Patent Public Advisory Committee Quarterly Meeting

PTAB Update

David P. Ruschke
Chief Administrative Patent Judge
Scott Boalick
Deputy Chief Administrative Patent Judge

August 2, 2018
Agenda

• Ex Parte Appeals

• AIA Trials

• Studies

• SAS Guidance

• Claim Construction Notice of Proposed Rulemaking

• Upcoming Events and Developments
Ex Parte Appeals
**Question:** The ex parte inventory has been decreasing rapidly over the past few fiscal year. Will PTAB run out of work?
Pending Appeals
(FY10 to FY18: 9/30/10 to 6/30/18)

FY10: 17,851
FY11: 24,040
FY12: 26,570
FY13: 25,437
FY14: 25,527
FY15: 21,556
FY16: 15,533
FY17: 13,044
FY18: 11,795
Question: Do Appellants still have to wait two and a half years for a decision on their ex parte appeal?
Pendency of Decided Appeals in FY17 and FY18
(Pendency of appeals decided in June 2017 compared to June 2018 in months)

Pendency is calculated as average months from Board receipt date to final decision.
*CRU (Central Reexamination Unit) includes ex parte reexams, inter partes reexams, supplemental examination reviews and reissues from all technologies.

<table>
<thead>
<tr>
<th>Category</th>
<th>June FY17</th>
<th>June FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1600</td>
<td>19.5</td>
<td>17.8</td>
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<tr>
<td>Bio / Pharma</td>
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<tr>
<td>1700</td>
<td>13.8</td>
<td>13.1</td>
</tr>
<tr>
<td>Chemical</td>
<td>13.4</td>
<td>13.4</td>
</tr>
<tr>
<td>2100</td>
<td>11.2</td>
<td>10.4</td>
</tr>
<tr>
<td>Electrical / Computer</td>
<td>9.2</td>
<td>13.1</td>
</tr>
<tr>
<td>2400</td>
<td>18.1</td>
<td>18.1</td>
</tr>
<tr>
<td>2600</td>
<td>21.8</td>
<td>24.5</td>
</tr>
<tr>
<td>Design</td>
<td>18.1</td>
<td>18.8</td>
</tr>
<tr>
<td>2800</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Bus. Method/ Mechanical</td>
<td>16.3</td>
<td>18.8</td>
</tr>
<tr>
<td>2900</td>
<td>7.9</td>
<td>9.5</td>
</tr>
<tr>
<td>*CRU</td>
<td>18.4</td>
<td>15.1</td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Question: How has the PTAB been able to reduce appeal pendency?
Quarterly Appeals Close-out: Goal

• Target the oldest cases in the inventory for decision to reduce the maximum pendency of appeals
• Began 6 months ago (January 1, 2018)
Ex Parte Appeal Inventory

*excludes hearing, rehearing, reexamination, and remand appeals

Tail of Oldest Cases
Appx. 1000 cases “deep”
Appx. 2 years “wide”
Quarterly Appeal Close-out: Results

- Successfully targeted oldest appeals
- Reduced maximum pendency from about 36 months to about 25 months
Technology Rebalancing: Goal

- Redistribute firepower (aka judge resources) to bring the pendency difference between appeals from different technologies into closer alignment

- Before rebalancing, there was:
  - too much electrical firepower relative to intake, so pendency was rapidly dropping
  - insufficient business method firepower relative to intake, so pendency was rapidly increasing

- Began a little over 1 year ago (May 15, 2017)
Average Age of Decided Appeals

BPAI Received Date - PALM Decision Date
For Appeal Decisions from FY16Q1 to FY18Q3

*excludes pendency of cases which are docketed at the Board multiple times, e.g., remands, and excludes stayed reexaminations
AIA Trials
Question: IPR filings continue to grow. Are third parties filing any PGRs or CBMs?
Petitions Filed by Trial Type and Fiscal Year
(All Time: 9/16/12 to 6/30/18)

