

December 3, 2020

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*Via Federal eRulemaking Portal at www.regulations.gov
Docket No. PTO-C-2020-0055*

Attn: Vice Chief Administrative Patent Judge Scott C. Weidenfeller

Re: Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board

I write on behalf of the PTAB Bar Association (the “Association”) to respond to the request by the United States Patent and Trademark Office (“the Office”) for public comments in response to the Office’s Request for Comments on Discretion to Institute Trials Before the Patent Trial and Appeal Board (“Request for Comments”), published at 85 Fed. Reg. 66502 (PTO-C-2020-0055, October 20, 2020).

The PTAB Bar Association is a voluntary bar association of over 500 members engaged in private and corporate practice and in government service. Members represent a broad spectrum of individuals, companies, and institutions involved in practice before the Patent Trial and Appeal Board (“PTAB” or “Board”) and in patent, administrative and appellate law more generally. Per its bylaws, the Association is dedicated to helping secure the just, speedy and inexpensive resolution of every PTAB proceeding. Accordingly, the Association strives to present a neutral perspective representing all parties with an interest in PTAB proceedings.

In general, the Association welcomes the Office’s effort to develop rules to govern the use of discretion to deny institution, which the Association believes could benefit from improved clarity and guidance.

Below the Association provides comments on the seven questions from the Request for Comments, which the Office stated were “a preliminary guide to aid the UPSTO in collecting relevant information to assist in modifications, if any, to its current practices, and in the development of any possible rulemaking on this subject.” The Office indicated that it welcomes comments on any issues relevant to these topics. The Association has organized its comments below into (I) an overview, (II) serial petitions, (III) parallel petitions, (IV) proceedings in other tribunals, and (V) other considerations.

I. Overview of the Seven Questions from the Request for Comments

In general, the seven comments are in four groups. The first three groups all follow the same format: a first question on whether the Office should promulgate a rule setting forth a case-specific analysis along the lines of existing case law from the PTAB

followed by a second question on whether the Office should adopt one of two opposite extreme positions as a bright line rule. Each pair of questions is addressed to one of three situations where the Office uses discretion to deny institution of trials in IPRs— (1) where the claims at issue were subject of a prior petition (“serial petitions”), (2) where multiple petitions are filed on the same patent at about the same time (“parallel petitions”) and (3) where a petition seeks review of a patent at issue in another tribunal, such as a district court or the International Trade Commission (“ITC”). The seventh and last question is a general question addressed to all three areas that asks whether there are modifications that the Office should make to its approach to using its discretion to deny institution in each of these areas.

Should the Office promulgate a rule? On the first question in each of the first three sets, in general, the Association is in favor of the Office adopting a rule that delineates the Director’s use of discretion under 35 U.S.C. §§ 314(a) and 325(d). In adopting such a rule, the Office should implement procedures consistent with the Administrative Procedure Act, including considering and responding to public comments, and should adopt a rule that furthers Congress’s intent in creating the post-grant proceedings. The Association does not think it would be useful to promulgate a rule that merely adopts the lists of factors set forth in the various PTAB decisions cited in the Request for Comments. As explained below, the Office should provide additional clarity and predictability, and should avoid creating an undue incentive for litigants to engage in forum shopping in certain district courts based on a sense that different results will attach based on which district court venue is chosen, which is a substantial risk under the current framework.

Should the Office adopt a bright-line test? On the second question in each of the first three sets, in general, the Association does not think it would be useful to adopt bright line tests requiring the PTAB to always or never exercise its discretion to deny institution in the enumerated situations. The very nature of discretionary decisions is that all factors should be considered. However, the Association believes it should be exceedingly rare for the Board to discretionarily deny a properly-filed first petition challenging a particular claim.

How should the Office modify its approach? On the seventh and last question, the Association below includes some suggestions for improvements to the current tests that the Association believes should be adopted as either rules or guidelines.

