

UNITED STATES
PATENT AND TRADEMARK OFFICE





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**United States Patent and Trademark Office
The Patent Trial and Appeal Board (PTAB)**

Appeals of Examiners' Decisions and Trials

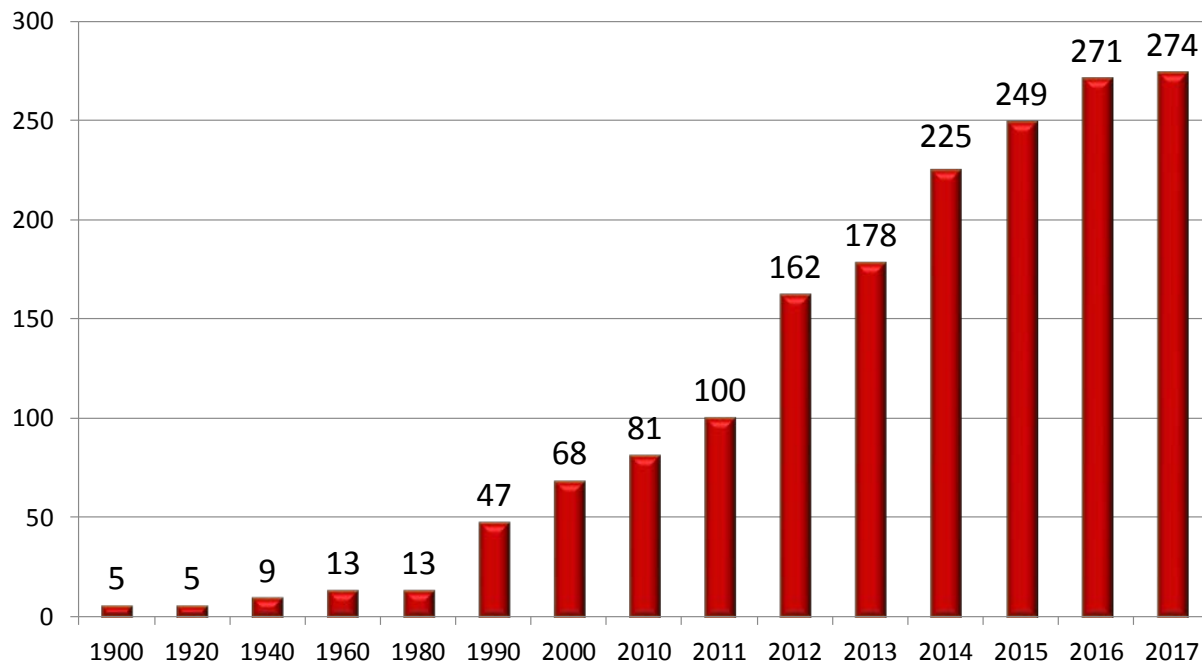
Jacqueline Bonilla, Vice Chief Administrative Patent Judge
August 12, 2017

USPTO Locations



*Alexandria, Va. count includes judges who participate in TEAPP.

Board Size Over Time (Calendar Year)



Patent Trial and Appeal Board

- The Board is created by statute (35 U.S.C. § 6)
 - That statute mandates the Board's:
 - Duties
 - Composition
 - Qualifications for membership
 - Panels for appeals and proceedings
 - Cases heard by at least 3 members of PTAB



Statutory Members of the Board

35 U.S.C. § 6(a) provides:

There shall be in the Office a Patent Trial and Appeal Board. The Director, the Deputy Director, the Commissioner for Patents, the Commissioner for Trademarks, and the administrative patent judges shall constitute the Patent Trial and Appeal Board.



The Administrative Patent Judges

- Chief Judge
- Deputy Chief Judge
- Vice Chief Judges
- Lead Judges
- Judges
 - Patent Attorneys, Paralegals, Administrators, and support staff assist the Judges with their work at the Board



