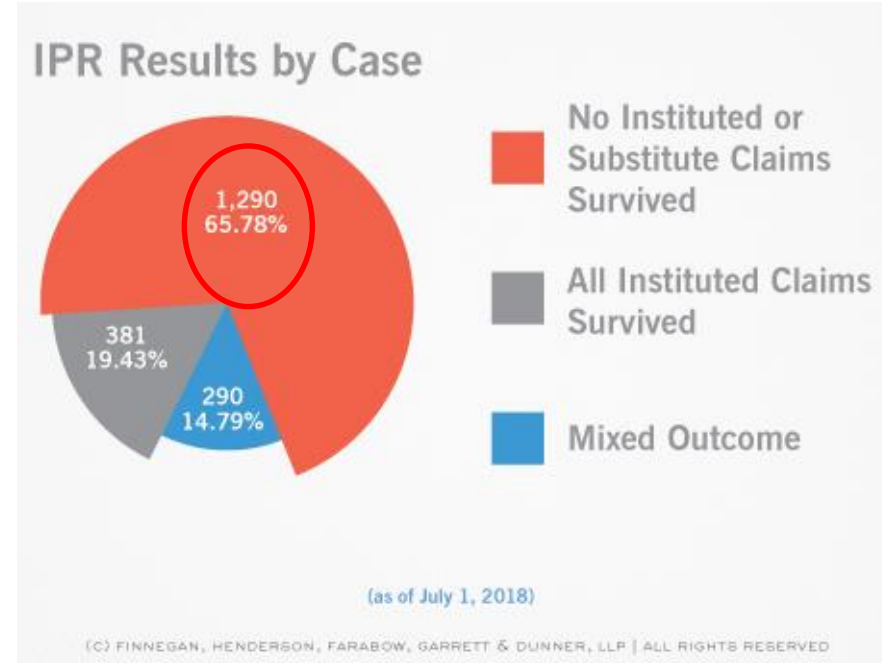
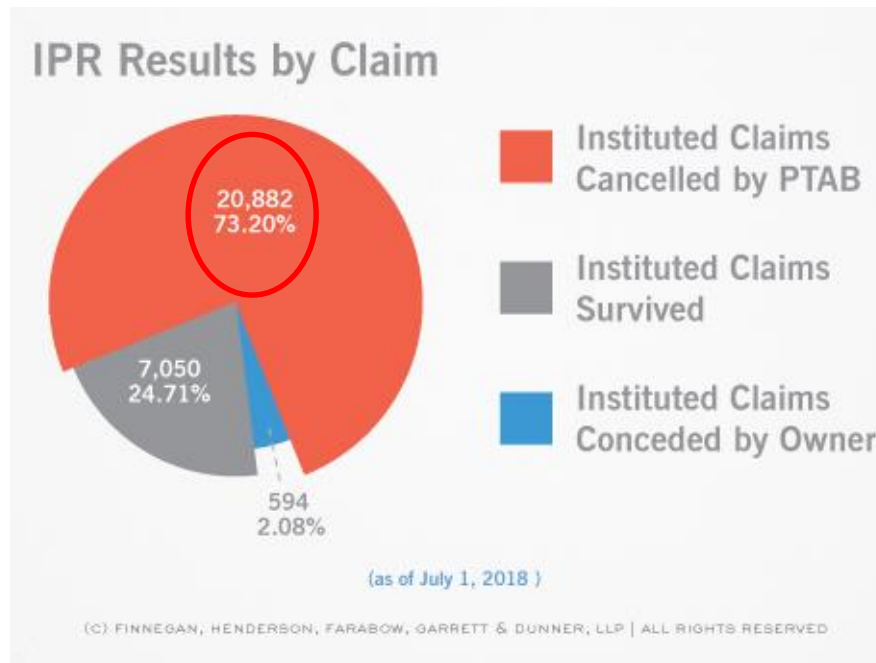
As of Sept. 30, 2018

https://www.uspto.gov/sites/default/files/documents/trial_statistics_20180930a.pdf

About 1/3 of the PTAB's Institution Decisions
Were Denials, and Institution Decisions are (Mostly) Non-Appealable
(35 U.S.C. § 314(d))



If IPR Instituted, Cancellation Rate Is High, So Patent Owners' First Objective is Denial

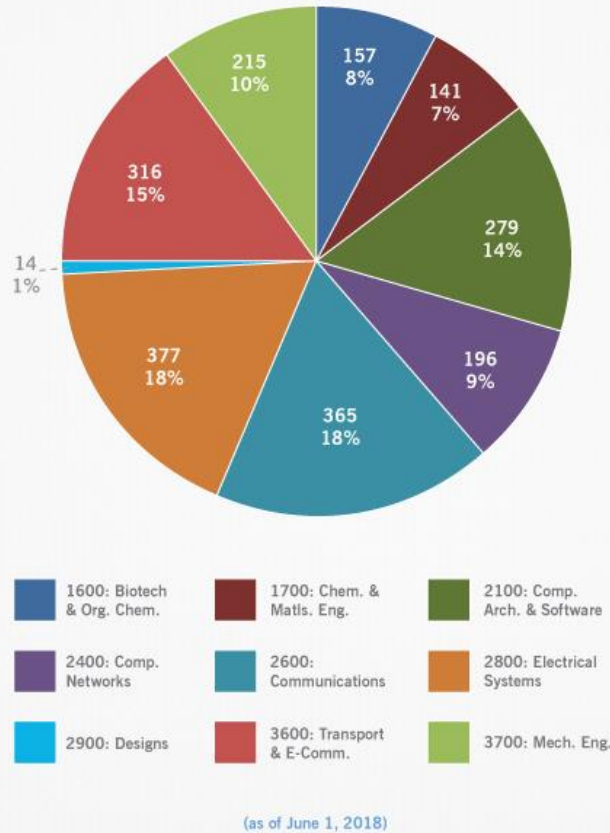


“Mixed outcome”: at least one instituted claims survived and at least one instituted claim was canceled.

Source: <http://www.aiablog.com/claim-and-case-disposition/>

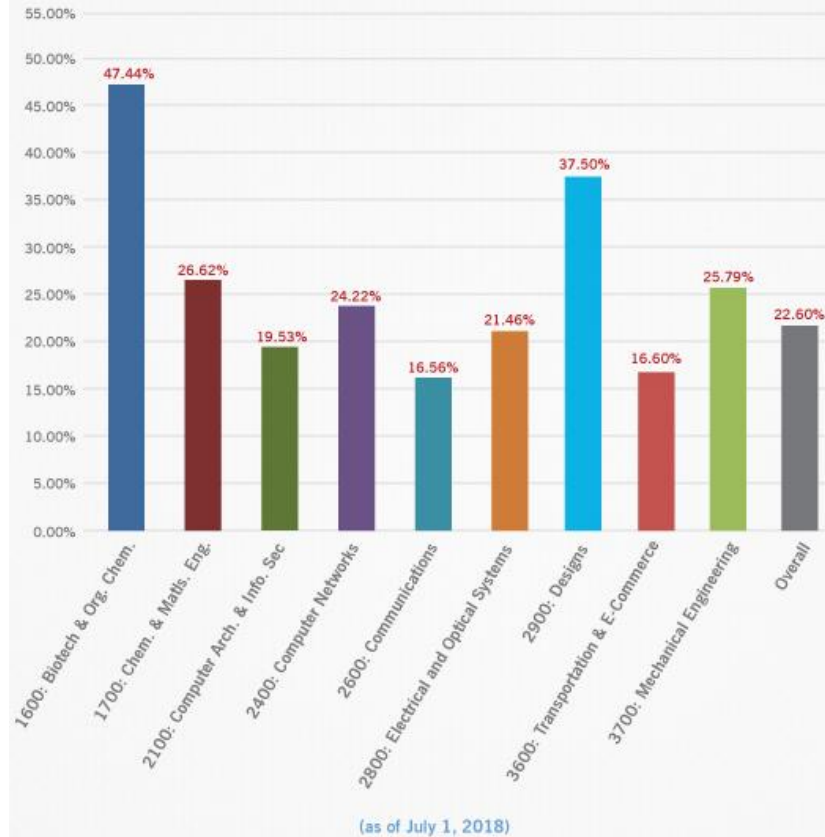
FWDs and Claim Survival Rate: Finnegan Stats

