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Chat with the Chief

An Analysis of Multiple Petitions in AIA Trials

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October 24, 2017

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Overview

- Study methodology
- Study results
- New precedential opinion: *General Plastic*
- New informative decisions on 35 U.S.C. §325(d)
- Case studies
- Board case management

Multiple Petition Study Methodology

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Methodology

- Comprehensive review of all IPR, PGR, and CBM petitions filed on or before 6/30/2017

- Covers 7,168 petitions and their associated:
  - 4,376 patents;
  - 1,633 patent owners; and
  - 1,423 petitioners

- Relied upon metadata from a PTAB database that identified parties, filings, and milestones

- Additional data was gathered manually to identify claim information (e.g., challenged, instituted) and to determine if the petitioner was a defendant in an associated district court litigation

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Methodology (cont.)

- Counting the numbers of petitions and identifying the parties tells only part of the story

- Further identifies the context of a petition, i.e., how the petition relates to other petitions challenging the same patent by examining:
  - Who came first?
  - How long after?
  - Same party?

- Considers a "net" challenge to the patent
  - Example 1:
    - *Petition 1*: Challenges claims 1-10
    - *Petition 2*: Challenges claims 11-20
    - *Net challenge* is to claims 1-20

  - Example 2:
    - *Petition 1*: Settled
    - *Petition 2*: Denied institution
    - *Petition 3*: Some claims unpatentable
    - *Net result* is some claims unpatentable

Multiple Petition Study Results

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Multiple Petition Study Questions

- ***Question 1***: Do IPRs represent a significant proportion of the U.S. patent litigation landscape?
- ***Question 2***: How many petitioners challenge patents?
- ***Question 3***: How many petitions are filed against each patent?
- ***Question 4***: Do petitioners often "wait and see" what the Patent Owner says in its Preliminary Response or the Board says in a decision on institution?
- ***Question 5***: Who are the petitioners filing petitions after the Board issues a decision on institution?
- ***Question 6***: How often have petitioners been able to use the Board's institution decision to inform another petition?
- ***Question 7***: What is the institution rate counting by patent versus counting by petition?
- ***Question 8***: What is the ultimate outcome by patent versus the ultimate outcome by petition?

Question 1: **Where does the PTAB fit into the U.S. patent litigation landscape?**

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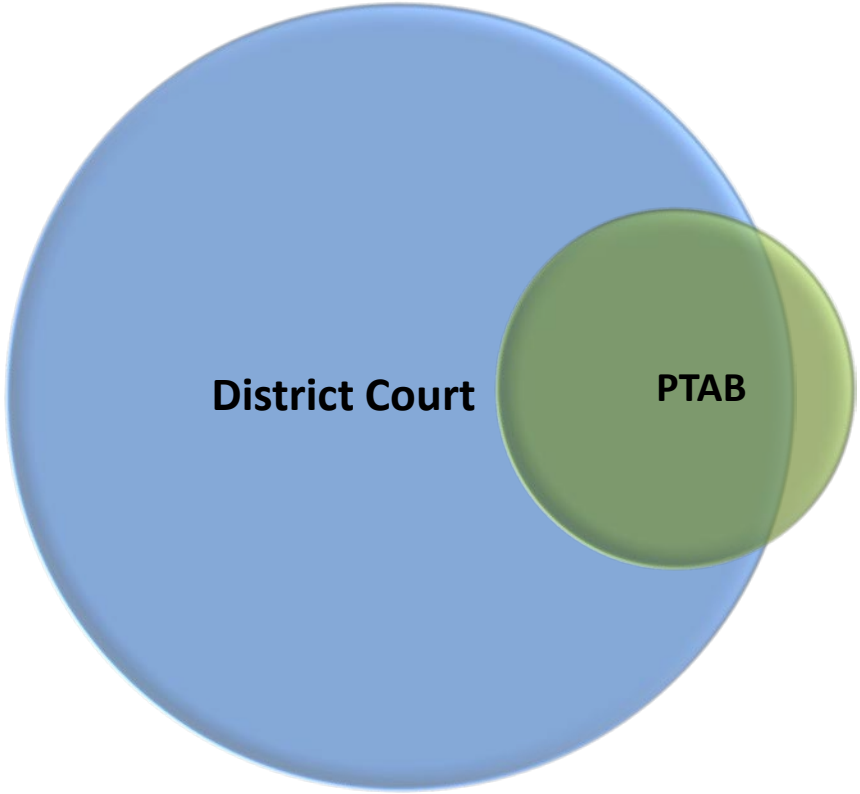
Jurisdiction of Patent Challenges

Jurisdiction of Patent Challenge



- Approximately 85% of IPRs in Fiscal Year 2017 have a co-pending district court case
- Less than a fifth of district court cases involve patents that are challenged in an IPR

Data sourced from Lex Machina PTAB Report 2017

Question 2: How many petitioners file challenges against each patent?