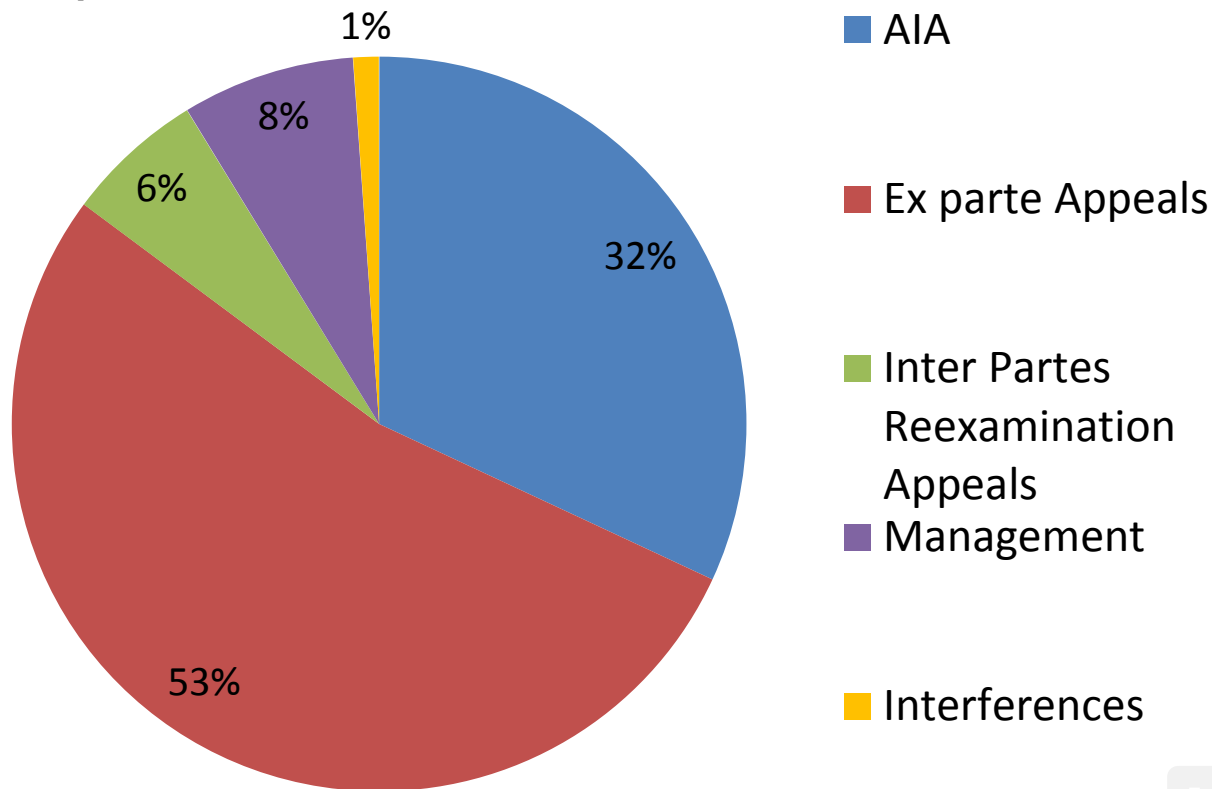
Types of Proceedings

- Appeals in *ex parte* patent applications
- Appeals in *ex parte* and *inter partes* reexamination proceedings
- Interferences
- *Inter partes* reviews (IPR)
- Post-grant reviews (PGR)
- Covered business method reviews (CBM)
- Derivations (DER)



