

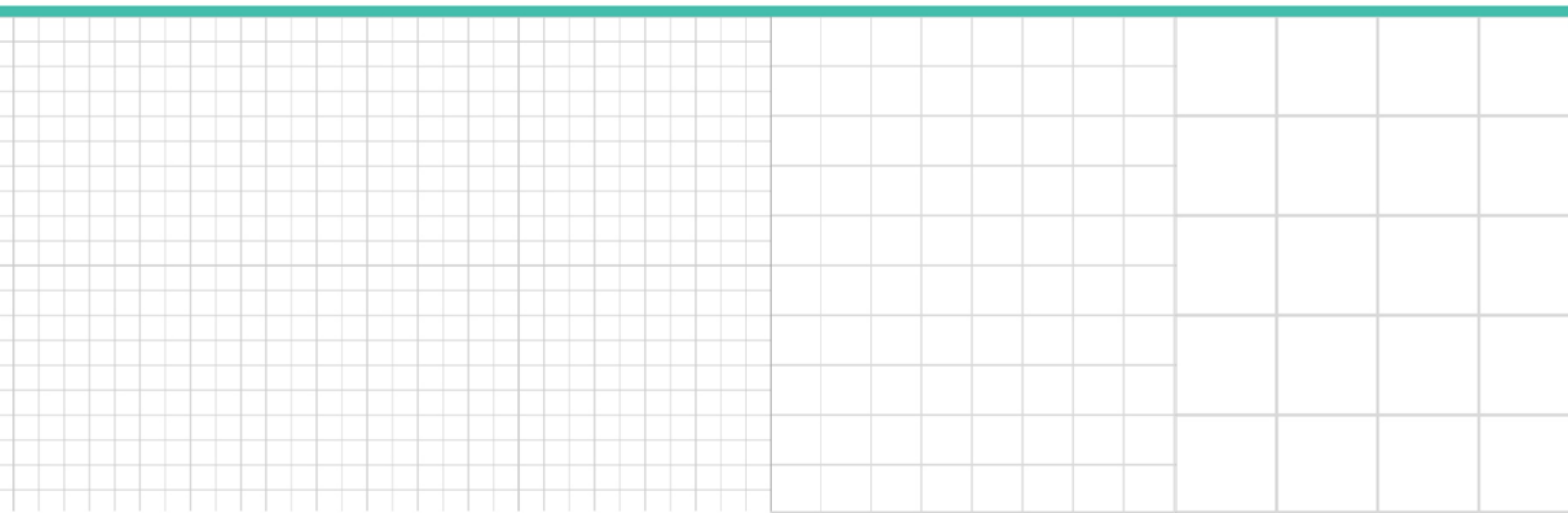


Professional Perspective

Potential Changes to PTAB Practice on Multiple IPR Petitions

*David Cavanaugh, Joshua Stern,
Michael Smith, and Greg Israelsen,
WilmerHale*

Reproduced with permission. Published November 2019. Copyright © 2019 The Bureau of National Affairs, Inc.
800.372.1033. For further use, please visit: <http://bna.com/copyright-permission-request/>



Potential Changes to PTAB Practice on Multiple IPR Petitions

Contributed by [David Cavanaugh](#), [Joshua Stern](#), [Michael Smith](#), and [Greg Israelsen](#), WilmerHale

An important set of factors the Patent Trial and Appeal Board considers when deciding whether to institute inter partes review concerns the filing of multiple petitions challenging the same patent. [Part I](#) of this two-part series considered the PTAB's current practice. This Part II discusses what the future may hold for multiple filings challenging the same patent in post-grant proceedings, such as inter partes review, post-grant review, and ex parte reexamination, including potential legislative changes. We also consider the interests of petitioners and patent owners in these changes and offer practice tips.

Background

As discussed more fully in [Part I](#), the PTAB has discretion whether to institute post-grant proceedings. [35 U.S.C. §314\(a\)](#); [35 U.S.C. §325\(d\)](#). To help provide consistency and transparency, it has outlined factors it considers when doing so. The key precedential decision concerning multiple IPR petitions against the same patent is *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, Case IPR2016-01357 et al., [Paper 19](#) (Sept. 6, 2017), which provides a “non-exhaustive” list of factors the Board considers. Under the Board's precedential decision in *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00064, -00065, -00085, Paper 10 (May 1, 2019), the *General Plastics* factors apply even when later petitions are filed by a different petitioner.