Several members pointed out that while the PTAB has expertise in the administration of the PTO and the prosecution of patents, Congress likely did not envision that the PTAB would attempt to make policy decisions requiring extensive experience with district court or ITC litigation. The Office does not have expertise in the reasons district court judges manage their dockets as they do or in the tactics district court litigants can use to game the system, as some participants see it, to enhance the possibility of the Office using discretion to deny institution of an otherwise meritorious petition. Consequently, the Association urges the Office to use caution in devising

rules or tests for the exercise of discretion that depend on a detailed understanding of what is occurring in other tribunals, and before other jurists.

In addition to the above general responses to the first six questions, the Association also has the following comments on each set of questions.

II. Serial Petitions

Office Question 1 Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in *General Plastic, Valve I, Valve II* and their progeny, for deciding whether to institute a petition on claims that have previously been challenged in another petition?

Office Question 2 Alternatively, in deciding whether to institute a petition, should the Office (a) altogether disregard whether the claims have previously been challenged in another petition, or (b) altogether decline to institute if the claims have previously been challenged in another petition?

The Association is in favor of the Office promulgating a rule to govern the Office's exercise of discretion in denying a petition targeting previously-challenged claims. Indeed, the Association believes the Office is required to establish such rules under 35 U.S.C. § 316(a)(4), which states that “[t]he Director shall prescribe regulations ... establishing and governing inter parties review under this chapter and the *relationship of such review to other proceedings under this title.*” (emphasis added).

Where a second petitioner is distinct from the real parties in interest named in a first petition, the Association believes the factors in the existing *General Plastic/Valve* analysis should be adjusted to focus on factors more relevant to that situation. We discuss those adjustments in the response to the seventh question below.

Some members would go further and assert that the Office may only adopt regulations that provide for denial of institution based on serial petitions in two instances—one non-discretionary and one discretionary. Under 35 U.S.C. § 315(e)(1), the Office has no discretion, and must deny any serial petition, where a first petition resulted in a Final Written Decision and the petitioner, its real party-in-interest or privy presents a new petition with grounds that were “raised or reasonably could have [been] raised” in the first petition. By contrast, under 35 U.S.C. § 325(d), Congress considered and specified the situations where the Office has discretion to deny institution in the case of serial petitions. Under that section, Congress expressly gave the Office discretion to deny institution where “the same or substantially the same prior art or arguments previously were presented to the Office.” These members propose a rule that is limited to that situation for serial petitions, as discussed below in response to Question 7.

With respect to Question 2, the Association does not think the Office should adopt any rule that results in always declining to institute an IPR because the claims have already been challenged. Nor does the Association believe the Office should completely disregard whether the claims have previously been challenged in another petition. Both bright-line tests thwart one or more of the underlying purposes behind post-grant proceedings, including providing a more efficient forum for addressing validity disputes while also avoiding serial harassment of patent owners.

Some members also expressed concerns that the existing framework does not fully account for different types of serial petitions. Sequenced serial petitions filed by the same party may be subject to allegations of undesirable “playbooking” to learn the patent owner’s or the Board’s views before filing a later petition. These members believe that the existing jurisprudence accounts for this scenario. However, serial petitions filed by different petitioners are seemingly swept into this same analysis. These members submit that a separate showing should not be required to justify these proceedings. They believe that a patentee/plaintiff who serially sues numerous defendants should not benefit from the staggered nature of its assertions, and a presumption against additional petitions makes the system less efficient and denies subsequent defendants the ability to leverage the PTAB.

III. Parallel Petitions

Office Question 3 Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in the Consolidated Trial Practice Guide, for deciding whether to institute more than one petition filed at or about the same time on the same patent?

Office Question 4 Alternatively, in deciding whether to institute more than one petition filed at or about the same time on the same patent, should the Office (a) altogether disregard the number of petitions filed, or (b) altogether decline to institute on more than one petition?

As with serial petitions discussed above in connection with Questions 3 and 4, the Association also favors the Office promulgating a rule to govern the Office’s exercise of discretion in denying parallel petitions.