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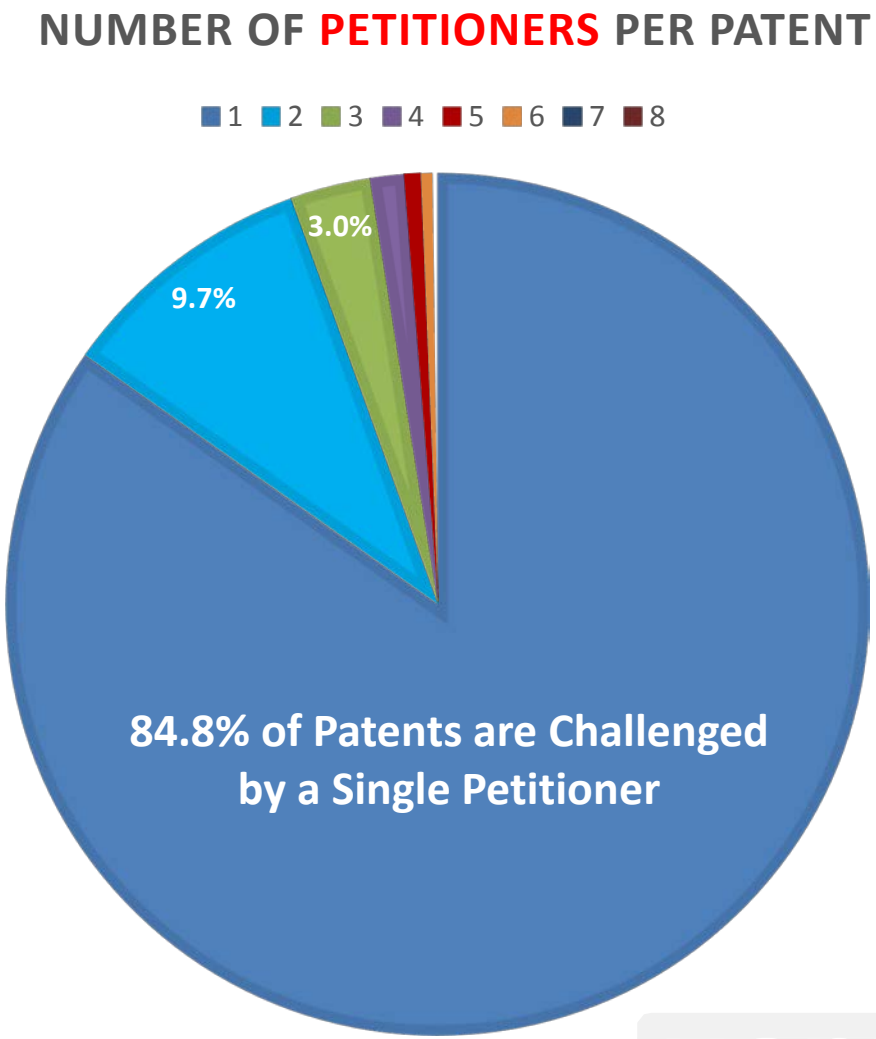
Multiple Petition Study

Petitioners Per Patent

No. of Petitioners vs. Patent	No. of Patents	% Patents
1	3711	84.8%
2	424	9.7%
3	132	3.0%
4	59	1.3%
5	28	0.6%
6	17	0.4%
7	2	<0.1%
8	3	<0.1%
Total	4376	100%



Data Through 6/30/17
Percentages may not add to 100% due to rounding

Question 3: How many **petitions** are filed against each patent?

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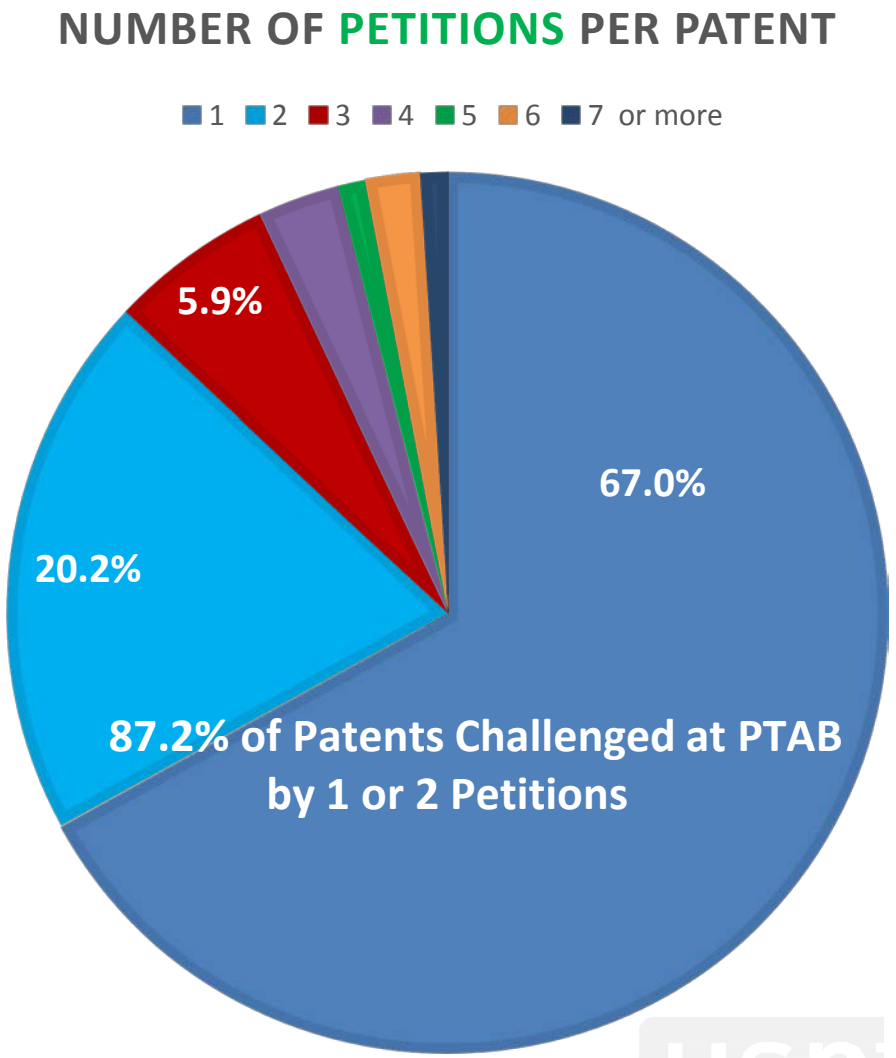
Multiple Petition Study

Petitions Per Patent

No. of Petitions per Patent	Patents	% of Total
1	2932	67.0%
2	885	20.2%
3	256	5.9%
4	142	3.2%
5	54	1.2%
6	52	1.2%
7 or more	55	1.3%
Total	4376	100%