The Board also considers the similarity of the art and argument presented in an IPR with what has already been considered using a non-exhaustive list of factors set out in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, Case IPR2017-01586, Paper 8 (Dec. 15, 2017).

More recently, the PTAB issued the Trial Practice Guide [July 2019 Update](#), which provides guidance on filing multiple parallel petitions. Notably, the guidance states that “one petition should be sufficient to challenge the claims of a patent in most situations” and that it is “unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate.” If a petitioner believes more than one IPR petition is necessary, the petitioner should rank its petitions and include justification for additional petitions in the petitions themselves or a separate five-page submission. Because petitions are word-count limited, many petitioners will likely opt to include this explanation in the separate five-page submission. The guidance also provides the patent owner the opportunity to respond in its own five-page submission.

Potential Changes

While the PTAB has promulgated its approach to multiple IPR petitions through precedential decisions such as *General Plastic* and *Becton, Dickinson* and through Trial Practice Guide updates, another potential source of policy change is congressional action.

In Apr. 2019, Senators Thom Tillis and Christopher Coons sent [a letter](#) to U.S. Patent and Trademark Office Director Andrei Iancu expressing concerns with current practice. The letter notes that the senators “continue to hear from patent stakeholders about the abuse of the inter partes review process in the form of ‘serial’ petitions.” They urged Iancu to “prioritize solutions to the problem of abusive serial petitions—multiple follow-on petitions attacking the same patent claims and asserting new or modified arguments—either by the same petitioner or different petitions.” The letter states that the *General Plastics* factors were a “step in the right direction,” but were not sufficient. The senators asked for a response to a series of questions regarding how the USPTO plans to address their concerns.

As of Nov. 15, 2019, the USPTO had not responded publicly in writing. But at the May 2, 2019, [Patent Public Advisory Committee meeting](#), Iancu addressed the letter and the USPTO's approach to serial petitions, explaining that “as a general principle,” the USPTO's policy attempts to avoid “incentiviz[ing] gamesmanship on one side or the other.” Iancu also foreshadowed the July 2019 changes to the guidelines for parallel petitions: “If you look at other judicial bodies, it's rare to see a situation where you can bring three, four, six, whatever number of petitions or briefs on the same issue at the

Federal Circuit, for example, despite the fact that you might have a case that's very large with many, many issues from the District Court.”

Commissioner for Patents Andrew Hirshfeld also delivered a [statement](#) before the U.S. Senate Subcommittee on Intellectual Property Committee on the Judiciary—of which Senator Tillis is Chair and Senator Coons is Ranking Member—on Oct. 30, 2019. In the statement, Commissioner Hirshfeld did not directly address the letter, but he discussed America Invents Act petitions in the context of the USPTO's work as a whole. Hirshfeld explained that

[i]n FY2019, just over 665,000 patent applications were filed at the USPTO, and the USPTO issued approximately 370,000 patents. Whereas, during that same fiscal year, there were challenges to approximately 1,000 patents through approximately 1,450 AIA petitions filed with the PTAB. Generally, about one-third of PTAB challenges are denied by the PTAB for lack of sufficient evidence to proceed or for other reasons, another one-third are settled by the parties, and the remaining one-third reach a final written decision by the PTAB. In all, approximately 25% of all patent claims that are challenged through AIA petitions to PTAB result in invalidation.

While the Tillis/Coons letter raises the possibility of congressional action, the overall tenor of the letter suggests Senators Tillis and Coons looked to the USPTO to address their concerns in the first instance and would only consider a legislative solution if the USPTO were unable to address the concerns raised by stakeholders.

The USPTO has implemented policy changes since the Tillis/Coons letter in line with points raised in the letter. For example, the letter asks whether the USPTO planned to designate *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00062, -00063, -00084, Paper 11 (Apr. 2, 2019) as precedential, which the PTAB did in May 2019. And the USPTO designated *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00064, -00065, -00085, Paper 10 (May 1, 2019) as precedential in Aug. 2019. The Trial Practice Guide July 2019 Update—with new guidelines on parallel petitions—may also have been intended in part to address potential concerns from the senators.