FINAL WRITTEN DECISIONS BY TECH CENTER



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IPR AND CBM INSTITUTED CLAIM SURVIVAL RATE BY TECHNOLOGY CENTER



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Bases Of IPR Petition Denials

Threshold issues

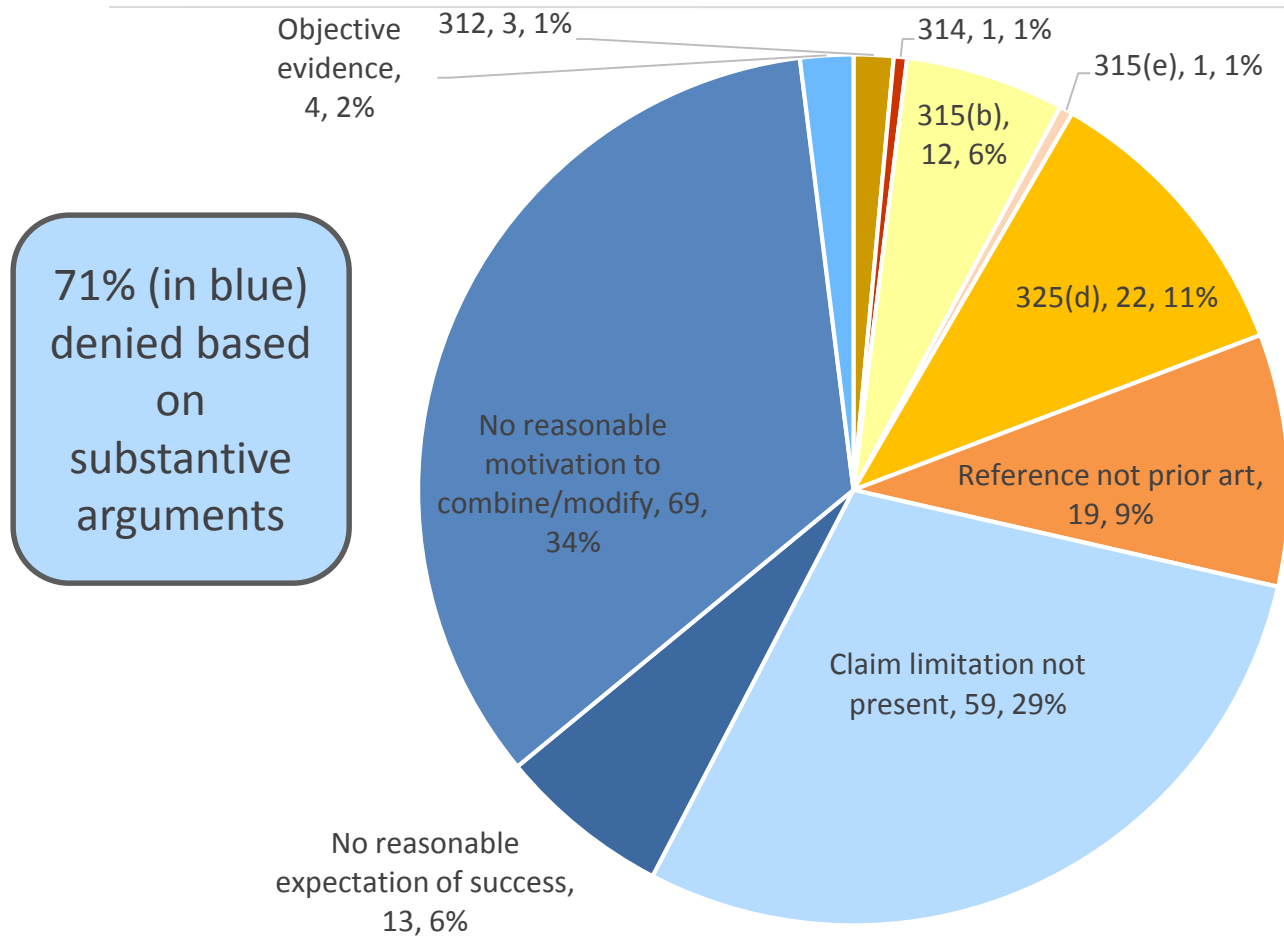
- Failure to meet requirements of §312(a), including naming real-party-in-interest.
- Barred under 35 U.S.C. §315(a) (civil action) or time-barred under 35 U.S.C. §315(b).
- Estopped under 35 U.S.C. §315(e).
- Same or substantially the same prior art/arguments under 35 U.S.C. §325(d).
 - “Same or substantially the same prior art or arguments” during prosecution
 - “Same or substantially the same prior art or arguments” in another IPR petition
- Reference is not prior art/priority claim.

Bases Of IPR Petition Denials

Substantive arguments (failure of Petitioner to meet threshold for institution under 35 U.S.C. §314(a))

- Claim construction.
- Unsupported assertions.
- Patent Owner persuaded the PTAB that claim limitation not present or suggested in the asserted references.
- Patent Owner persuaded the PTAB that Petitioner failed to provide reasonable basis for POSITA to combine/modify the asserted references or do so with a reasonable expectation of success.
- Objective evidence of nonobviousness.

EXAMPLE: BASIS FOR PETITION DENIAL IN PHARMA IPRs



Source: Finnegan research on Oct. 31, 2018, on 142 pharma IPR petition denials. May be more than one basis of denial per petition.

Attacking Priority Claim

If Petitioner, attack priority claim of challenged claims.

- *Butamax™ Advanced Biofuels LLC v. Gevo, Inc.*, IPR2013-00539, Paper 33 (PTAB March 3, 2015)

If Patent Owner, attack priority date of reference.

- *Globus Medical, Inc. v. Depuy Synthes Products, LLC*, IPR2015-00099, Paper 15 (P.T.A.B. May 1, 2015)
- *Baxter Healthcare Corp. v. Millenium Biologix, LLC*, IPR2013-00591, Paper 8 (P.T.A.B. March 21, 2014) and IPR2013-00583, Paper 9 (P.T.A.B. March 21, 2014)

Federal Circuit Agrees Burden On Petitioner To Show Prior Art Entitled To Date Asserted

Dynamic Drinkware, LLC v. National Graphics, Inc., 800 F.3d 1375 (Fed. Cir. 2015)

- Claims survived IPR.
- Petitioner appealed.
- FC: Affirmed PTAB.
 - Petitioner had burden to prove that prior art patent was entitled to filing date of its provisional application;
 - Substantial evidence supported PTAB's determination that prior art patent did not relate back to its provisional application.
 - “A provisional application's effectiveness as prior art depends on its written description support for the claims of the issued patent of which it was a provisional. Dynamic did not make that showing.”