- **IPR**
  - FY12: 17
  - FY13: 514
  - FY14: 1,310
  - FY15: 1,737
  - FY16: 1,565
  - FY17: 1,812
  - FY18: 1,117

- **PGR**
  - FY12: 0
  - FY13: 0
  - FY14: 2
  - FY15: 11
  - FY16: 24
  - FY17: 41
  - FY18: 43

- **CBM**
  - FY12: 8
  - FY13: 48
  - FY14: 177
  - FY15: 149
  - FY16: 94
  - FY17: 48
  - FY18: 30
Petitions Filed by Technology and Fiscal Year (All Time: 9/16/12 to 6/30/18)
**Question:** Is the AIA trial institution rate as high as it was when the Board started conducting trials nearly six years ago?
Institution rate for each fiscal year 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.

Institution Rates
(FY13 to FY18: 10/1/12 to 6/30/18)

Instituted
Denied

FY13: 191
FY14: 664
FY15: 1,012
FY16: 1,011
FY17: 955
FY18: 694

Institution rate for each fiscal year 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.
Institution rate is calculated by dividing petitions instituted by decisions on institution in each fiscal year, excluding requests for rehearing. The Design technology is not displayed due to insufficient numbers of decisions on institution.
Question: Is PTAB invalidating nearly all challenged patents?
These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.
Settlements by Fiscal Year
(FY13 to FY18: 10/1/12 to 6/30/18)

Settlement rate is calculated by dividing total settlements by terminated proceedings in each fiscal year (i.e., settled, dismissed, terminated with a request for adverse judgment, denied institution, and final written decision), excluding joined cases.
Final Written Decisions
Percent of Decisions by Instituted Claims Remaining Patentable by Fiscal Year

Joined cases are excluded.

*Data Through 9/30/17
Ultimate Outcome for Patents in AIA Trials

• 69% of all petitions result in a patent being unchanged; 58% of patents are unchanged at the end of one or more AIA proceedings

• “By patent” accounts for whether any one petition against particular patent results in any unpatentable claims

• “By petition” accounts for whether a particular petition results in any unpatentable claims

*Data Through 6/30/17
Motions to Amend Study
Question: Under what circumstances will the PTAB grant a motion to amend?
Reasons for Denying Entry of Substitute Claims
(FY13 to FY18: 10/1/2012-3/31/2018)

* All but one of the cases in which multiple statutory reasons were provided for denying entry of substitute claims included §§ 102, 103 and/or 112 as a reason for denial.
Motions to Amend Filed by Fiscal Year
(FY13 to FY18: 10/1/12 to 3/31/18)

Filings in the first half of FY18 (post-Aqua Products) have exceeded the entire previous fiscal year.
Motions to Amend Filed by Fiscal Quarter
(FY13 to FY18: 10/1/12 to 3/31/18)

Filings in the first half of 2018 (post-Aqua Products) exceeded any other two consecutive quarters.
Western Digital v. SPEX Techs.  
IPR2018-00082 -00084 (PTAB Apr. 25, 2018) (Paper 13) (Informative)

- Order provides guidance and information regarding statutory and regulatory requirements for a motion to amend in light of Federal Circuit case law (e.g., Aqua Products), including:
  - contingent motions to amend;
  - burden of persuasion that the Office applies when considering the patentability of substitute claims;
  - requirement that a patent owner propose a reasonable number of substitute claims;
  - requirement that the amendment respond to a ground of unpatentability involved in the trial;
  - scope of the proposed substitute claims;
  - requirement that a patent owner provide a claim listing with its motion to amend;
  - default page limits that apply to motion to amend briefing; and
  - duty of candor
Multiple Petitions Study
**Question:** Are gang tackling and serial petitioning prevalent at the PTAB?
**Multiple Petition Study**

