PTAB update

Scott R. Boalick
Jacqueline W. Bonilla
February 6, 2020
Patent Public Advisory Committee quarterly meeting
Agenda

• Motion to amend NPRM and pilot program update
• Precedential and informative case update
• Multiple challenges
• New AIA data visualization
• “New to PTAB” toolkit
Motion to amend NPRM and pilot program update
Notice of proposed rulemaking on allocation of the burden of persuasion on motions to amend

- Published in Federal Register at 84 Fed. Reg. 56401 (October 22, 2019).
- The office proposes changes to the rules of practice governing motions to amend:
  - To assign to the patent owner the burden of showing that a motion to amend complies with certain statutory and regulatory requirements.
  - To assign to the petitioner the burden of showing the unpatentability of substitute claims proposed in a motion to amend.
  - To provide that the Board itself may, in the interests of justice, exercise its discretion to grant or deny a motion to amend for any reason supported by the evidence of record.
- The proposed rule is consistent with the burdens as described in the precedential Board decision Lectrosonics, Inc. v. Zaxcom, Inc., IPR2018-01129, -01130, Paper 15 (PTAB February 25, 2019).
- Comment period closed on December 23, 2019; received 18 comments.
Highlights of MTA pilot program

• Provides patent owner (PO) with two options not previously available:
  • Option 1: PO may choose to receive preliminary guidance (PG) from Board on its motion to amend (MTA).
  • Option 2: PO may choose to file a revised MTA after receiving petitioner’s opposition to initial MTA and/or after receiving Board’s PG (if requested).

• Option 1 is not a predicate for Option 2.

• Applies to all AIA trials instituted on or after publication date of the notice (i.e., March 15, 2019).
Current MTA pilot status

- MTA pilot has been effective since March 15, 2019 for cases instituted on or after that date.
- First opportunity to file an MTA was June 7, 2019.
  - First MTA requesting preliminary guidance was filed June 25.
- First opportunity to file a revised MTA was mid-October.
  - First revised MTA was filed October 30.
Precedential and informative case update
New POP decision
## POP decisions and orders

<table>
<thead>
<tr>
<th>Case/appeal name</th>
<th>Case/appeal number</th>
<th>Topic</th>
<th>Status</th>
<th>Date decided</th>
</tr>
</thead>
<tbody>
<tr>
<td>GoPro, Inc. v. 360Heros, Inc.</td>
<td>IPR2018-01754, Paper 38</td>
<td>AIA - 315(b) - Time Bar</td>
<td>Decided (POP)</td>
<td>8/23/2019</td>
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<tr>
<th>Case/appeal name</th>
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<th>Topic</th>
<th>Status</th>
<th>Date order issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hunting Titan, Inc. v. DynaEnergetics GmbH &amp; Co. KG</td>
<td>IPR2018-00600, Paper 46</td>
<td>AIA - Motion to Amend</td>
<td>Pending (POP)</td>
<td>11/7/2019</td>
</tr>
</tbody>
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Hulu, LLC v. Sound View Innovations, LLC

- Precedential Opinion Panel (POP) ordered review to address the following issue:
  - What is required for a petitioner to establish that an asserted reference qualifies as “printed publication” at the institution stage?
- The POP accepted additional briefing from the parties and amici and held an oral hearing on June 18, 2019. The POP issued a precedential decision on December 20, 2019.
Hulu, LLC v. Sound View Innovations, LLC

- The POP concluded:
  - At institution, a petitioner must identify with particularity sufficient evidence to establish a reasonable likelihood that an asserted reference was publicly accessible before the critical date of the challenged patent and thus qualifies as a printed publication.
  - Applying this standard, the POP reversed the panel decision, concluding that, based on the totality of the evidence currently in the record, petitioner submitted sufficient evidence. The POP further clarified that there was no presumption in favor of institution or in favor of finding that a reference is a printed publication.
New informative decisions
Ex Parte Hannun

- Appeal 2018-003323 (PTAB April 1, 2019)
  - Designated informative on December 11, 2019.
  - Reversed the examiner’s eligibility rejection of a method for transcribing speech, where the Board found that the steps were not a mental process.
Hulu, LLC v. Sound View Innovations, LLC

- IPR2018-00582 (PTAB Aug. 5, 2019) (Paper 34)
  - Designated informative on December 11, 2019.
  - Final written decision determined that petitioner failed to show challenged claims were unpatentable because the petitioner failed to show a sufficient rationale for combining the references.
Johns Manville Corp. v. Knauf Insulation, Inc.,