Time-Bar Determinations Appealable

Wi-Fi One, LLC v. Broadcom Corp., 878 F.3d 1364 (Fed. Cir. 2018)(*en banc*)

- 9-4 decision.
- **Holding: The bar on judicial review of PTAB institution decisions in § 314(d) does not apply to time-bar determinations made under § 315(b).** Case remanded.
 - Overrules *Achates Reference Publishing, Inc. v. Apple Inc.*, 803 F.3d 652 (Fed. Cir. 2015).
- PTAB issued FWDs in three IPRs directed at WiFi's patents, finding that that Wi-Fi had not shown that Broadcom was in privity with the defendants in the earlier litigation, and therefore, the IPR petitions were not time-barred under § 315(b).
- FC: *Achates* rendered the § 315(b) time-bar rulings nonappealable.
- FC en banc overturned the panel: "The time-bar provision contrasts with many of the preliminary procedural requirements stated in §§ 311–13, which relate to the Director's ability to make an informed preliminary patentability determination pursuant to § 314(a). Specifically, § 315(b) time-bar determinations are fundamentally different from those evaluating the satisfaction of § 312(a)(3)'s requirements, at issue in *Cuozzo*."

Also, Note that Time-Bar Starts with Complaint

Click-to-Call Tech., LP v. Ingenio, Inc., on reh'g, 899 F.3d 1321 (Fed. Cir. 2018)

- Holding: **Statutory time bar is implicated once a party is served a patent infringement complaint, irrespective of subsequent events in the civil action.** “[A] defendant served with a complaint as part of a civil action that is voluntarily dismissed without prejudice remains ‘served’ with the ‘complaint.’ This remains true even if that action becomes a ‘nullity’ for other purposes and even if such service becomes legally irrelevant in a subsequent court action.”
- “FN 3: The *en banc* court formed of PROST, Chief Judge, NEWMAN, LOURIE, DYK, MOORE, O’MALLEY, REYNA, WALLACH, TARANTO, CHEN, HUGHES, and STOLL, Circuit Judges, considered whether 35 U.S.C. § 315(b)’s time bar applies to bar institution when an IPR petitioner was served with a complaint for patent infringement more than one year before filing its petition, but the district court action in which the petitioner was so served was voluntarily dismissed without prejudice. The *en banc* court holds that § 315(b)’s time bar applies in such a scenario.”
- Previous rulings held that voluntary dismissal without prejudice meant the time bar was not triggered. The Federal Circuit also “reject[ed] Petitioners’ effort to deem the reexamined ‘836 patent a ‘new patent’ for §315(b) purposes.”

Application of Assignor Estoppel is Also Appealable

Arista Networks, Inc. v. Cisco Sys., Inc., --F.3d__ (Fed. Cir. Nov. 9, 2018)

- Named inventor Cheriton employed by Cisco and assigned rights in his invention to Cisco.
- Cheriton then left Cisco and helped found Arista. He left March 2014.
- Arista filed IPR petition April 1, 2015, was instituted and the PTAB issued a mixed FWD, holding only some of the challenged claims unpatentable.
 - PTAB declined to apply assignor estoppel to prevent Arista from filing the IPR.
 - In related ITC proceeding, ITC held assignor estoppel barred Arista.

Application of Assignor Estoppel is Also Appealable

Arista Networks, Inc. v. Cisco Sys., Inc. (con't)

- First issue: since it's part of the institution decision, is assignor estoppel decision reviewable?
- FC: Yes.
- **"Applying the now-governing reasoning in *Wi-Fi One*, it is clear that we may review the Board's decision as to whether § 311(a) contemplates application of assignor estoppel.** The question of whether assignor estoppel applies in IPRs stands in stark contrast to the statutory provision before the Court in *Cuozzo*, § 312(a)(3), which deals with pleading an IPR petition with particularity. Further, unlike the statutory provision at issue in *Cuozzo*, assignor estoppel does not relate to the patentability merits of an IPR petition. ... And, like the § 315(b) timebar, assignor estoppel 'is not focused on particular claims, whereas § 314(a)'s threshold determination is.' ... Instead, assignor estoppel, like the § 315(b) timebar, 'is unrelated to the Director's preliminary patentability assessment or the Director's discretion not to initiate an IPR even if the threshold 'reasonable likelihood' is present.' ... **In short, whether § 311(a) contemplates application of assignor estoppel is not 'closely related to the preliminary patentability determination or the exercise of discretion not to institute.'"**

Application of Assignor Estoppel is Also Appealable

Arista Networks, Inc. v. Cisco Sys., Inc. (con't)

- Second issue: Should assignor estoppel apply in AIA post-grant proceedings?
- FC: No.
 - Although “assignor estoppel is a well-established common-law doctrine that should be presumed to apply absent a statutory indication to the contrary[,]” in this case, “a statutory purpose to the contrary is evident.”
 - § 311(a) governs: “... a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. . . .”
 - “§ 311(a), by allowing ‘a person who is not the owner of a patent’ to file an IPR, unambiguously dictates that assignor estoppel has no place in IPR proceedings.”
 - “Cisco contends that allowing assignor estoppel in other forums, such as in the ITC and in district court, while not allowing it in the IPR context creates an inconsistency that invites forum shopping. We, however, do not view this as an inconsistency, but rather as an intentional congressional choice.”

Pre-SAS

- Before *SAS*, PTAB could and did issue “partial grants” of petitions.
 - Instituted on some but not all claims; and/or
 - Instituted on some but not all grounds.
 - Grounds denied substantively or found “redundant.”
 - See 37 CFR §42.108(a).

SAS Institute Inc. v. Iancu 38 S.Ct. 1348
(U.S., April 24, 2018)

- **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).”
- “So when §318(a) says the Board’s final written decision ‘shall’ resolve the patentability of ‘any patent claim challenged by the petitioner,’ it means the Board **must** address **every** claim the petitioner has challenged.” (emphasis original)
- “But while §314(a) invests the Director with discretion on the question **whether** to institute review, it doesn’t follow that the statute affords him discretion regarding what claims that review will encompass.” (emphasis added).
- “we see that Congress chose to structure a process in which it’s the petitioner, not the Director, who gets to define the contours of the proceeding.... Nothing suggests the Director enjoys a license to depart from the petition and institute a different inter partes review of his own design.”

PTAB Issued Guidance

- April 26, 2018

- <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>

- PTAB (and then Federal Circuit in *PGS Geophysical v Iancu*, 891 F.3d 1354, 1360 (2018)) interpreted as “all claims and all grounds” (even though SAS majority opinion mainly discussed claims not grounds).

- The PTAB changed its practice with respect to institution decisions. The change is retroactive and will be applied to all pending proceedings.

Institution Decisions

- Chat with the Chief, June 5, 2018
 - Panels will try to still give comprehensive substantive institution decisions.
 - Panels will be faced with weighing whether to institute if considers only one claim and one ground to meet threshold.
 - May institute based on a single claim/single ground, but the FWD must decide the patentability of all claims and all grounds identified in the original petition.

Decision to File POPR Post-SAS

- Pre-*SAS*, a POPR could lead to a denial or at least a narrowing of the claims and/or grounds.
- Post-*SAS*, should a patent owner file a POPR? Or does the argument against “showing your hand” outweigh the chance of obtaining a complete denial?
- Other possible implications:
 - Petitioners may be more selective about which claims to challenge in a petition, since, if instituted, the PTAB will issue a final decision on all of them, meaning estoppel will apply.
 - May see uptick in district courts granting requests to stay pending the outcome of the IPRs/PGRs.