Data Through 6/30/17

Question 4: **If more than one petition is filed against a patent, when are the additional petitions filed?**

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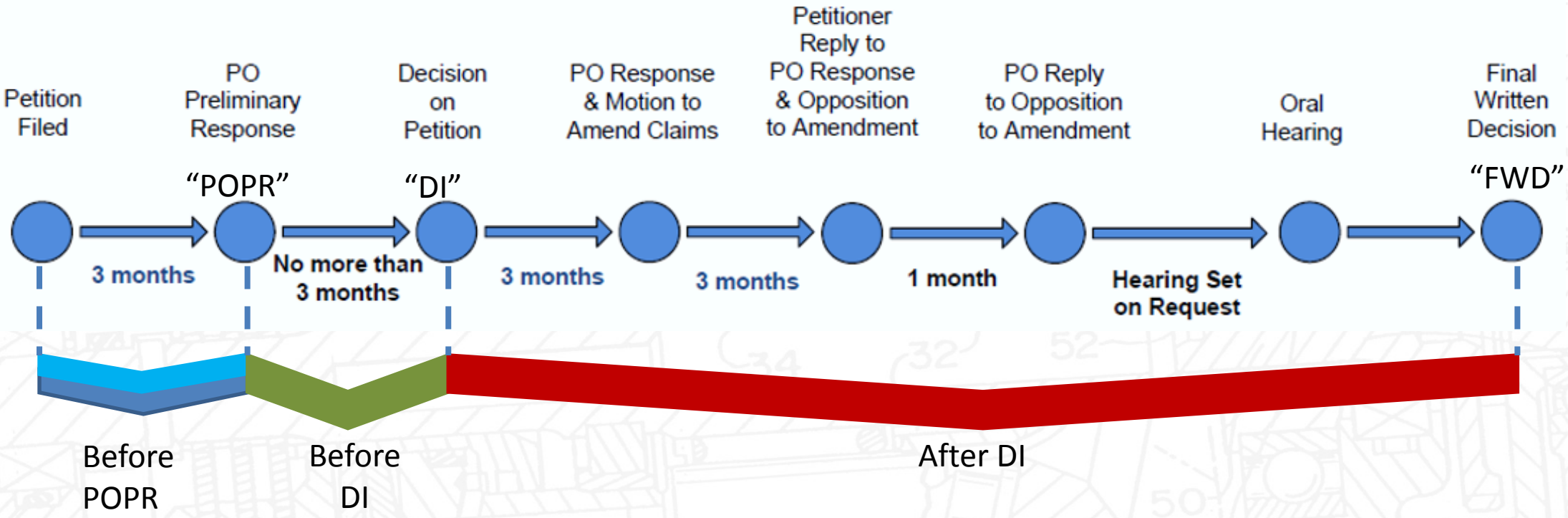
When Petitions Are Filed



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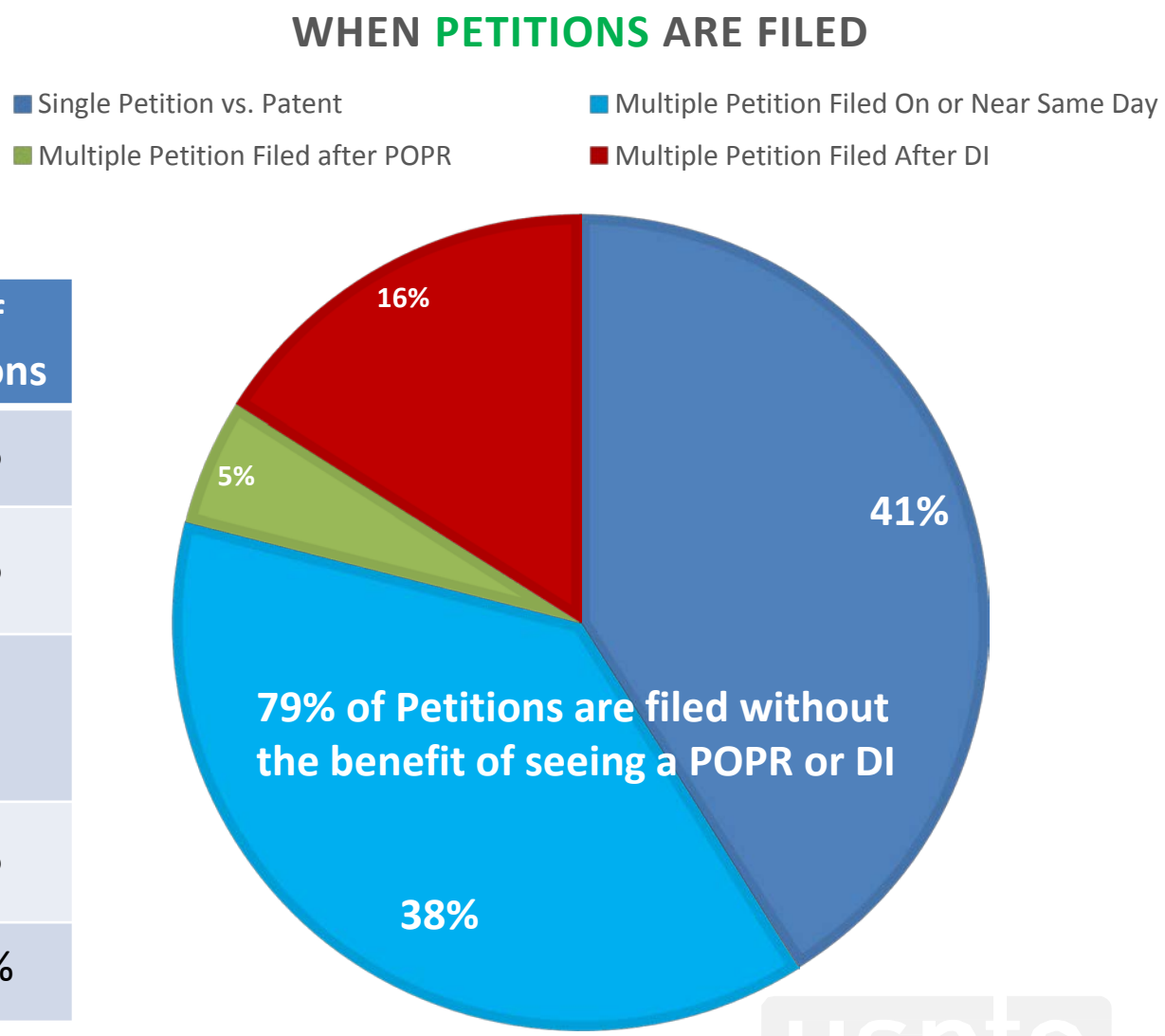
Multiple Petition Study