  - Designated informative on December 11, 2019.
  - Determined that showing that the references are analogous and could be combined does not establish a sufficient rationale for combining the references.
Multiple challenges
Serial petitions: 
**General Plastic and Valve**

- **General Plastic v. Canon**
  - Sets for a multi-factor test to assess whether a serial petition should be denied under § 314(a)
  - IPR2016-01357 (Sept. 6, 2017) (Paper 19) (precedential)

- **Valve Corp. v. Elec. Scripting Prods., Inc.**
  - Valve builds on General Plastic by clarifying that General Plastic is applicable to a serial petition by a second party if there is a close relationship between the parties
  - Institution denied for petition filed by co-defendant and licensor of technology of accused products, after institution denied for earlier petition filed by HTC
Parallel court proceedings: NHK

- **NHK Spring Co. Ltd. v. Intri-Plex Techs., Inc.**
  - Sets forth new basis for discretionary denials under § 314(a): advanced district court proceedings.
    - Jury trial scheduled to begin approx. six months before any FWD “an additional factor that weighs in favor of denying the Petition under § 314(a).”
    - IPR would involve same references and arguments presented in district court
    - District court proceeding was in advanced state having already issued a claim construction ruling
  - § 325(d) also relied on as independent basis for denying institution
  - IPR2018-00752 (PTAB Sept. 12, 2018) (Paper 8) (precedential)
Parallel petitions:
Trial practice guide, July 2019 update

- Parallel petitions challenging the same patent
  - One petition should be sufficient to challenge a patent in most situations.
  - At times, more than one petition may be necessary, for example, when:
    - a large number of claims have been asserted in litigation, or
    - there are priority disputes requiring multiple prior art references.
  - Based on Board’s prior experience, it is unlikely that three or more petitions for same patent will be appropriate.
Parallel petitions:
Trial practice guide, July 2019 update

• If a petitioner files two or more petitions challenging the same patent, then the petitioner should, in its petition or in a separate paper (no more than five pages):
  – Rank the petitions in the order in which it wishes the Board to consider the merits,
  – Explain the differences between the petitions and why the differences are material, and
  – Explain why the Board should exercise its discretion to institute additional petitions.

• Patent owner can respond in its preliminary response or in a separate paper (no more than five pages)
SAS-related denials: *Chevron* and *Deeper*

- Board retains discretion to deny institution under 35 U.S.C. §§ 314(a) and 325(d) even when a petition includes at least one claim that meets the criteria for institution
§ 325(d): Becton Dickinson

- Identifies six non-exclusive factors that the Board considers in evaluating whether to exercise discretion, under 35 U.S.C. § 325(d), including:
  - the similarities and material differences between the asserted art and the prior art involved during examination;
  - the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art or patent owner distinguishes the prior art; and
  - whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art

IPR2017-01586 (PTAB Dec. 15, 2017) (Paper 8) (precedential as to the first paragraph of Section III.C.5 only; informative for the rest)
Consolidated trial practice guide, November 2019

- Consolidates recent updates into a single document.
- Includes considerations under 35 U.S.C. §§ 314(a) and 325(d) when instituting an *inter partes* review:
  - Serial petitions – *General Plastic* and *Valve*
  - Parallel petitions – new case management procedure
  - Parallel court proceedings – *NHK*
  - SAS-related denials – *Chevron* and *Deeper*
  - § 325(d) – *Becton Dickinson*
New AIA data visualization
Outcome of concluded proceedings
(All time: Sept. 16, 2012 to Dec. 31, 2019)

- Settled: 2,554 (30%)
- Instituted: 2,838 (33%)
- Mixed: 516 (6%)

Percentage of the Final Written Decisions

- FWD All Patentable: 580 (19%)
- FWD Mixed: 533 (18%)
- FWD All Unpatentable: 1,867 (63%)

Joined and dismissed cases are excluded.
“New to PTAB” toolkit
New to PTAB page on USPTO website

Questions and comments

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Patent Trial and Appeal Board
December 31, 2019

Appeal and interference statistics
Pending appeals FY10 to FY20

<table>
<thead>
<tr>
<th>Year</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
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<tbody>
<tr>
<td></td>
<td>17,851</td>
<td>24,040</td>
<td>26,570</td>
<td>25,437</td>
<td>25,527</td>
<td>21,556</td>
<td>15,533</td>
<td>13,044</td>
<td>11,021</td>
<td>8,606</td>
<td>8,250</td>
</tr>
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</table>
Pendency of decided appeals  

Pendency is calculated as average months from Board receipt date to final decision.