Pending Appeals Where FWD Did Not Address All Claims/ All Grounds

PGS Geophysical AS v. Iancu, 891 F.3d 1354 (Fed. Cir. 2018)(TARANTO, Wallach, Stoll)

- Holding: Federal Circuit will not *sua sponte* re-open cases on non-instituted claims and grounds post-*SAS*.
- WesternGeco filed three IPR petitions against PGS Geophysical patents.
- PTAB instituted trial on all three petitions, but only on some of the challenged claims.
- Both parties appealed the FWDs, but then WesternGeco settled and withdrew, leaving only the patent owner's appeal as to some of the claims.
- FC: Affirmed unpatentability and would not *sua sponte* remand to have the PTAB institute on the remaining grounds where no party requested such review.
 - "In this case, no party seeks *SAS*-based relief. We do not rule on whether a different conclusion might be warranted in a case in which a party has sought *SAS*-based relief from us."

Estoppel Post-SAS

- 35 U.S.C. §314(d): (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.— [same].
- For estoppel to apply, the ground must be petitioned, instituted, and a FWD issued.
- Note, if a petition is denied, no estoppel applies against the petitioner for the grounds raised in the petition (petitioned and denied).
 - Post-SAS the institution is binary – all claims/all grounds instituted or denied.
 - Petitioners may want to consider which references are included in a petition. May be better to focus on the strongest grounds rather than load a petition with alternative grounds.
- But post-SAS, there could still be disputes over the “reasonably could have raised” standard for non-petitioned grounds, as well as petitioned and instituted grounds that are not addressed in the Final Written Decision.

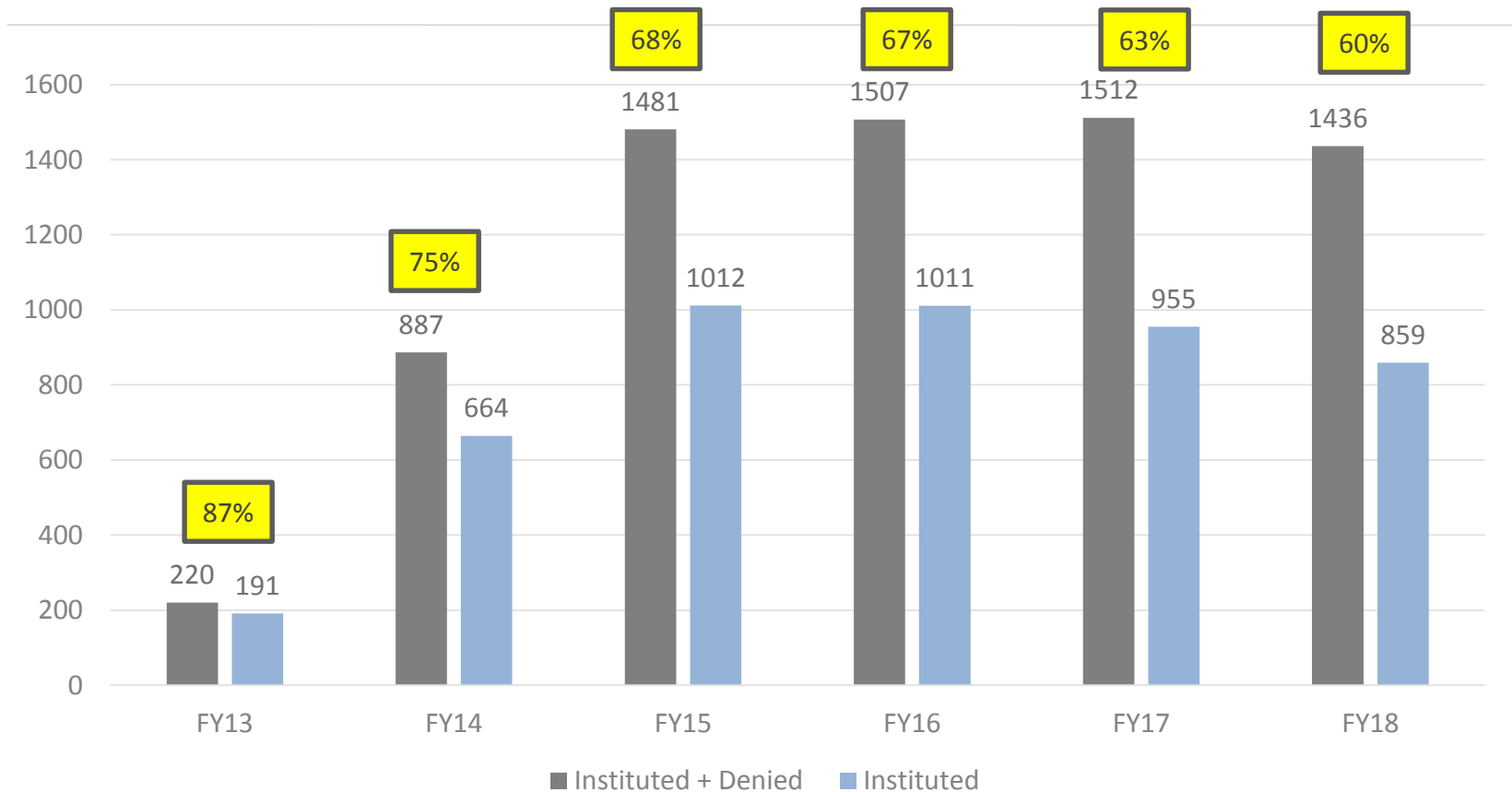
Post-SAS

- Institution decision remains discretionary.
 - § 314 **does not require institution**, even if “reasonable likelihood” threshold is met.
 - § 325(d) allows discretion to “reject the petition *or request*” because “the same or substantially the same ... arguments were previously presented to the Office.”

Institution Decision is Discretionary

- *Chevron Oronite Co. LLC v. Infineum USA L.P.*, IPR2018-00923 Paper 9 (P.T.A.B. Nov. 7, 2018)
 - Petition challenged claims 1-20 on one ground.
 - PTAB: Denied institution even though found that prior art disclosed limitation in 2 dependent claims.
 - “Even when a petitioner demonstrates a reasonable likelihood of prevailing with respect to one or more claims, however, institution of review remains discretionary. *SAS Inst. v. Iancu*, 138 S. Ct. 1348, 1356 (2018); *Harmonic*, 815 F.3d at 1367 Office guidance issued June 5, 2018, explains that **the Board may consider the number of claims and grounds that meet the reasonable likelihood standard when deciding whether to institute *inter partes* review under 35 U.S.C. § 314(a).** ...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. Thus, we do not institute an *inter partes* review.”

IPR Institution Rate Going Down, But Is It Because of SAS?



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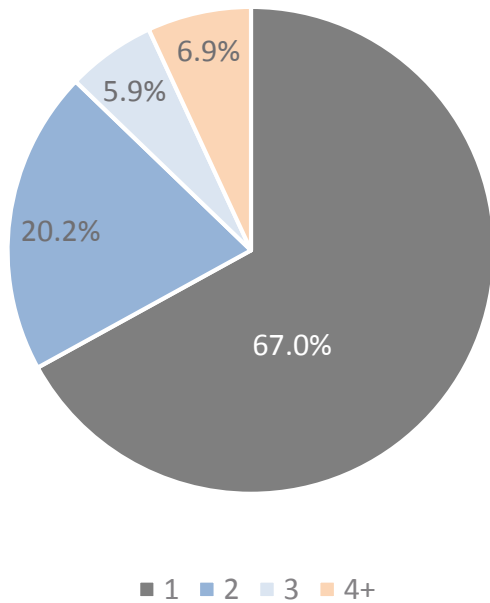
As Noted, Institution is Discretionary

35 U.S.C. §314(a) Threshold.--The Director **may** not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 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.