When Petitions are Filed

Timing of Petition	No. of Petitions	% of Petitions
Single Petition Filed	2932	41%
Multiple Petitions Filed On or Near Same Day	2685	38%
Multiple Petitions Filed After POPR, But Before DI	381	5%
Multiple Petitions Filed After DI	1170	16%
Total	7168	100%



Data Through 6/30/17

16% of petitions are filed after a decision on institution.

***Question 5*: Who are the petitioners filing these petitions?**

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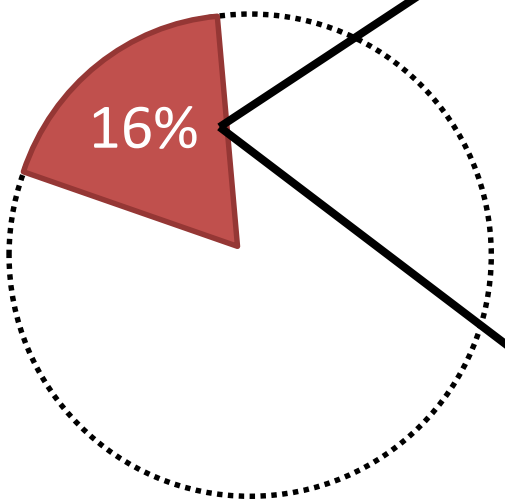
Multiple Petition Study

Who are post-DI Petitioners?

- 16% of all petitions are filed after a DI
- A random sample of the 1054 petitions filed after DI as of 3/1/17* was taken
- The sample included 169 petitions, and the results were found to be statistically significant, such that we can use the sample (169 petitions) as an estimate of the whole (1054 petitions).



9-10% of petitions filed by:

- Defendant-Petitioner; or
- Same or Different Petitioner
  - Filing due to a change in litigation; or
  - Seeking to join existing trial as a party

6-7% of petitions filed by:

- Non-Defendant Petitioner; or
- Same Petitioner
  - Filing not due to change in litigation; and
  - Not seeking party joinder

*Random sample taken on 3/1/17 using data through 2/28/17

Question 6: How often do individual Petitioners file additional rounds of petitions after receiving a decision on institution?

- *A "round" is all petitions filed before receiving a DI on one of those petitions*

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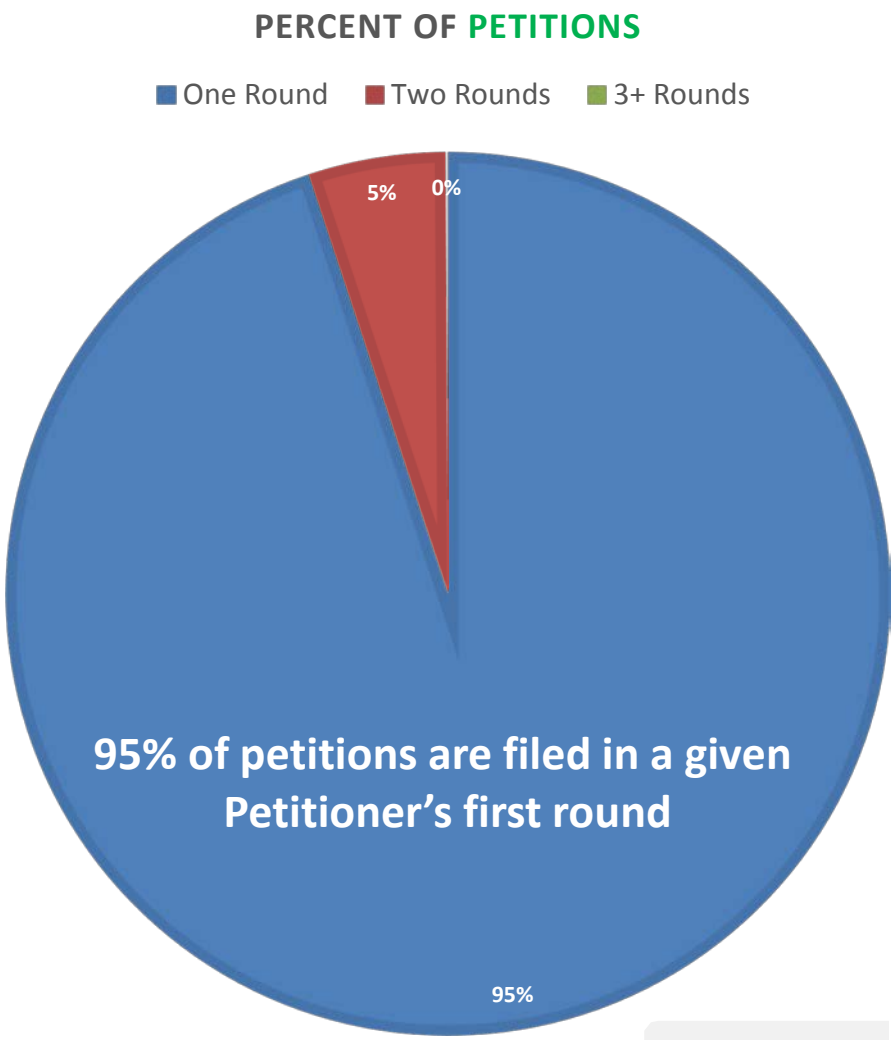
Multiple Petition Study