Some members of the Association suggested that parallel petitions are a creation of the Office’s own rule that imposes an inflexible word limit on petitions. These members suggested the need for parallel petitions would be eliminated if the Office permitted petitioners to pay extra fees for a higher word limit. According to these members, page and word limits were originally established as a means of regulating fees. And yet, the word limit is now used otherwise. These members are not aware of empirical data developed to discern the number of words corresponding to an appropriate number of grounds/challenges. This makes the word limit arbitrary. For instance, the word limit

does not vary with claim count, claim length, technological complexity, or length of patent disclosure. In addition, parties now face word-count pressures when dealing with issues such as discretionary denials and RPI/privity. Thus, these members believe that even if word count were once an accurate indication of an appropriate number of challenges, it no longer serves that function.

Regarding timing, some members expressed the view that, as a practical matter, multiple petitions are now required to be filed at approximately the same time to better address the presumption against additional petitions and to stay ahead of any patent owner preliminary response. But even if petitions are filed essentially simultaneously, these felt that the present jurisprudence does not adequately distinguish these concurrently-filed petitions from those filed serially over time. These members believe that petitioners should be given the benefit of the doubt until/unless filings are demonstrably abusive. In their view, however, the current law imposes a prejudicial presumption against petitioners.

Some members recommend that any rules distinguish three types of serial/parallel petition circumstances and treat each uniquely. The first circumstance is where a single petitioner files serial petitions over time, and the current jurisprudence accounts for most concerns over abuse. The second and third circumstances are where a different petitioner is the second filer, and where multiple petitions are filed simultaneously. In these instances, new rules may afford a patent owner a short responsive paper to demonstrate the burdens believed to exist under those circumstances. According to these members, new rules could define two petitions as being considered “parallel” if the second petition is filed before patent owner’s preliminary response is filed in the first, or within one month of the first petition. The rules may also deem the parallel petitions abusive only if a large number of grounds for rejection are proposed across the petitions. The rules could further clarify that two of the same statutory grounds per claim is presumptively not abusive.

In light of the views expressed by the members above, the Association does not think the Office should adopt any rule that (a) altogether disregards the number of petitions filed or (b) altogether declines to institute on more than one petition.

IV. Proceedings in Other Tribunals

Office Question 5 Should the Office promulgate a rule with a case-specific analysis, such as generally outlined in *Fintiv* and its progeny, for deciding whether to institute a petition on a patent that is or has been subject to other proceedings in a U.S. district court or the ITC?

Office Question 6 Alternatively, in deciding whether to institute a petition on a patent that is or has been subject to other proceedings in district court or the ITC, should the Office (a) altogether disregard such other proceedings, or (b) altogether decline to institute if the patent that is

or has been subject to such other proceedings, unless the district court or the ITC has indicated that it will stay the action?

Of the Association members who provided comments, with a few exceptions, there was nearly uniform dissatisfaction with the *Fintiv* analysis. As explained below in response to Question 7, a different set of factors should be considered.

Some members believed that the Office should never exercise discretion to deny institution based on the patent being involved in litigation pending in tribunals other than the Office. These members point to the expressions of Congressional intent in the statute which specify that the Office may exercise discretion to deny institution based on other proceedings “before the Office” under 35 U.S.C. § 325(d), and providing for rulemaking “governing ... the relationship of such review to *other proceedings under this title*” under 35 U.S.C. § 316(a)(4); whereas, Congress specified no such discretion with respect to other proceedings in *district courts or in the ITC*. They also point out that Congress provided non-discretionary statutory provisions governing how the Office should consider actions in other tribunals in 35 U.S.C. § 315, which is titled “Relation to Other Proceedings or Actions.” Sections 315(a) and (b) only contemplate denial of institution where the petitioner fails to file a petition within one year of service of a complaint alleging infringement of the challenged patent or files a declaratory judgment action against the patent before filing the petition. These members assert that denial based on actions in tribunals other than the Office should be limited to those two, non-discretionary situations.