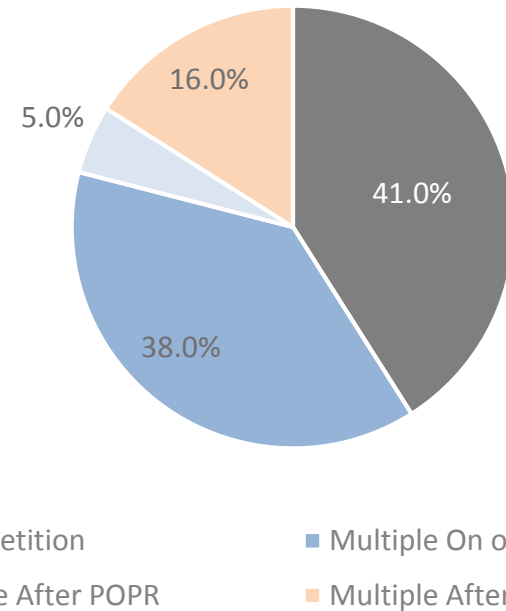
Harmonic Inc. v. Avid Tech, Inc., 815 F.3d 1356, 1367 (Fed. Cir. 2016): “the PTO is permitted, but never compelled, to institute an IPR proceeding”

USPTO Multiple Petition Study

Number of Petitions Per Patent



When Petitions Are Filed



Source: [https://www.uspto.gov/sites/default/files/documents/Chat with the Chief Boardside Chat Multiple Petition Study 20171024.pdf](https://www.uspto.gov/sites/default/files/documents/Chat%20with%20the%20Chief%20Boardside%20Chat%20Multiple%20Petition%20Study%2020171024.pdf);
Data through June 30, 2017

Multiple Petitions

General Plastic Industrial Co., Ltd. v. Canon Kabushiki, IPR2016-01357, -01358, -01359, -01360, -01361, Paper 19 (P.T.A.B. Sept. 6, 2017) (expanded panel) (PRECEDENTIAL) (INFORMATIVE)

- Petitioner filed first set of petitions, each of which was denied on the merits.
- 9 months later, Petitioner filed 5 more petitions against the same patents, each of which was denied under §314(a) (discretion).
- Requests for rehearing consolidated.

- PTAB: Denied requests for rehearing.
 - **Non-exhaustive list of factors to evaluate follow-on petitions:**
 1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
 2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
 3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
 4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
 5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
 6. the finite resources of the Board; and
 7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Abuse is Having a ‘RoadMap’

R.J. Reynolds Vapor Co. v. Fontem Holdings 1 B.V., IPR2017-01117, Paper 10 (P.T.A.B. Oct. 2, 2017)

PTAB: “In sum, the factors discussed above support denying institution of the Petition, and we determine that none of the other factors discussed in *Gen. Plastic Indus. Co.* favor institution. **Given the circumstances present in this case, we determine that R.J. Reynolds’s strategy of using Patent Owner’s Preliminary Response and our previous decision on institution in the 1270 IPR as a ‘roadmap’ to modify the grounds asserted, and the arguments made, in the Petition is unfair to Patent Owner, and is an inefficient use of the Board’s and the parties’ time and resources.** We, thus, exercise our discretion to deny institution of the Petition.”

More Factors? Multiple Petitioners

Shenzhen Silver Star Intelligent Technology Co. Ltd., v iRobot Corp., IPR2018-00897 (P.T.A.B. Oct. 1, 2018)

- April 18, 2017, Patent Owner filed complaint at ITC naming petitioner.
- Sept. 6, 2017, Petitioner filed IPR petition.
- Dec. 14, 2017, Patent Owner filed POPR.
- March 12, 2018, PTAB instituted IPR.
- April 16, 2018, Petitioner filed petition at issue here.

In previous decision between these parties (IPR2018-00671), a concurring opinion raised an 8th factor:

8. the extent to which the petitioner and any prior petitioner(s) were similarly situated defendants or otherwise realized a similar-in-time hazard regarding the challenged patent.

PTAB: Denied.

- “We adopt the eighth factor considered in a prior *Shenzhen Silver Star* case.... The purpose of proposed Factor 8 is to discourage tactical filing of petitions over time by parties that faced the same litigation threat at the same time.¹² Factor 8 favors Patent Owner because Petitioner and iLife were co-respondents in the ITC litigation and filed their invalidity contentions at the same time. ...Accordingly, Petitioner and iLife both faced a similar-in-time hazard regarding the '490 patent, yet Petitioner waited until after our Decision on Institution on iLife's petition to file this Petition. Absent mitigating explanation, of which we have none, this suggests an attempt to secure tactical advantage by waiting for iLife to file a ‘test case.’ Factor 8 weighs against tactical filing of petitions. Thus, proposed Factor 8 favors Patent Owner.

Note re Factor 8

IPR2018-00897

PTAB FN 12: “As acknowledged and explained in more detail in IPR2018-00761, proposed Factor 8 does not preclude non-tactical filing situations, where a later-filing petitioner files later due to circumstances outside that petitioner's control, for example, having been charged with infringement later in time, a change in the nature of the infringement charge (e.g., claims identified for the first time), availability of key personnel required for preparation of the petition, or unusually early filing of the earlier-filing petitioner. *See Shenzhen Silver Star*, IPR2018-00761, Paper 15, 18-19 (Saindon, concurring) (‘There are legitimate reasons why a petition may be filed after [a preliminary response or a decision on institution].’).”

Different Petitioners But Still Denied

NetApp Inc. v. Realtime Data LLC, IPR2017-01195, Paper 9 (P.T.A.B. Oct. 12, 2017)

- Patent challenged in 6 prior IPR petitions, and 2 subsequently filed petitions.
- In one of the prior petitions, all the claims but 1 the same as challenged here, all the references but 1 same as relied upon here, and petitioners in that case were also defendants in the litigation in the same district court.
- PTAB: Exercised discretion to deny petition.
 - Recognized that typically *General Plastic* factors applied to situations involving same petitioner, but here provides useful framework.
 - “NetApp offers no reason why Realtime should be forced to spend an additional year re-arguing issues that substantially overlap with issues in the joined [other IPR] proceedings, when NetApp provides no compelling explanation for its tardy filing and could have minimized the burden on the Board and Realtime by raising its present arguments at a much earlier date.”

More Factors? Stage of Litigation

NHK Spring Co. Ltd. v. Intri-Plex Technologies Inc., IPR2018-00752 (P.T.A.B. Sept. 12, 2018)

Denied petition based on 35 U.S.C. §325(d): “we 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.”

But considered two more factors relating to §314(a):

- 1) Petitioner knew of patent for 10+ years - PTAB rejected because petition filing was timely; and
- 2) Stage of pending litigation (trial date set for March 25, 2019), in which district court will consider same claim construction, same prior art, and same arguments.

PTAB: “Patent Owner argues persuasively that instituting a trial under the facts and circumstances here would be an inefficient use of Board resources. ...A trial before us on the same asserted prior art will not conclude until September 2019. Institution of an *inter partes* review under these circumstances would not be consistent with “an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.” Gen. Plastic, Paper 19, 16-17. Accordingly, we find that **the advanced state of the district court proceeding is an additional factor that weighs in favor of denying the Petition under § 314(a).**”

More Factors?

Mitsuba Corp. v. Intellectual Ventures II LLC, IPR2018-00071, Paper (P.T.A.B. April 23, 2018)

- PTAB: “Where a subsequent petition is filed by a different petitioner, panels of the Board have taken into account the following additional considerations, which may be relevant to inquiries based on both § 325(d) and § 314(a):
 1. Potential prejudice to the subsequent petitioner if institution is denied and the pending instituted proceedings involving the first petitioner are terminated; and
 2. Whether multiple petitions filed against same patent is a direct result of Patent Owner’s litigation activity.