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*

Rounds of Petitions	No. of Petitions	% of Petitions
First Round of Petitions	6481	95%
Second Round of Petitions	369	5%
Third or Fourth Round of Petitions	7	<0.1%
Total	6857*	



Data Through 6/30/17

*Not included are 311 Petitions filed where a request to join as a party to another proceeding was granted

Question 7: **What is the institution rate counting by patent versus counting by petition?**

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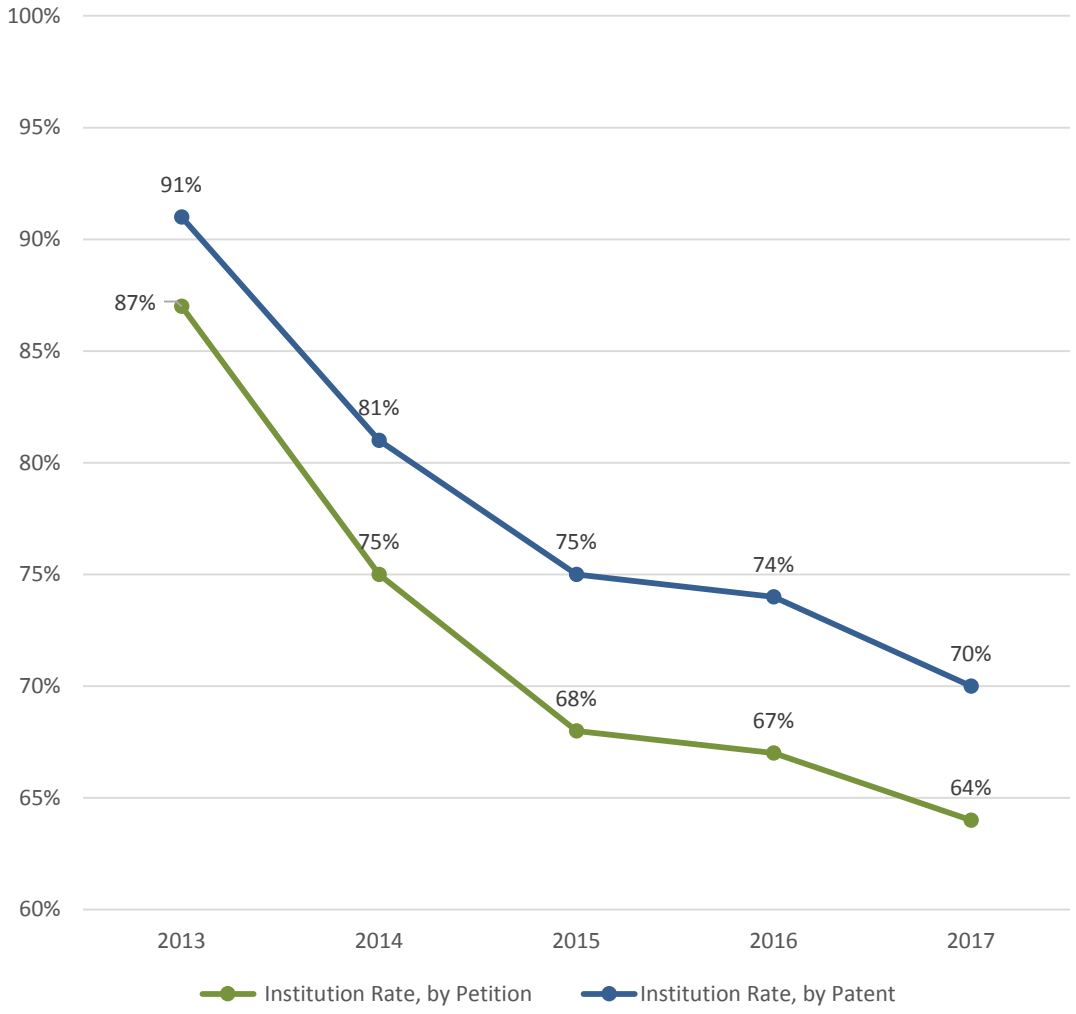
Multiple Petition Study

Institution Rate

- *Institution rate as measured by patent is only slightly higher than the institution rate as measured by petition*

- *"By patent" accounts for whether any one petition against particular patent is instituted*
  - *Example against Patent A:*
    - *Petition 1 instituted*
    - *Petition 2 not instituted*
    - *Net result = 100% institution rate*

- *"By petition" accounts for whether a particular petition was instituted; publicly reported monthly*
  - *Example against Patent A*
    - *Petition 1 instituted*
    - *Petition 2 not instituted*
    - *Net result = 50% institution rate*



Data Through 6/30/17

Question 8: **What is the ultimate outcome by patent versus the ultimate outcome by petition?**