The Association does not believe the Office should adopt a rule altogether declining to institute review if the patent is or has been subject to other proceedings. Moreover, for purposes of rulemaking that would govern denial of institution based on proceedings outside the Office, most members of the Association who provided comments stated that the Office should limit consideration of proceedings outside the Office only to those district court actions that Congress identified under 35 U.S.C. § 315(a) and (b) that would bar institution.

V. Other Considerations

Office Question 7 Whether or not the Office promulgates rules on these issues, are there any other modifications the Office should make in its approach to serial and parallel AIA petitions, proceedings in other tribunals, or other use of discretion in deciding whether to institute an AIA trial?

The members of the Association had several suggestions on ways to improve the clarity and predictability of the Office’s discretion to deny institution in each of the three situations at issue.

1. Serial Petitions

The Association believes it would be helpful to refine the analysis from *General Plastic/Valve* to more specifically describe how the Office has actually addressed serial petitions from different petitioners.

The first factor of the analysis, “whether the same petitioner previously filed a petition directed to the same claims of the same patent,” was applied in *Valve I* and *Valve II* to consider not simply whether the petitioners were the same, but instead the relationship between those petitioners. The PTAB stated that “when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors.” *Valve I*, 2019 WL 1490575 at *4; *Valve II*, 2019 WL 1965688 at *5. In the cited cases, the PTAB considered the petitioners’ relationship in district court litigation (co-defendants), that they were accused of infringing based on sales of the same product, and that the second petitioner was aware of the Patent Owner’s infringement allegations when the first petition was filed.

In light of the way the Office has applied the *General Plastic* analysis when the petitioners are different, the Association suggests that the Office change the first factor as follows: “whether the same petitioner previously filed a petition directed to the same claims of the same patent, and when the petitioners are different, whether the relationship between the first and second petitioners is such that the second petitioner had reason to join in the first petition or present a petition at around the same time.”

The Association also believes the sixth factor of the *General Plastic* test—“the finite resources of the Board”—should be removed. The filing and institution fees for IPRs are intended to cover the Office’s cost and associated burden of handling IPRs, at least in the aggregate. While some proceedings may be more burdensome than others, the fees the Office collectively receives should cover the burden without requiring a separate case-by-case assessment. Consequently, an IPR petition of 14,000 words should be deemed within the ability of the Office’s resources in almost all situations.

Moreover, the Association also believes that discretionary denial under § 314(a) should not apply in the case of a “me too” joinder petition under § 315(c), where the party seeking joinder introduces no new grounds beyond those in the lead petition and promises to serve only as an “understudy” to the lead petitioner. *But see Apple Inc. v. Uniloc 2017 LLC*, IPR2020-00854, Paper 9 (PTAB Oct. 28, 2020) (denying “me-too petition” based on *General Plastic* factors). Denying a “me too petition” under the Director’s discretion in these circumstances does not reduce the Board’s workload, given that the Board will be conducting trial on the identical grounds in the already-instituted lead petition. Denial also increases the district court’s workload because, if the joinder petitioner is not estopped as to the denied grounds (a question the district court will need to decide), the district court will need to address those grounds itself. Overall, it is more efficient for the system as a whole for the Director to institute a “me

too” joinder petition, so all identical patent challenges can be resolved together, and so estoppel will prevent the joinder petitioner from raising those same grounds later in district court.

2. Parallel Petitions

Some members of the Association believe that the need to file parallel petitions is a consequence of the Office limiting petitions to 14,000 words and that this limit is not always necessary. For example, some patents contain lengthy claims, and quoting the claim language alone can consume thousands of words. Petitioners also often devote thousands of words to addressing *NHK/Fintiv* issues, or to explaining how the issues presented in the petition are not duplicative of issues already considered by the Office. While petitioners may file a motion asking the Board to accept an overlength petition (*see* 37 C.F.R. § 42.24(a)(2)), as a practical matter, the uncertainty of knowing whether the motion will be granted makes this procedure an unattractive option. Instead, the Office could permit petitioners to increase the word count of a petition by paying an additional fee. The fee should be commensurate with the cost to the Office of reviewing the additional arguments. If these additional fees were adopted, there would no longer be a desire for parallel petitions.