See also American Honda Motor Co., Inc. v. Intellectual Ventures II LLC, IPR2018-00347, Paper 10 (P.T.A.B. June 27, 2018), for discussion of 2 additional factors.

General Plastics Applied But PTAB Instituted

Samsung Elec. Co. Ltd. v. Ibex PT Holdings Co. Ltd., IPR2018-00095, Paper 6 (P.T.A.B. May 3, 2018)

- First set of petitions filed Oct. 17, 2016, PTAB denied because prior art lacked claim limitation.
- Second set of petitions filed Oct. 4, 2017, based on same art but applying the PTAB’s claim construction, and PTAB instituted.

- Present petition challenged claims in related patent.
- PTAB: Instituted (declined to exercise discretion under §314(a)).
 - Different patent, and it does not literally recite the claim limitation on which the First Set was denied.
 - Granted institution in Second Set of Proceedings, even though, same petitioner, same patent and same claims, and same asserted art.
 - Petitioner could not have addressed how the asserted prior art meets the claim limitation under the Board’s claim construction because “[s]uch a request would have improperly presented a new argument[.]”
 - Denials in the First Set “did not analyze Petitioner’s application of the prior art to the claims” in detail.
 - Patent Owner did not POPR in the First Set of Proceedings, so denials also did not address any arguments presented by Patent Owner.
 - Present petition filed before POPRs in the Second Set of Proceedings were filed or institution decisions were issued: “Petitioner could not have had the benefit of either Patent Owner’s arguments or the Board’s views set forth in the Second Set of Proceedings when it filed the present Petition.”

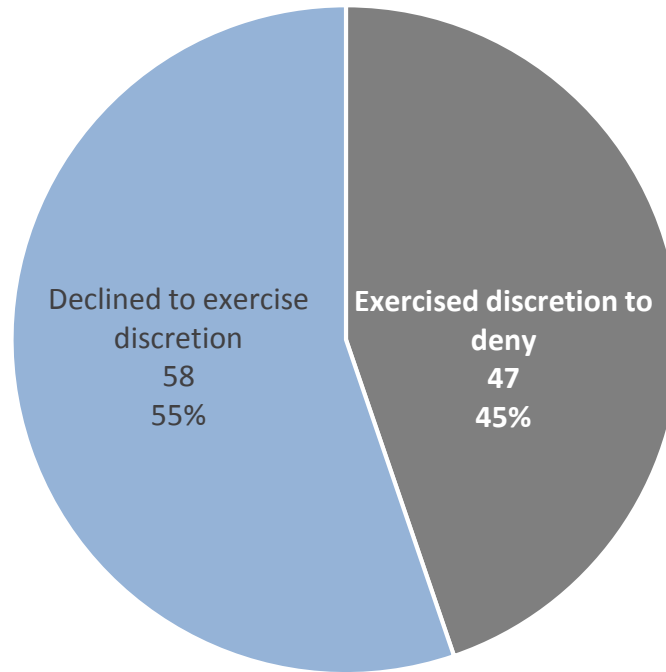
Also §325(d)

35 U.S.C. §325(d): Multiple Proceedings.--... In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, **the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.**

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586, slip op. at 17-18 (Paper 8) (PTAB Dec. 15, 2017) (INFORMATIVE) non-exclusive factors:

- a) the similarities and material differences between the asserted art and the prior art involved during examination;
- b) the cumulative nature of the asserted art and the prior art evaluated during examination;
- c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;
- d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art;
- e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and
- f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of prior art or arguments.

Consideration of General Plastic Factors in Institution Decision



Source: LexMachina, query: filed Jan. 1, 2017 - Nov. 11, 2018 "General Plastics" or "Gen. Plastic" or "General Plastic" or "IPR2016-01357"; 105 institution decisions in which the *General Plastics* factors were considered.

Use the POPR to Raise §314(a) and §325(d)

Denso Corp. v. Collision Avoidance Tech., Inc., IPR2017-01709, Paper 7 (P.T.A.B. Jan. 23, 2018)

- Patent at issue in two related district court cases and 4 IPR petitions.
- PTAB:
 - In light of these prior IPRs, we have considered whether to exercise our discretion to deny institution under 35 U.S.C. § 325(d) or under the factors set forth in *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, (Paper 19) (Section II.B.4.i, Precedential). **Patent Owner did not raise either issue.** Accordingly, we exercise our judgment and discretion to proceed with consideration of this Petition.
 - Petition considered and granted.

ADDITIONAL ISSUES FOR PGRs

Foot-faulted Into AIA

- *US Endodontics, LLC v. Gold Standard Instruments, LLC*, PGR2015-00019
 - Patent at issue granted on application filed Jan. 29, 2014; claimed priority back to June 8, 2004 provisional application.
 - Petitioner: neither the patent nor any of the earlier applications provides an enabling disclosure, therefore the patent claims' effective filing date is the actual filing date.
 - PTAB: Instituted PGR.
 - **Initial burden on petitioner:** “as part of showing that it is entitled to the requested relief of post-grant review, the petitioner has the burden to show that the patent is subject to the first-inventor-to-file provisions of the AIA.
 - **Claims eligible for PGR**
 - “a patent that issues from an application filed after March 16 [15 sic], 2013, that claims priority to an application filed before March 16, 2013, is available for post-grant review ‘if the patent contains . . . at least one claim that was not disclosed in compliance with the written description and enablement requirements of § 112(a) in the earlier application for which the benefit of an earlier filing date prior to March 16, 2013 was sought, *Inguran, LLC v. Premium Genetics (UK) Ltd.*, Case PGR2015-00017, slip op. 11 (PTAB Dec. 22, 2015) (Paper 8).”

PGR Petition Denied Because Claims Not Eligible For PGR

- *Front Row Tech., LLC v. MLB Advanced Media, L.P.*, 2015-00023, Paper 8 (P.T.A.B. Feb. 22, 2016)
 - Filing date Jan. 29, 2010; no claim for priority or benefit.
 - Petitioner said PGR-eligible because of amendments submitted Sept. 23, 2013.
 - PTAB: Claims not eligible for PGR.
 - “Nowhere does the statute contemplate that the effective filing date might depend on the date of a later-filed amendment to a claim.”
 - “as a matter of law, if a claim in the application is not entitled to an earlier filing date, then the effective filing date is the actual filing date of the application (per subparagraph (A)), regardless of whether a later-filed amendment to a claim finds sufficient support in the application.”

PGR Petition Denied Because Claims Not Eligible For PGR

- *Mylan Pharms. Inc. v. Yeda Research & Development Co. Ltd.*, 2016-00010, Paper 9 (P.T.A.B. Aug. 16, 2016)
 - Petitioner: claims PGR-eligible because not entitled to benefit of priority claim to August 20, 2009 (priority applications do not provide written description support for all claim limitations); effective filing date is actual filing date of May 22, 2015.
 - PTAB: Claims not eligible for PGR.
 - Examiner specifically addressed that pre-AIA applied to claims.
 - Examiner found claims supported by priority document.
 - Petitioner did not show break in priority chain; “Petitioner has not demonstrated that it is more likely than not that the ’776 patent has at least one claim having an effective filing date on or after March 16, 2013.”