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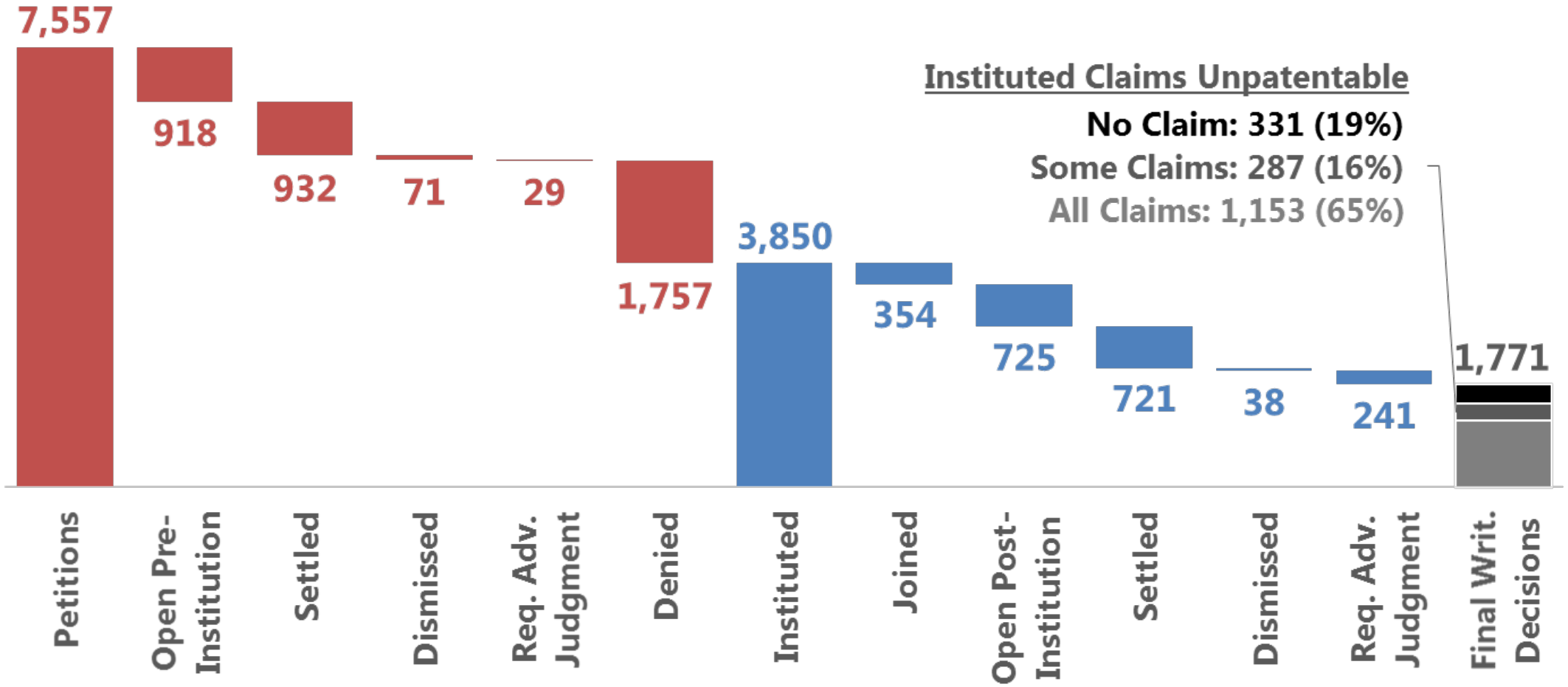
Status of Petitions
(All Time: 9/16/12 to 9/30/17)

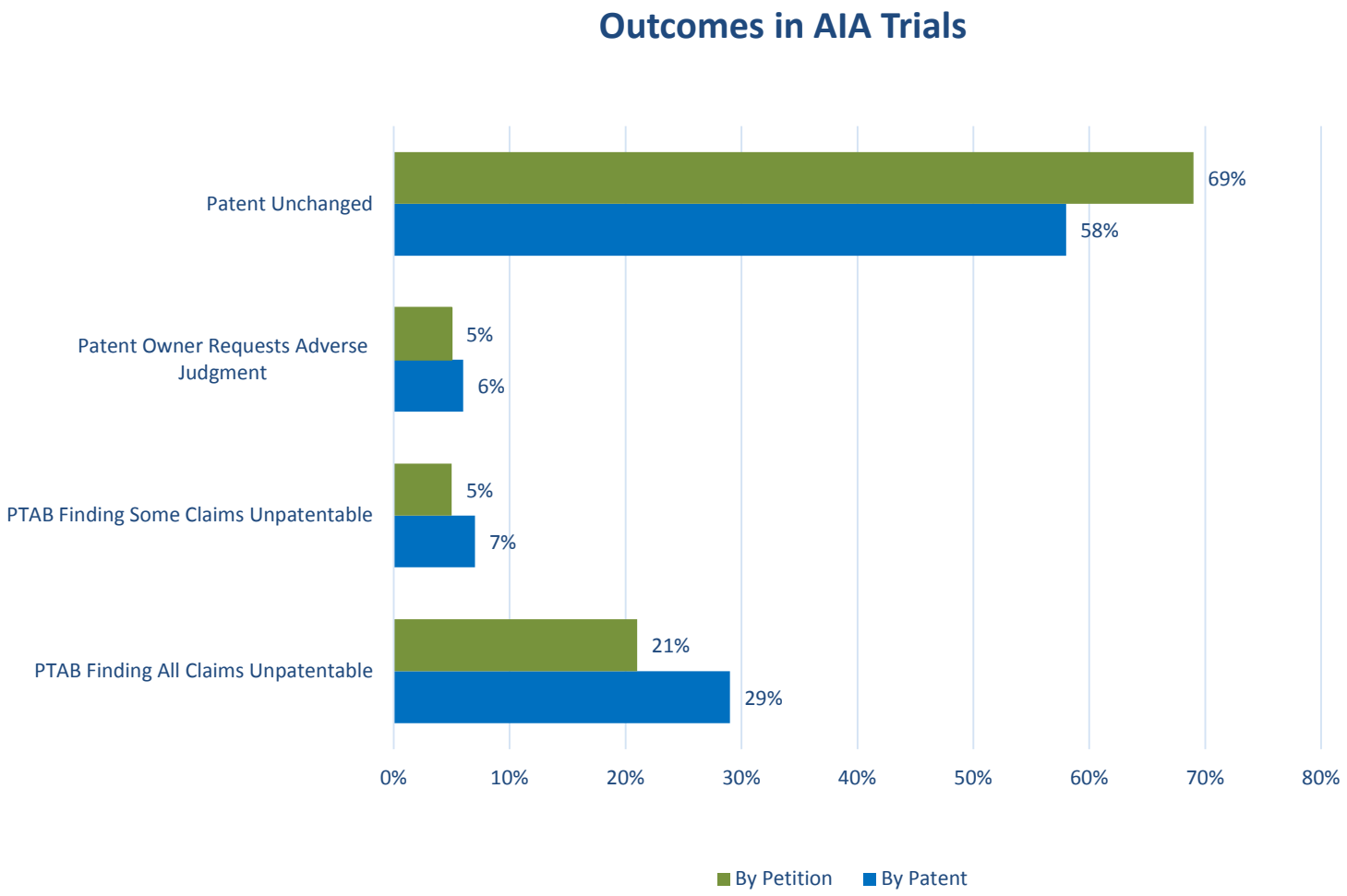


These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.