Other members of the Association, however, believe that the rules should incentivize petitioners to put forth their best case of unpatentability, and believe that the 14,000 word limit achieves that goal. For these members, the Office should not incentivize wealthy or more motivated petitioners to increase cost and decrease efficiency to the detriment of patent owners.

To balance these interests, the PTAB Bar Association recommends excluding from the word limit headings that quote the claim language or sections that address issues like the *NHK/Fintiv* analysis, to the extent the Board continues to apply it. The Board may also authorize petitioners to address some of these topics in a separate paper. The Board’s rules already exclude certain portions of a petition from the word limit, and the Board already authorizes petitioners to file a separate five-page paper to explain why they have filed multiple petitions. The additional proposed exclusions would balance the interests of those who think additional words are necessary in some circumstances while still requiring petitioners to focus their merits arguments so they fit within the set word limit. The expected result is that more petitioners would file a single petition as opposed to feeling the need to file multiple petitions.

3. Proceedings in Other Tribunals

A. Views of PTAB Bar Association Members

The Office’s exercise of discretion to deny institution based on the patent being at issue in other tribunals generated the most comments from Association members. In general, with few exceptions, members were dissatisfied with the application of the

Fintiv analysis which almost invariably results in the Board denying institution where a trial date is scheduled close to the date the Final Written Decision. These members feared that the result of that rule would lead, in practice, to denying any right to an IPR when a lawsuit is filed in the ITC—to the extent the Board considers the stage of an ITC case to be relevant—or in certain jurisdictions, such as the Western District of Texas. And since court trial dates are often postponed, some members view *Fintiv*'s focus on the other tribunal's trial date as too speculative.

Some members expressed concern over the *Fintiv* factors as being too broad in some circumstances and too narrow in others. According to these members, although the Board states that it seeks to assess the *Fintiv* factors holistically, language in the Board's decisions and human nature leave the petitioning community skeptical and lacking confidence. For example, having separate factors devoted to similar considerations promotes undue influence/importance for those considerations, and new rules may seek to eliminate or compress factors that speak to the same or similar issues. These members specifically identified factors 2 and 3, each of which addresses issues flowing from the relative maturity of counterpart proceedings.

These members proposed several revisions to the existing *Fintiv* factors. These include revising factor 1 (the likelihood of a stay) to reduce inconsistent results by counting this only if the stay request is granted or denied with prejudice. As to factor 2, these members observed that judges have noted that a proposed trial date is inherently unreliable, and any new rules should account for this unreliability. These members suggest that factor 3 inspires a look back with sunk costs driving the analysis. The new rules could restate to focus forward exclusively on how cost remains in each forum, and the savings to be achieved if moving forward with the PTAB as envisioned by Congress. As to factor 4, these members suggested the new rules could define a safe harbor to be created through stipulations by petitioners, by presuming that this factor will be weighed in favor of institution if prescribed conditions are met in a stipulation. As to factor 5, these members suggested that the new rules may revisit the impact of whether the other proceedings involve the same party, and believe that this factor presently discourages institution through no fault of the petitioner's decision making.

These members also propose that the new rules include additional factors. For example, the new rules may wish to account for the speed of petitioner's action in filing a petition relative to patent owner's actions in the counterpart proceeding. The new rules may account for the dates of (1) service of an infringement complaint, which shows diligence of petitioner generally; (2) service of infringement contentions, which shows diligence of petitioner relative to patent owner's theories and asserted claims; and (3) service of patent owner's proposed claim construction.