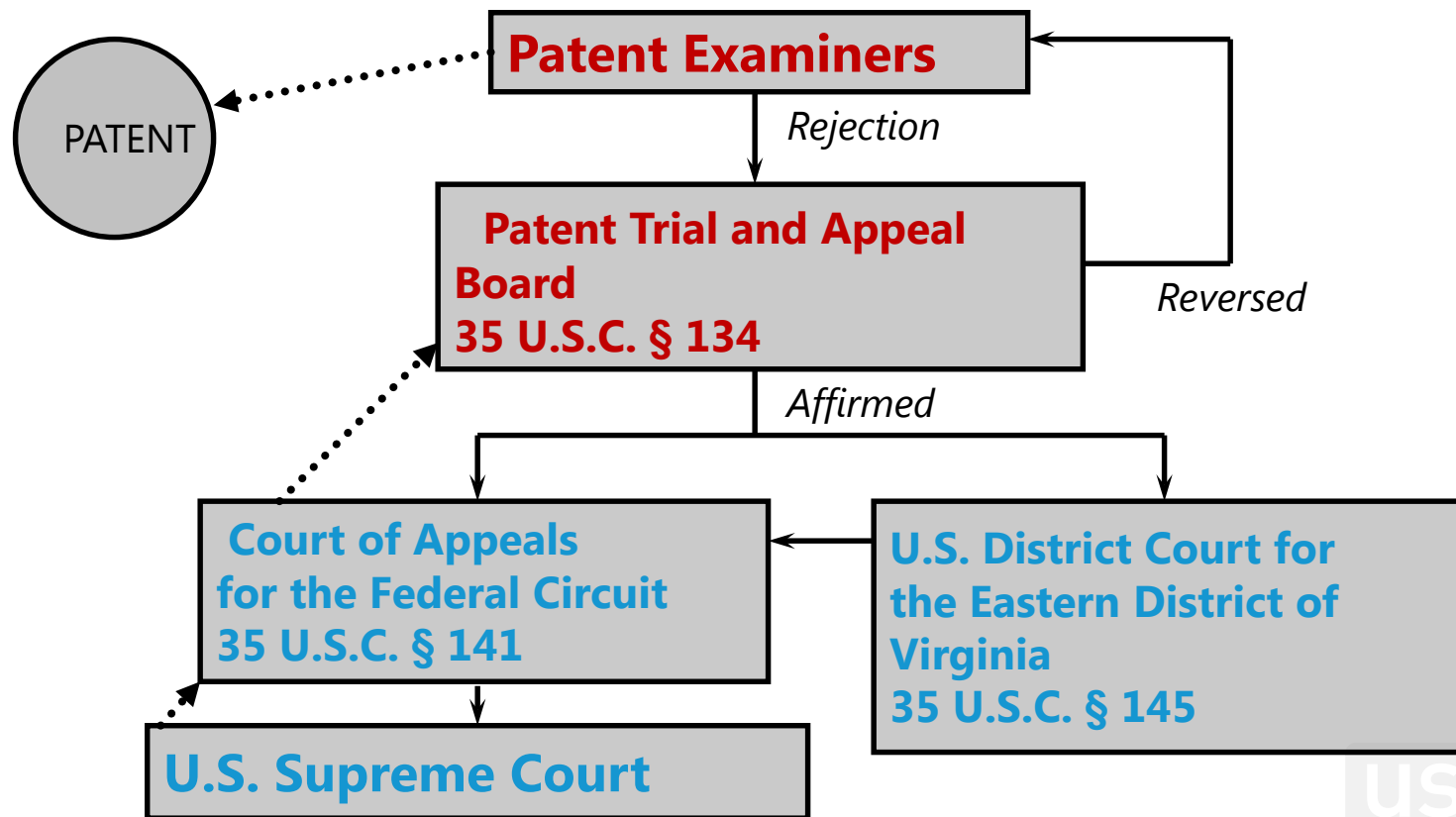
Allocation of Duties Among Judges

approximate as of September 6, 2016



EX PARTE APPEALS

The Board in the Ex-Parte Appeal Process



The Board's Appellate Jurisdiction (35 U.S.C. §134)

- “Twice Rejected” or Final Rejection of an Examiner
 - *Ex-Parte* Appeals
 - Reissue
 - Reexamination Appeals
 - *Ex-Parte* Reexam – only Patent Owner may appeal
 - *Inter Partes* Reexam – Patent Owner and/or Third Party Requestor may appeal



Basic View of the Process

- **Getting to be heard at the Board**
 - Twice Rejected (or “Final” Rejection) by Examiner
 - Notice of Appeal
 - Pre-Appeal Review (July 12, 2005 OG Notice)
 - Filing of an Appeal Brief
 - Appeal Conference
 - Filing of an Examiner’s Answer
 - Filing of a Reply Brief
 - Oral Hearing Request