Multiple Petition Study

Ultimate Outcome

- *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 unpatenable claims*
- *"By petition" accounts for whether a particular petition results in any unpatentable claims*



Data Through 6/30/17

Multiple Petition Study Highlights

- ***Studied***: 7168 petitions addressing 4376 patents
- ***Who:*** 84.8% of patents are challenged by a single petitioner
- ***What:*** 87% of patents are challenged by 1 or 2 petitions
- ***Where***: 85% of IPRs have a co-pending district court case
- ***When***:
  - 79% of petitions are filed before any Patent Owner Response or a Decision on Institution
  - 95% of petitions are filed in a given petitioner's first round
- ***Why:*** Often a petitioner could not have filed a petition earlier or may be prompted to file later because of the litigation circumstances
- ***How***:
  - Institution rate by patent (FY17: 70%) is only slightly higher than by petition (FY17: 64%)
  - 58% of patents challenged at the PTAB are unchanged

Multiple Petition Study Next Steps

- Slides available on the USPTO PTAB website
- Data under continued review and future installments of study results anticipated

New Precedential Opinion: *General Plastic Industrial Co. v. Canon Kabushiki Kaisha* IPRs: 2016-01357, 2016-01358, 2016-01359, 2016-01360, 2016-01361

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Timeline for *General Plastic*

Multiple Petition Study

When Petitions are Filed

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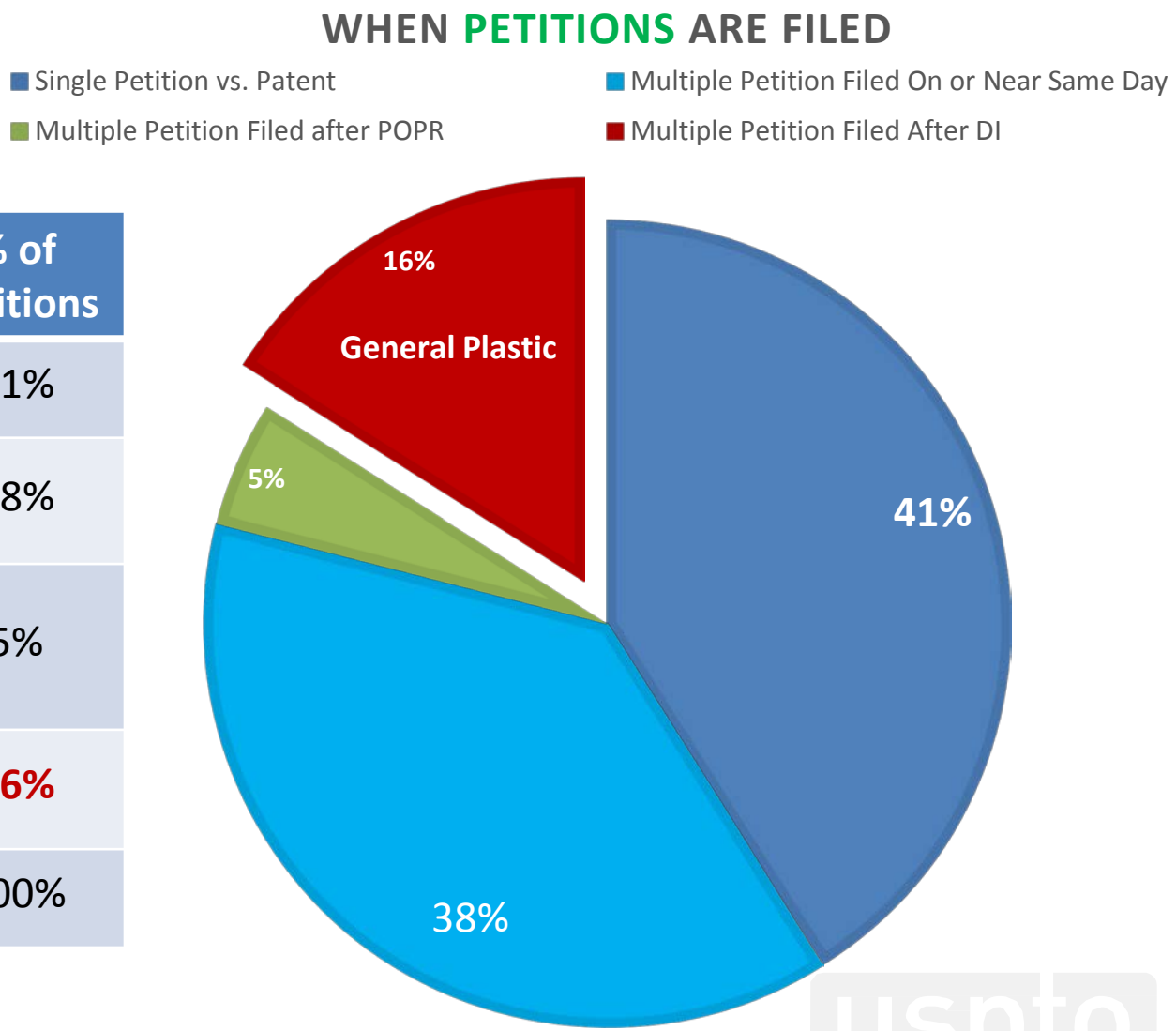