According to these members, the Office may also wish to account in the new rules for the effect of counterpart PTAB proceedings on patents asserted in the same dispute or otherwise implicating the same prior art. If the Board is already evaluating prior art against one patent, they submit efficiency would best be served by the Board evaluating

the same prior art against any related patents, regardless of whether the counterpart tribunal is willing to stay the case in relation to that patent upon institution.

Several members urge the Office to adopt a test that is venue-neutral, *i.e.*, one that does not always result in a decision for or against denial as a result of the identity of the other tribunal. For example, several members cite a study showing that institution for petitioners litigating in the Western or Eastern Districts of Texas is denied about 60% of the time, whereas for petitioners in all other districts, the rate of denial is less than 10%. Babcock, B. and Train, T., “A Proposed Alternative To PTAB Discretionary Denial Factors,” Law360, Oct. 1, 2020, available at <https://www.womblebondnickinson.com/us/insights/articles-and-briefings/proposed-alternative-ptab-discretionary-denial-factors-view-co-pending-parallel-litigation>.

	Grouped Institution Decisions (24)		Individual Institution Decisions (86)	
	Deny	Institute	Deny	Institute
W.D./E.D.				
Tex.	8/13 (62%)	5/13 (38%)	31/55 (56%)	24/55 (44%)
All Other	1/11 (9%)	10/11 (91%)	1/31 (3%)	30/31 (97%)

Ex. A, Table 1. As seen in the data above, the patent owner’s choice of venue (W.D./E.D. Texas versus All Other) has a disproportionate impact on whether the *Fintiv* analysis will result in institution or discretionary denial. The Association believes that the Office should not create any rule that creates an incentive for litigants to engage in forum shopping.

Some members propose replacing the *Fintiv* analysis with an analysis that turns on the set of factors detailed in the Babcock & Train article (alacrity of the petitioner, merits of the petition, litigation history of the challenged patent, longevity of the challenged patent, Section 315 estoppel effects, and stage of the district court or ITC proceeding). Others voiced concerns about some of these factors, including the concern that the final factor continues to require predicting the status of the district court or ITC proceeding at some point in the future. Still others voiced concerns about considering the merits as a factor because a petition cannot be instituted if the merits do not reach the reasonable likelihood (IPR) or preponderance (PGR) standards.

Other members commented that the *Fintiv* analysis is being used in a way that is inconsistent with congressional intent and 35 U.S.C. § 315(b), which sets a one-year deadline for filing an IPR petition against a patent involved in district court litigation. These members are of the view that using *Fintiv* factors to significantly alter that timeline is inconsistent with the intent of Congress as expressed in the language of the statute as well as the legislative history. In particular, the original legislative language of § 315(b) set a 3-month deadline to petition for an IPR after the date on which the defendant is “required to respond to a civil action alleging infringement of the patent”,¹

¹ S. 23, sec. 5 (introduced in Senate on Jan. 25, 2011) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 3 months after the date on

but Congress, after deliberation, changed that deadline to 1 year after service of the complaint.² Senator Kyl, in his comments on why the House and Senate bill managers had agreed to a longer deadline stated, “*it is important that the section 315(b) deadline afford the defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation.* It is thus appropriate to extend the section 315(b) deadline to one year.” 157 Cong. Rec. S429 (daily ed. Sept. 8, 2011) (emphasis added).

Indeed, there are many legitimate reasons why a defendant may wait until close to the one-year deadline before filing a petition, even if it was otherwise in a position to file earlier. For example, the defendant may wish to learn more about the plaintiff’s infringement allegations so it can better assess risk and determine whether incurring the cost of an IPR petition is worthwhile. The defendant may also need that time to learn how the plaintiff (and perhaps the judge) views the scope of the claims, which could affect issues like damages exposure and the possibility for summary judgment (in district court) or summary determination (in the ITC). The system Congress adopted provides an opportunity to make these assessments over a fixed, but limited, time period of one year after service of the complaint. These members believe it is inefficient for the patent system as a whole to force defendants to file early petitions when those petitions may have been avoided entirely if given the full one year Congress specified in 35 U.S.C. § 315(b).