*Petitions Per Patent*

<table>
<thead>
<tr>
<th>No. of Petitions per Patent</th>
<th>Patents</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2932</td>
<td>67.0%</td>
</tr>
<tr>
<td>2</td>
<td>885</td>
<td>20.2%</td>
</tr>
<tr>
<td>3</td>
<td>256</td>
<td>5.9%</td>
</tr>
<tr>
<td>4</td>
<td>142</td>
<td>3.2%</td>
</tr>
<tr>
<td>5</td>
<td>54</td>
<td>1.2%</td>
</tr>
<tr>
<td>6</td>
<td>52</td>
<td>1.2%</td>
</tr>
<tr>
<td>7 or more</td>
<td>55</td>
<td>1.3%</td>
</tr>
<tr>
<td>Total</td>
<td>4376</td>
<td>100%</td>
</tr>
</tbody>
</table>

87.2% of Patents Challenged at PTAB by 1 or 2 Petitions
### Multiple Petition Study

**Petitioners Per Patent**

<table>
<thead>
<tr>
<th>No. of Petitioners vs. Patent</th>
<th>No. of Patents</th>
<th>% Patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3711</td>
<td>84.8%</td>
</tr>
<tr>
<td>2</td>
<td>424</td>
<td>9.7%</td>
</tr>
<tr>
<td>3</td>
<td>132</td>
<td>3.0%</td>
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<tr>
<td>4</td>
<td>59</td>
<td>1.3%</td>
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<tr>
<td>5</td>
<td>28</td>
<td>0.6%</td>
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<td>6</td>
<td>17</td>
<td>0.4%</td>
</tr>
<tr>
<td>7</td>
<td>2</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>8</td>
<td>3</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>4376</td>
<td>100%</td>
</tr>
</tbody>
</table>

84.8% of Patents are Challenged by a Single Petitioner

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Data Through 6/30/17

Percentages may not add to 100% due to rounding
Question: Are petitioners filing serial petitions and relying on previous PTAB decisions to inform their later petitions?
## Multiple Petition Study

### When Petitions are Filed

<table>
<thead>
<tr>
<th>Timing of Petition</th>
<th>No. of Petitions</th>
<th>% of Petitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Petition Filed</td>
<td>2932</td>
<td>41%</td>
</tr>
<tr>
<td>Multiple Petitions Filed On or Near Same Day</td>
<td>2685</td>
<td>38%</td>
</tr>
<tr>
<td>Multiple Petitions Filed After POPR, But Before DI</td>
<td>381</td>
<td>5%</td>
</tr>
<tr>
<td>Multiple Petitions Filed After DI</td>
<td>1170</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7168</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Pie Chart

- **41%** Single Petition vs. Patent
- **38%** Multiple Petition Filed On or Near Same Day
- **16%** Multiple Petition Filed After POPR
- **5%** Multiple Petition Filed After DI

**79% of Petitions are filed without the benefit of seeing a POPR or DI**

Data Through 6/30/17
Multiple Petition Study

**Rounds of Petitions**

- 95% of petitions are filed in a given petitioner’s first round
- A “round” is all petitions filed before receiving a DI on one of those petitions

<table>
<thead>
<tr>
<th>Rounds of Petitions</th>
<th>No. of Petitions</th>
<th>% of Petitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Round of Petitions</td>
<td>6481</td>
<td>95%</td>
</tr>
<tr>
<td>Second Round of Petitions</td>
<td>369</td>
<td>5%</td>
</tr>
<tr>
<td>Third or Fourth Round of Petitions</td>
<td>7</td>
<td>&lt;0.1%</td>
</tr>
<tr>
<td>Total</td>
<td>6857*</td>
<td></td>
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</table>

95% of petitions are filed in a given Petitioner’s first round

Data Through 6/30/17

*Not included are 311 Petitions filed where a request to join as a party to another proceeding was granted
Expanded Panel Study
**Question:** Does the PTAB expands panels to reach a particular result in a case?
Expanded Panels Are Rare
(7930 Total Petitions through 12/31/2017)

<table>
<thead>
<tr>
<th>Decision on Institution (DI)</th>
<th>Rehearing DI</th>
<th>Interlocutory Order</th>
<th>Final Written Decision</th>
<th>Multiple Stages</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>10</td>
<td>31</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