Pendency is calculated for a three month period compared to the same period the previous year.

*CRU (Central Reexamination Unit) decisions include 8 ex parte reexams, 1 inter partes reexams, 0 supplemental examination reviews, and 5 reissues from all technologies for Aug. – Oct. 2019.
Appeal intake in FY20

- **Bio/Pharma 1600**: 127
- **Chemical 1700**: 237
- **Electrical/Computer 2100**: 163
- **Electrical/Computer 2400**: 200
- **Electrical/Computer 2600**: 160
- **Electrical/Computer 2800**: 137
- **Design 2900**: 15
- **Business Method/Mechanical 3600**: 299
- **Business Method/Mechanical 3700**: 253
- **Central Reexamination Unit 3900**: 27

*The Central Reexamination Unit includes ex parte reexams, inter partes reexams, supplemental examination reviews and reissues from all technologies.*
Appeal outcomes in FY20
(Oct. 1, 2019 - Dec. 31, 2019)

- **Affirmed**: 59.8%
- **Affirmed-in-part**: 8.6%
- **Reversed**: 30.1%
- **Administrative and panel remands**: 0.7%
- **Dismissed**: 0.9%
Interference inventory
Patent Trial and Appeal Board
December 31, 2019

Trial statistics: IPR, PGR, CBM
Petitions by trial type
(All time: Sept. 16, 2012 to Dec. 31, 2019)

Trial types include Inter Partes Review (IPR), Post Grant Review (PGR), and Covered Business Method (CBM).
Petitions filed by technology in FY20 (FY20: Oct. 1, 2019 to Dec. 31, 2019)

- **Electrical/Computer**: 197 (59%)
- **Mechanical & Business Method**: 92 (28%)
- **Chemical**: 18 (6%)
- **Bio/Pharma**: 17 (5%)
- **Design**: 8 (2%)

Total: 332
Petitions filed by month

(317 IPRs in FY20)

IPR

Dec-18 Dec-19

(10 PGRs in FY20)

PGR

Dec-18 Dec-19

(5 CBMs in FY20)

CBM

Dec-18 Dec-19
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 by technology
(All time: Sept. 16, 2012 to Dec. 31, 2019)

<table>
<thead>
<tr>
<th>Technology</th>
<th>Rate</th>
<th>Petitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bio/Pharma</td>
<td>59%</td>
<td>518 of 875</td>
</tr>
<tr>
<td>Chemical</td>
<td>61%</td>
<td>327 of 535</td>
</tr>
<tr>
<td>Design</td>
<td>41%</td>
<td>19 of 46</td>
</tr>
<tr>
<td>Electrical/Computer</td>
<td>67%</td>
<td>3,364 of 5,058</td>
</tr>
<tr>
<td>Mechanical &amp; Business Method</td>
<td>68%</td>
<td>1,460 of 2,149</td>
</tr>
</tbody>
</table>

Institution rate for each technology 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.
Pre-institution settlements

Settlement rate for each year is calculated by dividing pre-institution settlements by the sum of proceedings instituted, denied institution, dismissed, terminated with a request for adverse judgment, and settled before decision on institution.
Post-institution settlements

Settlement rate for each year is calculated by dividing post-institution settlements by proceedings terminated post-institution (i.e., settled, dismissed, terminated with a request for adverse judgment, and final written decision), excluding joined cases.
Status of petitions
(All time: Sept. 16, 2012 to Dec. 31, 2019)

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.
Outcome of concluded proceedings
(All time: Sept. 16, 2012 to Dec. 31, 2019)

Joined and dismissed cases are excluded.

- Institution Denied: 2,951 (33%)
- Settled: 2,646 (30%)
- FWD All Patentable: 580 (6%)
- FWD Mixed: 533 (6%)
- FWD All Unpatentable: 1,867 (21%)
- Requested Adverse Judgment: 368 (4%)

Percentage of the Final Written Decisions

- FWD All Patentable: 580 (19%)
- FWD Mixed: 533 (18%)
- FWD All Unpatentable: 1,867 (63%)
Questions and comments

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