Members holding this view also noted that denying institution based on the stage of a district court case is akin to applying an estoppel to that petitioner, but Congress did away with this type of estoppel. Inter partes reexamination had a two-way estoppel, where events in a district court or the PTO could trigger estoppel in the other forum. See pre-AIA 35 U.S.C. § 317(b). When Congress revised inter partes reexamination to create inter partes review, it adopted a one-way estoppel, where only events that occur within the PTO trigger a statutory estoppel in the district court. 35 U.S.C. § 315(e)(2). By applying *NHK* and *Fintiv* to deny institution, the PTO is effectively bringing back the estoppel that Congress elected to eliminate. The primary difference is that the inter partes reexamination estoppel was triggered upon a *final decision* in the district court that a “party has not sustained its burden of proving the invalidity of any patent claim in suit,” while the *NHK/Fintiv* factors effectively result in the same estoppel if the Board finds the *possibility* of a district court holding a trial (and subsequently issuing a judgment) before the Board would render its Final Written Decision.

which the petitioner, real party in interest, or his privy is required to respond to a civil action alleging infringement of the patent.”).

² H.R. 1249, sec. 6 (reported in House on Jun. 23, 2011) (“An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”).

Accordingly, these members suggest that any rule governing discretion to deny institution based on district court proceedings should not undermine the balance that Congress struck in giving litigants up to one full year to file a petition, contrary to the current *NHK/Fintiv* test that cuts this period short.

Finally, some members believe that ITC investigations should have no bearing on the *Fintiv* analysis. The ITC, unlike a district court, has no power to enter a final judgment regarding patent validity that would have issue-preclusive effect on the parties. *See Texas Instruments v. Cypress Semiconductor Corp.*, 90 F.3d 1558 (Fed. Cir. 1996). For that reason, parties to a concluded ITC investigation remain free to continue litigating the identical question of patent validity both in district court and in proceedings before the Office. Members of the public, for their part, also remain at risk of being sued for infringement on patent claims that the ITC has previously determined to be invalid. Therefore, whatever merit there may be in considering the status of a district court proceeding as part of a *Fintiv* analysis, these members believe there is far less reason to exercise the Director's discretion to deny an IPR petition in view of a pending ITC investigation.

B. PTAB Bar Association's Recommendation

If the Board intends to continue discretionarily denying institution in cases where it feels the Board proceeding would be duplicative of a parallel proceeding or is an inefficient use of the parties' and the Board's resources, the PTAB Bar Association recommends applying this discretion in only limited cases and only where the parties and other tribunals have already incurred unusually significant costs or burdens in the parallel proceeding(s). For example, because the Board has interpreted service of an ITC complaint not to trigger the one-year bar in 35 U.S.C. § 315(b), it is possible for parties to complete an ITC case on a patent, and then to have a follow-on district court case that may advance in parallel with the proposed Board proceeding. If the parties and other tribunals have invested substantial time and other resources in the parallel cases, the Board may choose to exercise discretion to decline institution in consideration of all the circumstances presented. But these circumstances should be rare. A traditional district court case that adheres to the norms for cases in a given jurisdiction when taking into account the amount in controversy should not be sufficient for the Board to deny institution—even if the jurisdiction provides a relatively short time to trial. By focusing on activities that have already occurred, as opposed to attempting to predict what may occur in parallel proceedings, and by narrowly focusing on unusual or extraordinary cases, the Board can provide a more predictable framework that would resolve many of the criticisms some members noted above about the current framework.

VI. Conclusion

The Association and its members are committed to improving all aspects of PTAB practice, and we look forward to continuing to work with the Director and the Office to

improve PTAB procedures. We appreciate this opportunity to provide feedback on this important issue, and hope that these comments aid in the development of guidelines and/or regulations.

Submitted on behalf of the PTAB Bar Association, by:



J. Steven Baughman, President