PGR Petition Denied Because Claims Not Eligible For PGR

- *David O.B.A. Adepbimpe v. Johns Hopkins Univ.*, 2016-00020, Paper 14 (P.T.A.B. July 25, 2016)
 - Parties filed briefs on PGR eligibility prior to Patent Owner filing POPR.
 - Priority claims to Oct. 4, 2012 and Feb. 25, 2013.
 - Amended claims filed March 17, 2015.
 - PTAB: Claims not eligible for PGR.
 - “Section 100(i)(1) does not make any provision for the effective filing date to be later than the actual filing date of the application in question, even when the application is amended later, and even when the later amendment introduces claims that lack written-description support in the original specification.

PGR Petition Granted Because Claims Eligible For PGR

- *Inguran, LLC d/b/a/ Sexing Tech. v. Premium Genetics (UK) Ltd.*, PGR2015-00017, Paper 8 (P.T.A.B. Dec. 22, 2015)
 - Actual filing date of claims at issue, Jan. 31, 2014.
 - Priority benefit claimed to application filed March 6, 2012.
 - PTAB agreed with Petitioner that “claim 2 is not disclosed in ’969 Application in the manner required by 35 U.S.C. § 112(a), and, therefore, we are persuaded the ’395 Patent is not entitled to an effective filing date before March 16, 2013. Accordingly, for purposes of this decision, Petitioner demonstrates the ’395 Patent is available for post-grant review, and has set forth sufficient grounds for standing.”

PTAB Practice

Consider “Front-loading” To Maximize Chance Of Denial

- Institution decision is a substantive one.
- *Actavis, Inc. v. Research Corporation Technologies, Inc.*, IPR2014-01126, Paper 21 (P.T.A.B. Jan. 9, 2015)
 - “Therefore, based on the record before us, we determine that Petitioner has not provided competent evidence to qualify the LeGall thesis as a “printed publication” under § 102(b). Petitioner may have recognized this deficiency. Indeed, in a footnote, **Petitioner states that it “reserves the right to supplement this Petition with additional evidence that the LeGall thesis was accessible to a POSA well before” the critical date. Pet. 36 n. 3. But a party may only submit supplemental information after a trial has been instituted (37 C.F.R. § 42.123) while we must decide whether to institute a trial based on “the information presented in the petition” (35 U.S.C. § 314(a)).** Because the Petition and the accompanying evidence are insufficient to qualify the LeGall thesis as a § 102(b) prior art, we deny the Petition regarding this ground. (emphasis added)

Avoid Institution On Petitioner's Terms

Galderma SA v. Allergan, Inc., IPR2015-01119, Paper 9
(P.T.A.B. Oct. 20, 2015)

- Patent Owner did not file a POPR.
- PTAB: Instituted IPR on all asserted grounds on all challenged claims and adopted Petitioner's proposed claim construction:
 - “**Absent evidence or argument to the contrary**, on the current record, we adopt Petitioner's proposed meaning as the broadest reasonable interpretation of this term.”

Use The POPR To Tell PTAB Why Petition Should Be Denied

- Do not make PTAB figure it out.
- PTAB looking for the concise, compelling argument.
- Support arguments with declarations from prosecution.

Lay A Strong Foundation For Desired Claim Construction During Drafting And Prosecution

- Claims and Specification
 - Define terms judiciously, considering dual objectives of patentability and proving infringement.
 - Once defined, use terms consistently.
 - Lay basis for Patent Owner's desired claim construction, both at PTAB and in district court litigation.
 - Probably want range of claims from broad to narrow.
- Such a specification can be your best friend for contradicting Petitioner's proposed claim construction!

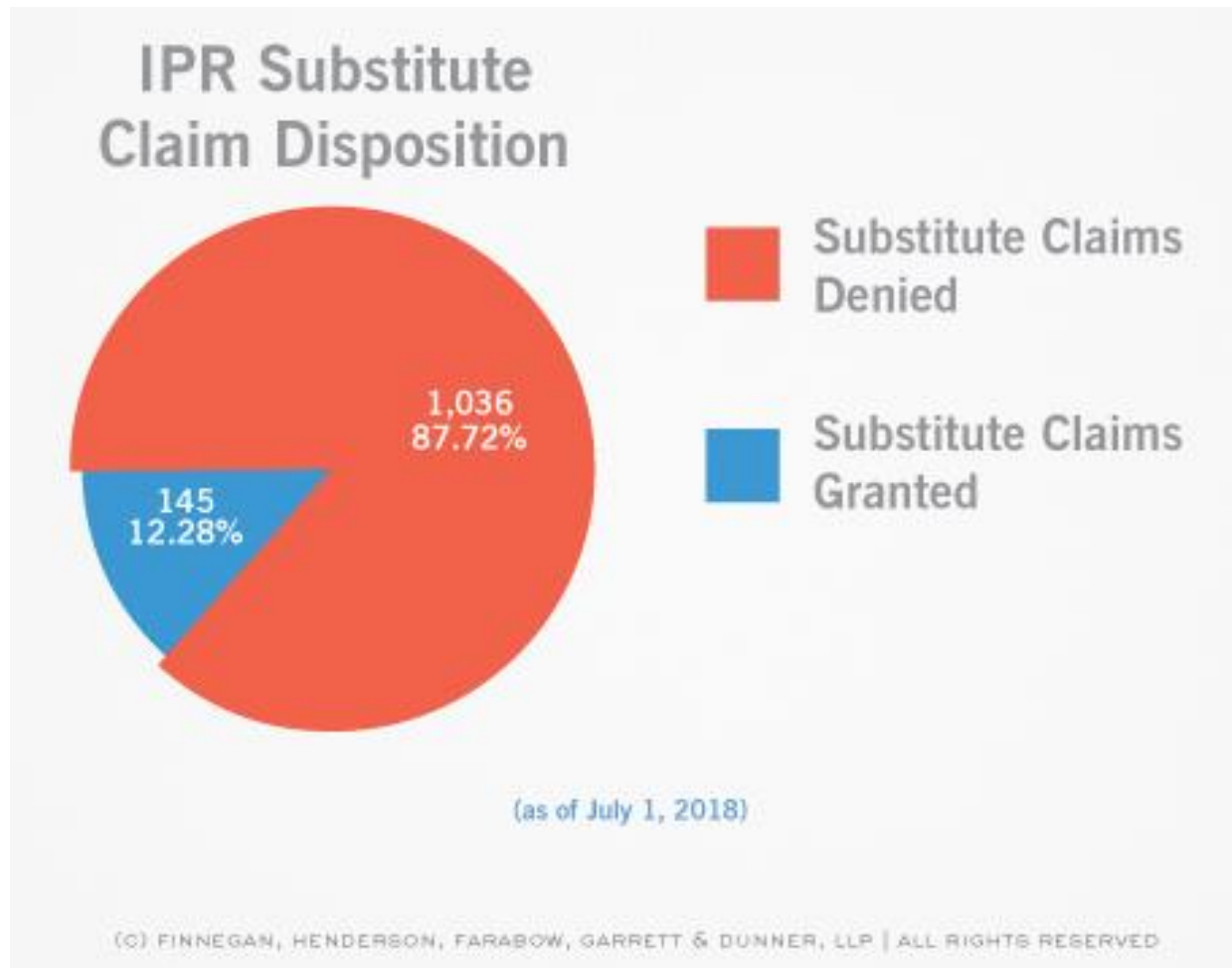
Consider Alternative Use Of ‘Patent Profanity’?

- PTAB now using *Phillips* standard, like courts.
 - “plain and ordinary meaning”
- But patent owners may still face situation where a broad construction is good for an infringement position in litigation while a narrow construction is good for patentability in an IPR.
 - Profanity in some claims could be useful.
 - See, e.g., *Conopco, Inc. v. Procter & Gamble Co.*, IPR2013-00510, where Petitioner argued “no evidence in the '155 patent or its file history of the criticality of the recited ranges in the compositions as claimed[.]”