Further legislative action remains possible. In July 2019, Senator Coons introduced an updated version of his STRONGER Patents Act of 2019 ([S. 2082](#): Support Technology and Research for Our Nation's Growth and Economic Resilience Patents Act of 2019). The act, §101(10), includes the following finding regarding multiple petitions:

. . . unintended consequences of the comprehensive 2011 reform of patent laws are continuing to become evident, including the strategic filing of post-grant review proceedings to depress stock prices and extort settlements, the filing of repetitive petitions for inter partes and post-grant reviews that have the effect of harassing patent owners, and the unnecessary duplication of work by the district courts of the United States and the Patent Trial and Appeal Board[.]

The act in its current form, §102(d), would place the following limitation on institution of reviews: “(2) Previous institution. The Director may not authorize an inter partes review to be instituted on a claim challenged in a petition if the Director has previously instituted an inter partes review or post-grant review with respect to that claim.”

This provision appears intended to prevent a petitioner from filing additional petitions challenging claims it had previously challenged, as well as to prevent a petitioner from challenging claims if another petitioner (whether or not a co-defendant) had already challenged the claim.

The act, §102(e), also seeks to eliminate repetitive proceedings by expanding the estoppel provisions:

(e) Estoppel

(1) Proceedings before the Office

A person petitioning for an inter partes review of a claim in a patent under this chapter, or the real party in interest or privy of the petitioner, may not petition for a subsequent inter partes review before the Office with respect to that patent on any ground that the petitioner raised or reasonably could have raised in the initial petition, unless, after the filing of the initial petition, the petitioner, or the real party in interest or privy of the petitioner, is charged with infringement of additional claims of the patent.

(2) Civil actions and other proceedings

A person petitioning for an inter partes review of a claim in a patent under this chapter that results in an institution decision under section 314, 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 ([19 U.S.C. 1337](#)) that the claim is invalid based on section 102 or 103 of this title, unless the invalidity argument is based on allegations that the claimed invention was in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.

This provision would expand estoppel in several respects. With regard to proceedings before the Office, the provision would expand estoppel by removing the requirement that the prior proceeding result in a final written decision and applying estoppel on a patent-by-patent basis, rather than a claim-by-claim basis, unless additional claims are asserted. Compare S. 2082, §102(f) with [35 U.S.C. §315\(e\)](#). With regard to estoppel in district court and ITC proceedings, the proposal would change the scope of estoppel from grounds petitioner raised or reasonably could have raised to all grounds except those based on public knowledge/use or sale. Compare S. 2082, §102(f) with [35 U.S.C. §315\(e\)](#).

The STRONGER Patents Act, §102(c), also includes other provisions that could impact filing multiple petitions, such as limiting who can file an IPR to a party, or a real party in interest or privy of the party, that has been sued for infringement of the patent or charged with infringement in a manner that creates a sufficient controversy for a declaratory judgment action in federal court.

The act, §103, includes similar provisions for post-grant review proceedings.

Congress has continued to investigate potential reforms, with the Senate Judiciary Committee's Subcommittee on Intellectual Property holding a [hearing](#) on Sept. 11, 2019.

The introduction of the STRONGER Patents Act of 2019 and the recent hearing on stronger patents suggests there continues to be interest in Congress in addressing concerns about petitioners filing multiple petitions against the same patent.

Policy Considerations

As the USPTO and Congress consider potential policy changes related to multiple petitions, they will likely seek to balance a number of interests of petitioners and patent owners.

From the petitioner perspective, particularly in view of potential estoppel, petitioners may want to have an opportunity to file an additional petition if they find the best prior art after an initial petition has been filed.

Additionally, for cases with co-pending litigation, developments in district court may affect IPRs. For example, patent owners may assert additional claims or adopt a specific view of the claim scope as the litigation progresses. The STRONGER Patents Act attempts to account for this concern in part by limiting patent-by-patent estoppel at the PTAB where new claims are added to litigation. But if the patent owner's interpretation of the claim scope changes, petitioners may want to file additional petitions on claims they have previously challenged. For example, if the patent owner proposes a narrow claim construction, the petitioner may want to file a new IPR to make sure the art addresses the narrower interpretation. On the other hand, if the patent owner interprets the claims more broadly, the petitioner may have additional grounds of unpatentability to present to the Patent Office.

