

WilmerHale Webinar: Insights on the USPTO's Recent Updates to the AIA Trial Practice Guide

September 11, 2018

David Cavanaugh, Partner

Monica Grewal, Partner

Natalie Pous, Counsel

Attorney Advertising



WILMER CUTLER PICKERING HALE AND DORR LLP



Speakers



David Cavanaugh
Partner



Monica Grewal
Partner



Natalie Pous
Counsel



Webinar Guidelines

- Participants are in listen-only mode
- Submit questions via the Q&A box on the bottom right panel
- Questions will be answered as time permits
- Offering 1.0 CLE credit in California and New York*
- WebEx customer support: +1 888 447 1119, press 2

**WilmerHale has been accredited by the New York State and California State Continuing Legal Education Boards as a provider of continuing legal education. This program is being planned with the intention to offer CLE credit in California and non-transitional CLE credit in New York. This program, therefore, is being planned with the intention to offer CLE credit for experienced New York attorneys only. Attendees of this program may be able to claim England & Wales CPD for this program. WilmerHale is not an accredited provider of Virginia CLE, but we will apply for Virginia CLE credit if requested. The type and amount of credit awarded will be determined solely by the Virginia CLE Board. Attendees requesting CLE credit must attend the entire program.*



Agenda

- The PTAB's recent update to the Trial Practice Guide
- Use of Expert Testimony and Word Counts and Page Limits
- Considerations in Instituting a Review
- Replies and Sur-Replies
- Motions to Exclude; Motions to Strike
- Oral Hearing



The PTAB's recent update to the Trial Practice Guide

- PTAB first published the AIA Trial Practice Guide (TPG) in 2012
- TPG is intended to encourage consistency of procedures among panels of the Board
- Recent update to the TPG in mid-August is the first substantial update to the TPG since 2012
- PTAB has chosen to provide updates on a section-by-section rolling basis to expedite dissemination of updated information



Use of Expert Testimony – Expert Qualifications

- Expert testimony generally permitted where knowledge will help trier of fact understand evidence or fact at issue
- Expert should be qualified to testify, but there is no requirement of perfect match between expert experience and relevant field. *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1373 (Fed. Cir. 2010)
- Expert does not have to be a person skilled in the art at the time of invention of the patent at issue
- Expert does not need to have an advanced degree in particular field



Use of Expert Testimony – Weight of Expert Testimony

- The Board has broad discretion to assign weight to be accorded expert testimony
- Expert testimony must be based on sufficient facts or data
- Expert testimony must be the product of reliable principles and methods



Use of Expert Testimony – Incorporating Expert Testimony into Papers

- Rules governing the conduct of AIA trial proceedings were designed to promote fairness and efficiency
- Rules prohibit incorporating by reference one reference into another
- Parties that incorporate expert testimony by reference in their petitions, motions or replies without providing explanation of such testimony risk having the testimony not considered by the Board



Word Counts and Page Limits

- The Board is familiar with the rules and general legal principles
 - Unless there is a dispute over the applicable law, extended discussions of general patent law principles may not be necessary
- Parties may use routine word count function to certify word count
- Board generally accepts word count certification
 - Parties should promptly raise potential violations of word count that may cause undue prejudice with the Board
 - Parties should take steps to remedy the issues before approaching the Board



Considerations in Instituting a Review – Board Discretion

- IPR statutes provide the Director (via the Board) with discretion on whether to institute or deny a petition
- The Board can consider many factors in determining whether to institute, including the substance of the challenge as well as impact on efficiency of the Office and fundamental fairness of the process



Considerations in Instituting a Review – Board Discretion

- *General Plastic* enumerated non-exclusive factors that the Board will consider in determining whether to institute petitions
- Factors may be especially relevant to the Board’s institution decision for “follow-on” petitions challenging the same patent as challenged previously in an IPR, PGR or CBM proceeding
- Factors include:
 - Whether same petitioner previously filed a petition on the claims of the same patent
 - Whether petitioner was previously aware of prior art in later petition
 - Stage of the earlier proceeding relative to later filed proceeding



Considerations in Instituting a Review – Board Discretion

- Other reasons the Board may use its discretion to deny institution:
 - Effect of the petition on the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings
 - Events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC



Considerations in Instituting a Review – Board Discretion

- Section 325(d) provides Board with discretion to deny the petition where the same or substantially the same prior art or arguments previously were presented to the Office
- *Becton Dickinson* enumerated non-exclusive factors for exercising 325(d) including:
 - similarities and material differences or cumulative nature between the asserted art and the prior art in examination
 - overlap between arguments during examination and how petitioner relies on the prior art or a patent owner distinguishes the prior art
 - whether a petitioner sufficiently explained how the Office erred in evaluating the asserted prior art during examination
 - the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments



Replies and Sur-Replies

- In view of *SAS*, the Board will allow Petitioner to address institution decision in its reply brief and allow Patent Owner to do so in sur-reply to Petitioner Reply
- New issues not permitted on reply
 - New theories or arguments necessary to make out petitioner’s case-in-chief for the unpatentability of an original or proposed substitute claim. **For example:** a newly raised rationale to combine the prior art references that was not expressed in the petition
 - New evidence (including new expert testimony) that could have been presented in a prior filing. **For example:** newly cited prior art references intended to “gap-fill” by teaching a claim element that was not present in the prior art presented with the petition



Replies and Sur-Replies

- Sur-replies to motions are not generally permitted, but may be authorized on a case-by-case basis
- Sur-replies to principal briefs normally will be authorized by the scheduling order entered at institution
 - Examples of principle briefs for which sur-replies may be authorized include a reply to a patent owner response or a reply to an opposition to a motion to amend
 - The sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness
- This sur-reply practice essentially replaces the previous practice of filing observations on cross-examination testimony