*Drafting Claims And Specification To Withstand
Challenges In District Court Litigation And PTAB
Proceedings*

- Consider including several claims with varying claim scope.
 - Increase likelihood that one or more claims will survive.
 - Strong for infringement purposes/strong for patentability may be at cross purposes.
 - Minimize necessity of amendment.

Granted Proposed Amended Claims Still Rare



Source: Finnegan research, <http://www.aiablog.com/claim-and-case-disposition/>

Objective Evidence

If, as a Patent Owner, you are fortunate to have good objective evidence of nonobviousness, then it is worth the effort in the POPR and/or POR to present that evidence and explain the nexus between that evidence and the merits of the claimed invention to PTAB in detail.

- More than a sentence or two about the nexus being “presumed.”

In establishing the prima facie nexus, Patent Owners should provide detailed explanation and analysis on the nexus issue; why leave such an important point in doubt?

Objective Evidence Of Nonobviousness: Use Evidence From Prosecution

- Strong patentability positions during drafting and prosecution.
 - Analyze carefully considered strong arguments and/or declarations supporting §112 positions (written description and enablement) and §103 positions (nonobviousness)
- Consider *Therasense*
 - Careful thought and planning.

Declarations

- Declarations need to be as solid as possible. PTAB has found that defective declarations relied on for patentability during prosecution can form an independent basis for instituting an IPR.
- *K-40 Electronics, LLC v. Escort, Inc.*, IPR2013-00203, Paper 6 (PTAB Aug. 29, 2013)
 - PTAB reviewed a § 1.131 **declaration from the prosecution**, found it deficient, and reapplied the prior art the declaration had antedated, instituting the IPR.
 - Case also had live testimony from inventor at oral hearing.
 - One might want declarations from the inventor during prosecution that can then be referred to by the Patent Owner in the optional Preliminary Response to try to ward off institution.

Consider Pursuing Several Patents From One Application

Keeping a family member alive may help a patent owner facing IPR or PGR, but watch out for double patenting.

- If PTAB does not allow the patent owner to enter a particular proposed substitute claim, if the subject matter of the proposed substitute claim is patentably distinct from any canceled claims, such subject matter can still be pursued in a pending family member.
- Perhaps avoid the need to amend claims in an IPR/PGR against potential novelty and obviousness attacks based on patents and printed publications.
- Divisionals all protected from ODP attacks in litigation and could lead to several patents each having numerous claims of varying scope that a petitioner will have to challenge.
- Additionally, evidence and arguments submitted in the prosecution history of other applications could be referenced in a POPR or Patent Owner Response (POR) for the patent at issue in the IPR/PGR.

Consider Pursuing Several Patents From One Application (con't)

Caution on keeping a pending application: Study cases discussing “unreasonable and unexplained delay.”

- *Tafas v. Doll*, 559 F.3d 1345 (Fed. Cir. 2009)
- *In re Bogese*, 303 F.3d 1362 (Fed. Cir. 2002)
- *Symbol Tech., Inc. v. Lemelson Medical, Educ. & Research Foundation*, 422 F.3d 1378 (Fed. Cir. 2005)

Consider Keeping Continuation Application Pending (con't)

Consider estoppel impact on a patent owner receiving an adverse written decision and how it would likely preclude seeking patentability of a claim in the continuation that is not patentably distinct from the claim determined to be unpatentable in the written decision.

- 37 C.F.R. §42.73(d)(3): “(3) Patent applicant or owner. A patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent:
 - (i) A claim that is not patentably distinct from a finally refused or canceled claim; or
 - (ii) An amendment of a specification or of a drawing that was denied during the trial proceeding, but this provision does not apply to an application or patent that has a different written description.

Keep Continuation Pending...

AC Dispensing Equipment, Inc. v. Prince Castle, LLC, IPR2014-00511, Paper (PTAB Oct. 17, 2014)

- Petitioner requested permission to file a motion to stay the prosecution of the continuation patent application.
- PTAB: Denied.
 - “Patent Owner will not be permitted to obtain in a patent any claims that are not patentably distinct from any claim that is canceled as a result of this proceeding. But **whether any of the claims in the '497 patent will be canceled is an issue that is not yet decided and will not necessarily be decided until a final written decision is entered in this case and appeals from it are exhausted. To bar Patent Owner from prosecuting claims now that may be patentably indistinct from the claims under review thus would be premature.** It is sufficient, under the current circumstances, for Patent Owner to continue to take reasonable steps to apprise the Examiner of the status of this proceeding.”

Keep Continuation Pending... (con't)

- PTAB indicated continuation application prosecution will not be stayed.
 - *Telebrands Corp. v. Tinnus Enterprises, LLC*, PGR2015-00018, Paper 62 (P.T.A.B. Aug. 29, 2016)
 - PTAB denied Petitioner’s request to file a motion to suspend prosecution of 4 pending continuation patent applications.
 - “We deny Petitioner’s request for authorization to file a motion to suspend prosecution of the co-pending applications. ... Petitioner has not persuaded us that any of the co-pending patent applications meets the ‘every involved application and patent’ requirement, which triggers our authority under § 42.3(a).”
 - “During the call, moreover, Petitioner was unable to cite any Board decision granting a request to suspend prosecution of a related application (Ex. 1037, 11), while Patent Owner cited several Board decisions denying such requests (id. at 13–14 (citing *EMC Corp. v. Personal Web Technologies, LLC*, Case IPR2013-00083, slip op. at 3 (PTAB March 19, 2013) (Paper 12); *Apotex Inc. v. Wyeth LLC*, Case IPR2014-00115, slip op. at 5–6 (PTAB May 29, 2014) (Paper 19); *Chums, Inc. v. Cablz, Inc.*, Case IPR2014-01240, slip op. at 2 (PTAB May 8, 2015) (Paper 22))).”

Lessons from Denials

- Strong foundation in prosecution history to draw on.
- Consider requesting briefing/conference call on just the PGR-eligibility issue prior to POPR.
- Put your best foot forward in the Preliminary Response (POPR), if you decide to file one.
 - Have a clear and succinct section summarizing why AIA proceeding should not be instituted.
 - Focus on the weaknesses in the petitioner's case and aim to convince the board that the burden of establishing likelihood of unpatentability has not been met and thus there should be no institution.

Lessons from Denials

Expert testimony may be critical.

- No page limits on declarations.
- Involve expert in development of every position the patent owner is taking.
- Consider having declarations in the file history of the patent being challenged in IPR/PGR for use with POPR/POR.
- Consider declarations that were prepared for other patent applications but which have relevance in defeating institution of the patent challenged.

Lessons from Denials

Get ready to get technical

- Patentable differences rooted in patent claims.
- Expertise of PTAB judges in science and law.
- Focus closely on the technology.
- But a key is to have a powerful summary, backed by technical evidence, as to why PTAB either should not institute, or if instituted, why the full record compels PTAB to find patentability.

Lessons from Denials

- If have objective evidence, provide detailed explanation linking the objective evidence with the claimed invention.
- Solid evidentiary showings and/or possibly declarations, in addition to on-point legal arguments, may help to develop strong patentability records.
 - Relevant and compelling information in the prosecution history, or in related proceedings, such as reexamination or litigation.
- Prudently establishing such records during prosecution could support Patent Owner's efforts to persuade the PTAB that Petitioner does not have a “reasonable likelihood” of success and thus achieve denial of institution.

Thank You!



FINNEGAN

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