A further concern for petitioners is that patent owners can sue multiple defendants, each of which may want to file its own IPR. Under the PTAB's latest guidance in *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00062, -00063, -00084, Paper 11 (Apr. 2, 2019), serial petitions may be denied under the *General Plastics* factors, even when they are filed by a different petitioner. This may raise concerns that petitioners need to rush to the Patent Office to be the first to file an IPR if multiple defendants are sued. This may present a challenge to petitioners where there is a risk that a more quickly filed petition may not include the best art, but a later-filed petition may be denied if others file first.

From the patent owner perspective, it is expensive and time-consuming to deal with serial petitions drawn out over a long period of time. When petitions are filed serially, this can raise concerns that petitioners are trying to game the system by learning from a patent owner's responses to earlier petitions or to harass the patent owner. Additionally, where multiple petitions are filed that challenge the same claim, the patent owner may need to make redundant arguments at additional time and expense.

Additionally, because anyone can file an IPR, patent owners may face petitions from non-litigation parties, such as hedge funds or others with investment objectives. For extremely valuable patents on successful drugs and other inventions, even the risk of a patent being found invalid could adversely impact stock prices. And aggressive petitioners may attempt to file voluminous, serial challenges with varying degrees of merit, counting on the asymmetry where a petitioner only needs to be right once to invalidate a claim, but the patent owner needs to be right every time to sustain it. This can lead to significant uncertainty for patent owners and the public and can undermine the goal of judicial decisions providing finality.

Considerations for Other Post-Grant Proceedings

The PTAB's approach to multiple petitions may also affect the PTO's approach to parallel proceedings across different types of post-grant proceedings. One option petitioners may consider if they are concerned about a second IPR petition being denied is filing an ex parte reexamination. The Board, however, may choose to stay a later filed ex parte reexamination when an IPR is already pending. For example, in Apr. 2019, the PTAB issued guidance on factors it considers when deciding whether to stay an ex parte reexamination:

- Whether the claims challenged in the AIA proceeding are the same as or depend directly or indirectly from claims at issue in the concurrent parallel Office proceeding
- Whether the same grounds of unpatentability or the same prior art are at issue in both proceedings
- Whether the concurrent parallel Office proceeding will duplicate efforts within the Office
- Whether the concurrent parallel Office proceeding could result in inconsistent results between proceedings (e.g., whether substantially similar issues are presented in the concurrent parallel Office proceeding)
- Whether amending the claim scope in one proceeding would affect the claim scope in another proceeding
- The respective timeline and stage of each proceeding
- The statutory deadlines of the respective proceedings
- Whether a decision in one proceeding would likely simplify issues in the concurrent parallel Office proceeding or render it moot

Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding (Apr. 2019), [84 Fed. Reg. 16,654](#), 16,657 (Apr. 22, 2019). The notice also notes that the Board may deny institution of an AIA trial proceeding if another parallel office proceeding is in a more advanced stage and involves overlapping issues.

This guidance suggests that the PTAB is aware that other post-grant proceedings such as ex parte re-examination proceedings may raise similar concerns about multiple challenges to a single patent, and might not allow serial or duplicative challenges, even when challengers use a different procedure.

Practice Tips

The PTAB's current practice and the potential for legislative action suggests several practice tips for petitioners and patent owners. Petitioners should carefully consider what challenges they want to bring and when to bring them. Petitioners may need to prioritize their strongest grounds under the PTAB's updated guidance on parallel petitions to avoid discretionary denials where multiple petitions are filed in parallel. Petitioners should also consider filing all their challenges up front because it may become more difficult to file additional petitions under the Board's *General Plastics* factors.

Patent owners should also carefully consider how these developments may be used to encourage the Board to exercise its discretion to deny petitions. Patent owners should consider using procedures like the five-page response provided for in the Trial Practice Guide July 2019 Update to highlight how multiple petitions are unnecessary and burdensome. The USPTO's decisions and updated guidance suggest the Board may be receptive to such arguments, especially where they align with the factors outlined in the Board's precedential decisions.

Conclusion

The USPTO's recent public statements, precedential decisions, and updated Trial Practice Guide suggest the USPTO is balancing the competing considerations for petitioners and patent owners regarding multiple petitions. Practitioners should continue to monitor the Board's decisions and guidance as the USPTO seeks to balance these considerations, and action by Congress to address these issues through legislation. Understanding both the current policy and potential changes may help petitioners think strategically about how to structure their petitions and help patent owners consider how to respond to such challenges.