Data Through 6/30/17

Factors Considered

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;

2. whether at the time of filing of the first petition the petitioner knew or should have known of the prior art asserted in the second petition;

3. whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;

4. length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;

5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;

6. finite resources of the Board; and

7. requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review

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New Informative Decisions Under 35 U.S.C. § 325(d)

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Informative Decisions

- *IPR2016-01571 - Unified Patents, Inc. v. Berman*
- *IPR2017-00739 - Hospira, Inc. v. Genentech*
- *IPR2017-00777 - Cultec, Inc. v. Stormtech LLC*

Multiple Petition Case Studies

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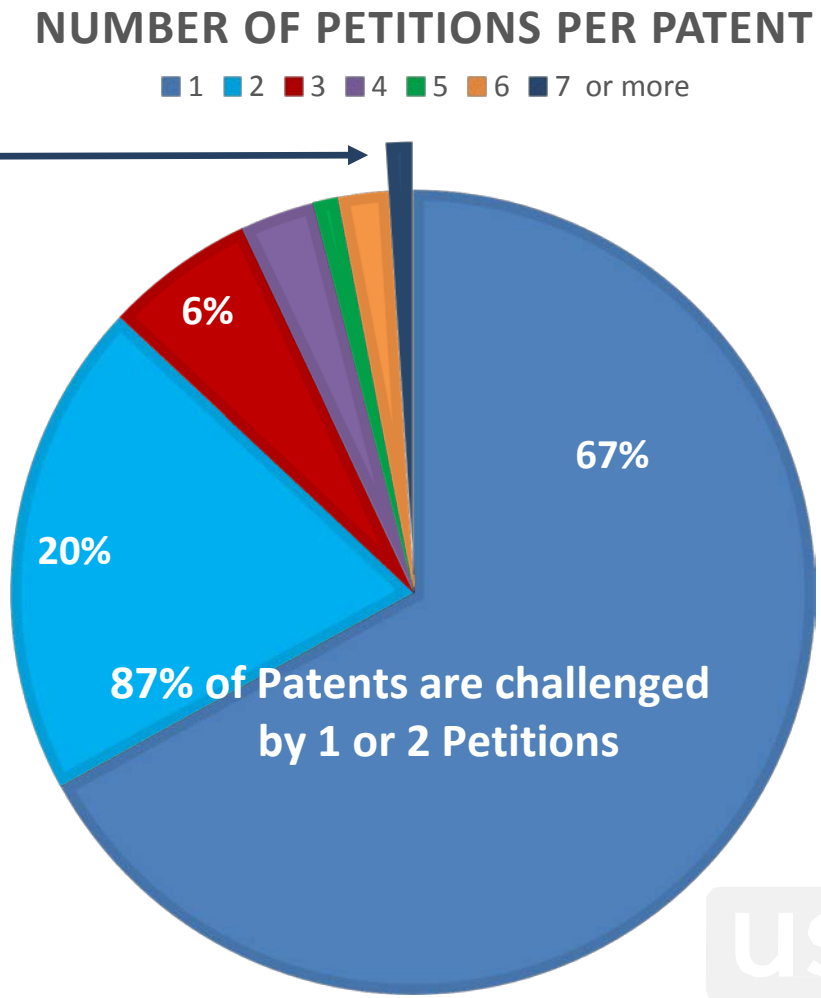
Case Studies

- Approximately 1% of patents are challenged by 7 or more petitions
- PTAB investigated the “extreme outliers” (aka, the last third of this 1%) to determine what commonalities, if any, exist



Extreme Outliers

- Very unusual:
  - Almost 90% of patents face 1 or 2 petitions
  - 16 patents out of 4376 challenged patents (appx. third of 1%) have faced more than 10 petitions

- Driven by extreme conditions:
  - Large numbers of claims;
  - Large numbers of defendants; and/or
  - Large numbers of joinders

Extreme Outlier #1: Largest Family

- 125 petitions filed against 10 patents totaling more than 370 claims
  - (per patent: 23, 21, 19, 16, 15, 11, 10, 4, 4, 2)
- All petitions filed by defendants
  - District Court required a petition for a stay
- 65 petitions were merely requesting joinder to other petition – effectively a copy
- Each claim faced only 1 ground total
- No follow up petitions
- All claims found unpatentable after PTAB trial
- Federal Circuit Rule 36 opinions affirming all appealed cases

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Extreme Outlier #2: Most Petitions

- 26 petitions filed against a single patent having 306 claims
- Petitions filed by 3 different petitioners
  - District court litigation filed in waves
  - 2 petitioners were current defendants; 1 was prior defendant
  - 13 petitions (includes 5 requests for joinder)
    - Two petitioners
    - Each petitioner filed all of their petitions on same day
    - All settled prior to DI
  - 13 petitions
    - One petitioner
    - Petitions filed to address over 200 claims

Multiple Petition Case Management

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How Judges Coordinate Multiple Petitions

- Generally, utilize the same panel on all cases, with one judge taking “point” on interlocutory matters
- Coordinate briefing among petitioners – e.g., have one petitioner take “point”
  - Require meet and confer
- Coordinate oral hearing schedules
  - Option of waiving oral hearings or limiting scope to reduce overlap
- Stagger major due dates to allow attorneys more time to prepare briefs

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Upcoming Boardside Chats

Month	Topic
Dec 7, 2017	Presenting Prior Art and Proving a Document is a Printed Publication in an Appeal or AIA Trial
Feb 1, 2018	Design Patent Appeals
April 5, 2018	AIA Motion Practice
June 7, 2018	Motions to Exclude and Motions to Strike in AIA Trials
Oct 4, 2018	Motions to Seal, Protective Orders, and Confidential Information in AIA Trials
Dec 6, 2018	Hearsay and Authentication
Feb 7, 2019	Supplemental Information vs. Supplemental Evidence

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