23 out of 6,033 Decisions on Institution
31 out of thousands of Orders
0 out of 1,912 Final Written Decisions
Orange Book-listed Patent Study
**Question:** Are AIA trial results for Pharma Patent Owners are worse than for other technology areas?
Status of Instituted Claims in Final Written Decisions
(As of End FY17: 9/16/12 to 9/30/17)

**Orange Book-listed Patents**

- No Claims Patentable: 38 (46%)
- All Claims Patentable: 42 (51%)
- Some Claims Patentable: 2 (3%)
- 82 Total FWDs

**All Other Technologies**

- No Claims Patentable: 1,115 (66%)
- Some Claims Patentable: 285 (17%)
- All Claims Patentable: 289 (17%)
- 1,689 Total FWDs
Outcomes for Petitions Challenging Orange Book-listed Patents
(as of End FY17: 9/16/12 to 9/30/17)

268 Petitions

- Patent Unchanged By PTAB: 222 (83%)
- Patent Owner Requests Adverse Judgment: 6 (2%)
  - PTAB Finding Some Instituted Claims Unpatentable: 2 (1%)
  - PTAB Finding All Instituted Claims Unpatentable: 38 (14%)

The patent being unchanged by PTAB includes final written decisions with all claims patentable, settlements, dismissals, and petitions denied institution.
Other Studies
Question: Is the PTAB conducting any other studies?
Parallel Proceeding Study

• Goal = explore the interaction between parallel proceedings at the USPTO (e.g., AIA trials, reexam, and reissue) involving issued patents

• Joint effort between PTAB and Central Reexamination Unit (CRU)

• Study will consider:
  – Number of proceedings filed against each patent
  – Identity of the party filing each proceeding
  – Timing of each proceeding
  – Whether any proceeding is/was stayed pending outcome of the AIA trial
Section 325(d) Study

• Goals
  – Evaluate the extent to which AIA proceedings are revisiting issues previously addressed by the Patent Office
  – Understand the reasons for the different results in cases with fully or partially overlapping art, with those results perhaps usable to improve original prosecution
  – Assess why panels do or do not accept § 325(d) arguments

• Coordinating with Patents

• Study uses cases in which a patent owner raised a § 325(d) argument as a proxy for the set of cases in which similar or the same issues might exist
Question: How is the PTAB implementing the SAS decision from the Supreme Court?
SAS Guidance

Guidance on the impact of SAS on AIA trial proceedings

Release date: April 26, 2018

On April 24, 2018, the U.S. Supreme Court issued SAS Institute Inc. v. Iancu, 2018 WL 1914661, (U.S. Apr. 24, 2018). In light of this decision, the Patent Trial and Appeal Board (PTAB) will proceed in the following fashion at this time. The PTAB will continue to assess the impact of this decision on its operations and will provide further guidance in the future if appropriate.

As required by the decision, the PTAB will institute as to all claims or none. At this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.

For pending trials in which a panel has instituted trial on all of the challenges raised in the petition, the panel will continue with the proceeding in the normal course. By contrast, for pending trials in which a panel has instituted trial only on some of the challenges raised in the petition (as opposed to all challenges raised in the petition), the panel may issue an order supplementing the institution decision to institute on all challenges raised in the petition.

Additionally, for pending trials in which a panel enters an order supplementing the institution decision pursuant to this notice, the panel may take further action to manage the trial proceeding, including, for example, permitting additional time, briefing, discovery, and/or oral argument, depending on various circumstances and the stage of the proceeding. For example, if the panel has instituted a trial and the case is near the end of the time allotted for filing the Patent Owner Response, the panel may extend the due date for the Patent Owner Response to enable the patent owner to address any additional challenges added to the proceeding.
Chat with the Chief Webinars


- Monday, April 30
- Tuesday, June 5

"Chat with the Chief"

The PTAB is pleased to announce a new webinar series called "Chat with the Chief" for Chief Judge David Rechtke to share updates on current PTAB developments and initiatives.

