

What We've Learned From PTAB Decisions On Institution

Law360, New York (October 10, 2013, 2:59 PM ET) -- This is third article in WilmerHale's series of inter partes review-focused analyses, which follows Vic Souto's piece on "How PTAB Applies 'Interests Of Justice' Discovery Standard," and Heather Schafroth's article "The Intersection Of District Court And Inter Partes Review."

One aspect of the America Invents Act, signed into law in September 2011, provides an ability to challenge the validity of issued patents through a contentious proceeding at the U.S. Patent and Trademark Office.[1] Two proceedings, inter partes review and transitional covered business methods, have been active for about a year. In these proceedings, a party seeking to challenge the validity of a patent files a petition identifying one or more grounds of unpatentability. A post-grant proceeding has, at its end, an estoppel that attaches to the petitioner and their privies.[2]

The Patent Trial and Appeal Board, "under a reasonable likelihood that the petitioner would prevail" on one challenged claim standard, evaluates the petition (and a patent owner preliminary response if filed) and makes a decision on institution, including a determination of what grounds of unpatentability will be part of the post-grant proceeding.

Board Denies Some Grounds as "Cumulative"

Although petitions are limited in length, they are not limited in the number of grounds on which a petitioner may challenge the issued claims. As the post-grant proceedings were implemented and the practice rules were promulgated, practitioners questioned whether the board would use the decision on institution to limit the scope of the proceeding.

After more than a year of petition filings, and about six months of decisions on institution for the proceedings, two things are clear. First, the board institutes a proceeding on a vast majority of the IPRs filed on most or all of the challenged claims. Second, the board is using the decision on institution to limit the number of issues in the proceeding by denying some grounds on the basis that they are "redundant" or "cumulative" to issued grounds.[3]

In denying some petitioner grounds for invalidity as "redundant" or "cumulative," and limiting the grounds of unpatentability which become the subject of the proceeding to fewer than all the grounds proffered in the petition, the PTAB has emphasized that considering multiple rejections for the same issue would unnecessarily consume time and resources of all the parties involved.[4]

Often, while explaining why the grounds were redundant, the board indicates that the petitioner did not adequately describe differences between the instituted grounds and the redundant grounds.[5] Also, the board mentions that narrowing the issues to exclude any redundant grounds can assist them in

complying with their statutory mandate that the proceedings be completed within one year from institution.[6]

A denial of a ground as “cumulative” presents a seemingly inconsistent finding — a finding that a ground is “cumulative” to a granted ground is, at least, a tacit finding that the denied ground satisfies the threshold standard for the proceeding. However, the denied ground is not part of the proceeding.

The board practice presents special challenges for the petitioner in a post-grant proceeding. A petitioner, because of the estoppel, is understandably wary of a practice that reduces the number of issues or grounds to be addressed in the proceeding. In view of this, petitioners may wish to draft petitions to ensure that proceedings are instituted on the greatest number of requested grounds.

Types of Cumulative Grounds

Two general types of grounds have frequently been determined to be cumulative:

- several primary references with largely overlapping disclosures or teachings, and/or
- multiple secondary references that are used in a ground alleging a claim is obviousness.

The decision that multiple secondary references are cumulative is understandable. Evidence required to demonstrate that a limitation is present in the art may not need to go beyond a single reference. To some extent the decision that one or more primary references used in the petition is cumulative is understandable for the same reason. However, as practitioners know, references used to demonstrate the invalidity of a claim may describe similar technology in a nuanced manner that may ultimately be important to the case. Further, references can also have different status as prior art. For example, some references may be a statutory bar as 102(b) prior art, while other references may be prior art under 102(a) or (e) which can be antedated with proper evidence proffered by the patent owner during the proceeding.

Avoiding “Cumulative” Grounds When Preparing a Petition

Anyone who has prepared a petition post-grant proceeding knows too well the practicality of keeping the petition within the page limit.[7] This requires discipline in the petition drafting process that was not a part of the inter partes reexamination request preparation process. To ensure a petition presents multiple, noncumulative grounds, thoughtful selection of grounds presented is critical. Thus, it is important to provide strategic distinctions between the references in a petition to increase the likelihood that the board will institute proceedings on multiple grounds.

A careful and succinct explanation of the differences between references may identify that some grounds would be applicable based on alternative claim construction presented earlier in the petition. In other circumstances it may be because some references could be subject to being antedated while others could not. The board has shown that it will carefully review the petition but they cannot read the petitioner’s mind.

Strategic Challenges for the Petitioner

What can a petitioner do after a finding of cumulative grounds? There are only limited options. The petitioner may file a request for rehearing.[8] The dissatisfied party bears the burden of showing that the decision should be modified and must “specifically identify” all the matters that the board “overlooked” or “misapprehended.”[9] The board considers the request and issues an opinion. To date such requests are almost universally denied and do not lead to a modification of the grounds of unpatentability.[10] There are no other avenues to challenge the board decision on institution, as the

AIA statute specifically excludes a right to appeal the decision on institution.[11]

There may be other ways to bring denied grounds and cumulative references into the proceeding. If the patent owner files a motion to amend the patent, the petitioner may respond with references, including references previously found to be cumulative, that challenge the validity of any new or amended claims.[12] Other circumstances to introduce the references may present themselves based on the particular merits of a proceeding.

Concluding Observations

The decision on institution is a substantial milestone in the post-grant proceeding. The board has shown that they carefully review references and the challenged claims while applying their claim construction. The number of petitions filed suggests that stakeholders are optimistic that the board will apply the law and, when proper, invalidate a challenged claim. The decisions on institution made to date suggest that the process is on track. In the coming months, as the first final written opinions are issued from the board, the patent community will have a better sense of the overall outcome of the process.

The next article in this series will discuss the identification of real parties-in-interest.

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[1] In contrast to the more typical ex parte practice at the Patent Office, this proceeding is managed by an a panel of Administrative Patent Judges trained in technology and law.

[2] See 35 U.S.C. §§ 314 (e), 325 (e).

[3] See, e.g., IPR2013-00011; CBM2012-00003; CBM2012-000007 and IPR2012-00014.

[4] See, e.g., IPR2013-2011.

[5] See, e.g., CBM2012-00003, IPR2013-00088.

[6] See, e.g., IPR2013-00057.

[7] 37 C.F.R. § 42.24 (a) “the following page limits for petitions apply . . . (i) Petition requesting inter partes review: 60 pages. . . (iii) Petition requesting covered business method patent review: 80 pages.”

[8] 37 C.F.R. § 42.71 (d) “A party dissatisfied with a decision may file a request for rehearing, without prior authorization from the Board.

[9] Id.

[10] The Board of Patent Appeals and Interferences had a similar reluctance to modify the outcome of a decision in Ex Parte prosecution.

[11] 35 U.S.C. § 314 (d) No Appeal. – The determination by the director whether to institute an inter

partes review under this section shall be final and nonappealable. See also, 35 U.S.C. § 324 (e) No Appeal. – The determination by the director whether to institute a post-grant review under this section shall be final and nonappealable.

[12] 37 C.F.R. § 42.121(a) Motion to amend. A patent owner may file one motion to amend a patent, but only after conferring with the Board.

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