Motions to Exclude; Motions to Strike

- Previously served objections may be preserved only by filing a motion to exclude the evidence
- A motion to exclude may not be used to challenge the sufficiency of the evidence to prove a particular fact
- A motion to exclude is not a vehicle for addressing the weight to be given evidence—arguments regarding weight should appear only in the merits documents



Motions to Exclude; Motions to Strike

- Early resolution of motion to exclude
 - In certain circumstances, evidence may be so central to the parties' dispute that early resolution of the motion to exclude may be warranted
 - A party may request a pre-hearing conference with the panel to seek early resolution of a motion to exclude on a limited number of objections
 - The Board will preferably rule on such a motion during the pre-hearing conference (or after the pre-hearing conference but before the oral hearing), but may also defer ruling until the oral hearing or thereafter



Motions to Exclude; Motions to Strike

- Motion to strike may be appropriate if party believes Board should disregard arguments or evidence in its entirety
 - For example, where a reply clearly relies on a new theory not included in prior briefing, and where addressing this new theory during oral hearing would prejudice the opposing party
 - In contrast, in situations where a party wishes to address the proper weight the Board should give to the arguments or evidence, further briefing may be more appropriate
- Early resolution of motion to strike
 - Board expects that it will decide a motion to strike as soon as practicable, and preferably before oral hearing, so that the parties need not devote time during the hearing to addressing improper arguments



Oral Hearing – Time Allocation

- Time allocation
 - Generally one hour per side for single hearing
 - A party may request more or less time depending on the circumstances
 - Board encourages the parties to confer before filing a request for oral hearing and, if possible, jointly agree on amount of time per side



Oral Hearing – Pre-Hearing Conference Call

■ Purpose

- To afford the parties opportunity to preview (but not argue) issues to be discussed at the oral hearing
- To seek the Board’s guidance as to particular issues that the panel would like addressed by the parties
- To discuss pending motions to strike, admissibility of evidence

■ Logistics

- Will be held at either party’s request, no later than three business days before oral hearing
- Parties should confer and, where possible jointly request with agreed set of issues for discussion
- Deadline for request will be in scheduling order, generally aligning with due date “6” (reply to opposition to motion to exclude)



Oral Hearing – Format of Argument

- Petitioner generally will argue first, followed by the Patent Owner, after which a rebuttal may be given by the Petitioner
- Absent special circumstances, Petitioner will not be permitted to reserve for rebuttal more than half the total time allotted for argument
- The Board may also permit Patent Owners the opportunity to present a brief sur-rebuttal if requested



Oral Hearing – Demonstrative Exhibits

- The Board indicated that it finds elaborate demonstrative exhibits are more likely to impede than help an oral argument
- The Board finds the most effective demonstrative exhibits to be a few presentation slides and a handout or binder containing the demonstrative exhibits
- Demonstrative exhibits used at the final hearing are aids to oral argument and not evidence, and should be marked as such
- The Board has not typically found objections to evidence to be helpful



Oral Hearing – Live Testimony

- The Board receives relatively few requests for presenting live testimony
- The Office may permit live testimony where requested and if the Panel believes it will be helpful, for example:
 - Where live testimony goes to critical case-dispositive issues
 - If demeanor of a witness is critical to evaluating that witness's credibility
- Format of live testimony is at discretion of the panel
 - Live testimony normally becomes part of the record
 - Board may direct question to witness who testifies at hearing
- Live testimony is only opportunity to present new evidence in an oral hearing, but it cannot exceed scope of underlying declaration or address new theories or arguments



Oral Hearing – Requests

- Timing

- To permit the Board sufficient time to schedule the oral argument, the parties may not stipulate to an extension of the request for oral argument beyond the date set forth in the Due Date Appendix

- Location

- The Board will set a location for the oral hearing in the scheduling order
- Parties may request that the hearing be held at a different location
- Parties should meet and confer on location preference prior to initial conference call or file a joint request



Questions?

David Cavanaugh, Partner
david.cavanaugh@wilmerhale.com

Monica Grewal, Partner
monica.grewal@wilmerhale.com

Natalie Pous, Counsel
natalie.pous@wilmerhale.com

**WilmerHale has been accredited by the New York State and California State Continuing Legal Education Boards as a provider of continuing legal education. This program is being planned with the intention to offer CLE credit in California and non-transitional CLE credit in New York. This program, therefore, is being planned with the intention to offer CLE credit for experienced New York attorneys only. Attendees of this program may be able to claim England & Wales CPD for this program. WilmerHale is not an accredited provider of Virginia CLE, but we will apply for Virginia CLE credit if requested. The type and amount of credit awarded will be determined solely by the Virginia CLE Board. Attendees requesting CLE credit must attend the entire program.*

Wilmer Cutler Pickering Hale and Dorr LLP is a Delaware limited liability partnership. WilmerHale principal law offices: 60 State Street, Boston, Massachusetts 02109, +1 617 526 6000; 1875 Pennsylvania Avenue, NW, Washington, DC 20006, +1 202 663 6000. Our United Kingdom office is operated under a separate Delaware limited liability partnership of solicitors and registered foreign lawyers authorized and regulated by the Solicitors Regulation Authority (SRA No. 287488). Our professional rules can be found at www.sra.org.uk/solicitors/code-of-conduct.page. A list of partners and their professional qualifications is available for inspection at our UK office. In Beijing, we are registered to operate as a Foreign Law Firm Representative Office. This material is for general informational purposes only and does not represent our advice as to any particular set of facts; nor does it represent any undertaking to keep recipients advised of all legal developments. Prior results do not guarantee a similar outcome. © 2004-2018 Wilmer Cutler Pickering Hale and Dorr LLP