The "Chat with the Chief" is free to attend. The Chief will receive questions for a two-way discussion.

In addition to the "Chat with the Chief" webinars, the PTAB is continuing its "Braindead Chat" webinar series on a bi-monthly basis. "Braindead Chat" feature conversations with Board judges on various ex parte appeal and AIA trial topics.

Please mark your calendars, and join the Board for informative and lively conversations!

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Topic</th>
<th>Speakers</th>
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<tbody>
<tr>
<td>Monday, Apr. 30, 2018</td>
<td>Noon</td>
<td>SAS Guidance for AIA Trial Proceedings After Supreme Court Decision</td>
<td>Chief Judge Rechtke</td>
</tr>
<tr>
<td>Tuesday, Jun. 5, 2018</td>
<td>Noon</td>
<td>Impact on SAS Motion to Amend Practice and Claim Construction in Trial Proceedings</td>
<td>Chief Judge Rechtke</td>
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</table>

Webinar Access Information for Jun. 5, 2018 at noon, E.T.:

Click on the link: https://uspto-events.webex.com/uspto-events/register.php?mtc=1&ihl=1&xcid=1921964930&xcid=b0743e8d8c98fa51137af

Event/Access #: 995 105 537
Event password: JuneChat
SAS FAQs

Patent Trial and Appeal Board

The Patent Trial and Appeal Board (PTAB) conducts trials, including inter partes, post-grant, and covered business method patent review and derivation proceedings; hears appeals from adverse examiner decisions in patent applications and reexamination proceedings; and renders decisions in interferences.

SAS Q&As

A. Effect of SAS on AIA proceedings generally

A1. Q: How will SAS impact PTAB’s procedure for AIA trial proceedings?

A: PTAB will institute on all challenges raised in the petition or not institute at all (i.e., it will be a binary decision). There will be no partial institution based on claims. There will be no partial institution of grounds.

A2. Q: How will the Board address instituted proceedings in light of SAS?

A: If a Decision instituting on all challenges has issued already, the trial will proceed without any changes. For a Decision instituting on fewer than all challenges, the Board will take action to address all challenges. If a Decision denying institution has issued, no additional action will be necessary.

A3. Q: Does the USPTO Intend to change its procedure through rulemaking?

A: The Office is considering revising 37 CFR §§ 42.108 and 42.208 to institute on all claims in a petition, as well as other rule changes that may be warranted in response to SAS.
Implementation of SAS

• PTAB will institute on all challenges raised in the petition or not institute at all (i.e., binary decision)

• If panel has issued a decision on institution (DI) instituting on all challenges, panel will proceed as normal

• If panel has issued a DI denying institution on all challenges, no additional action
Implementation of SAS

• If panel has instituted on only some challenges raised in the petition, panel may at this time:
  • Issue order instituting on all challenges;
  • Receive joint request filed by the parties to terminate as to certain challenges
Notice of Proposed Rulemaking (NPRM) for Claim Construction
Question: Is the PTAB considering changes to the claim construction standard applied in AIA trials?
Claim Construction NPRM
83 Fed. Reg. 21,221 (May 9, 2018)

• Proposed to apply the same claim construction standard in an AIA trial proceeding as that used in a civil action to invalidate a patent

• Also proposed that PTAB any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record

• Lastly proposed that any proposed rule changes adopted in a final rule would be applied to all pending AIA trial proceedings
Claim Construction NPRM
83 Fed. Reg. 21,221 (May 9, 2018)

- Public comments were due on or before July 9

- 374 comments received
  - 297 from individuals
  - 45 from associations
  - 1 from a law firm; and
  - 31 from corporations
Upcoming Events and Developments
Question: How can the public stay informed about upcoming PTAB events and developments?
Learn More about PTAB Events

https://www.uspto.gov/patents-application-process/patenttrialandappealboard
Questions and Comments

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