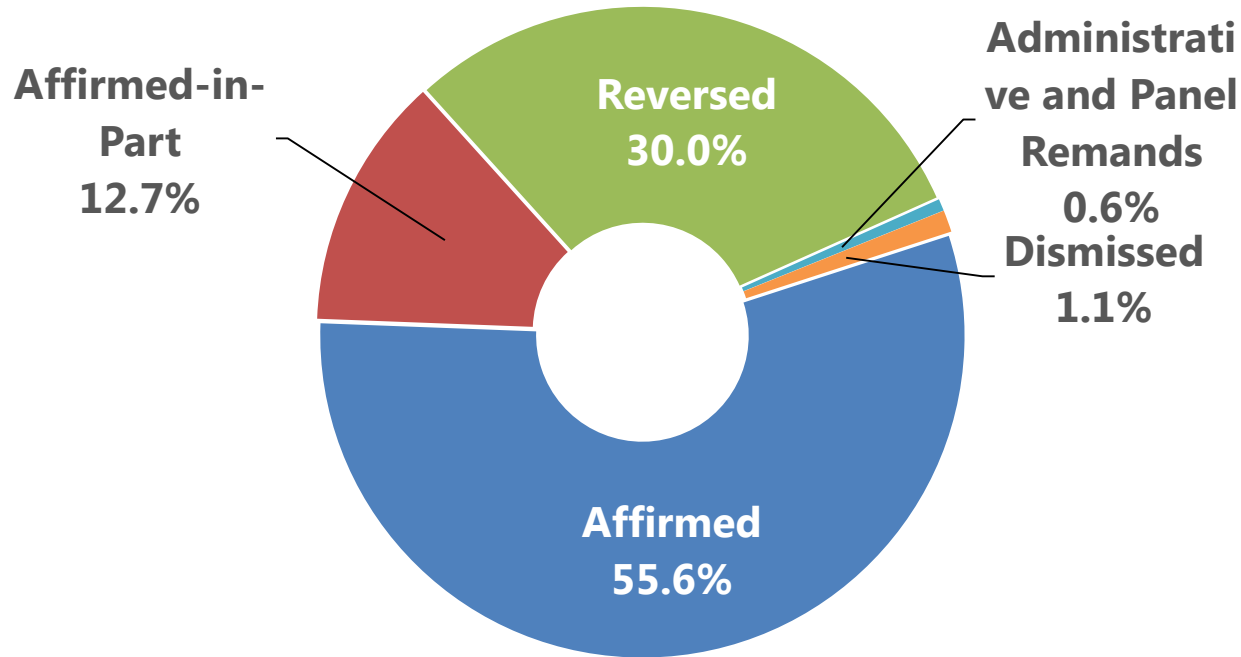


Appeal at the Board

- **Docketing**
 - Transfers jurisdiction to PTAB
- **Assigning a Panel**
- **Conference**
- **Oral Hearing (if requested)**
 - Generally limited to 20 minutes
- **Post-Hearing Conference**
- **Circulating Opinion**
- **Issuing Decision**

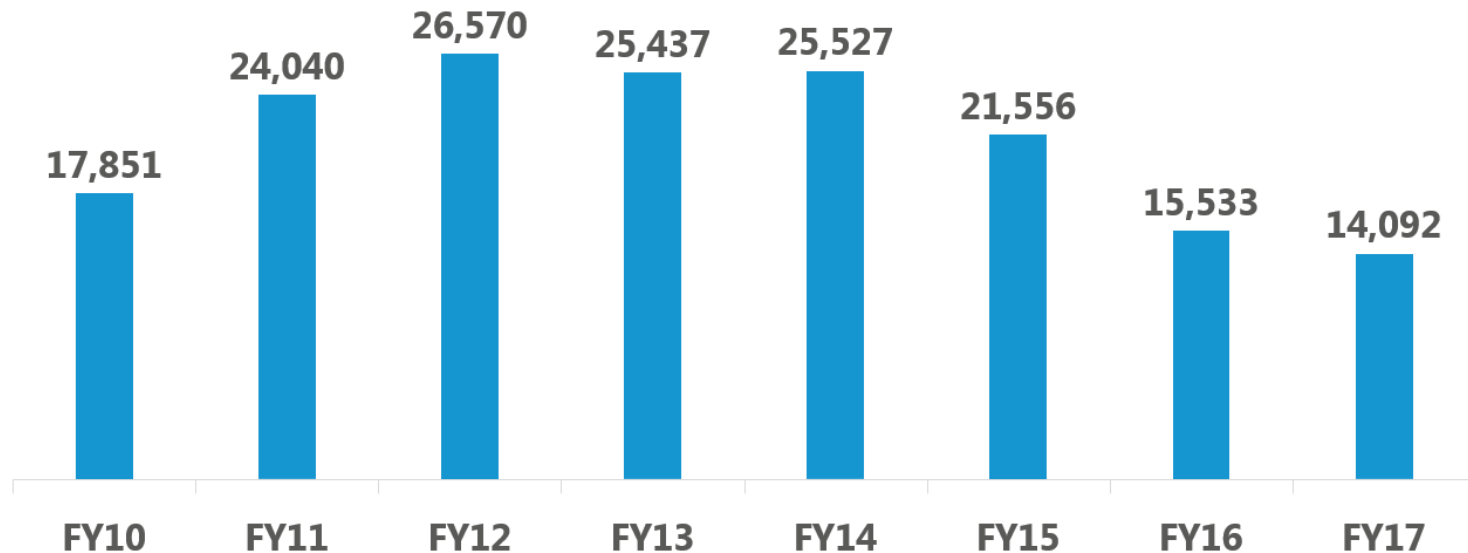
Appeal Outcomes in FY17

(FY17: 10/1/16 to 4/30/17)



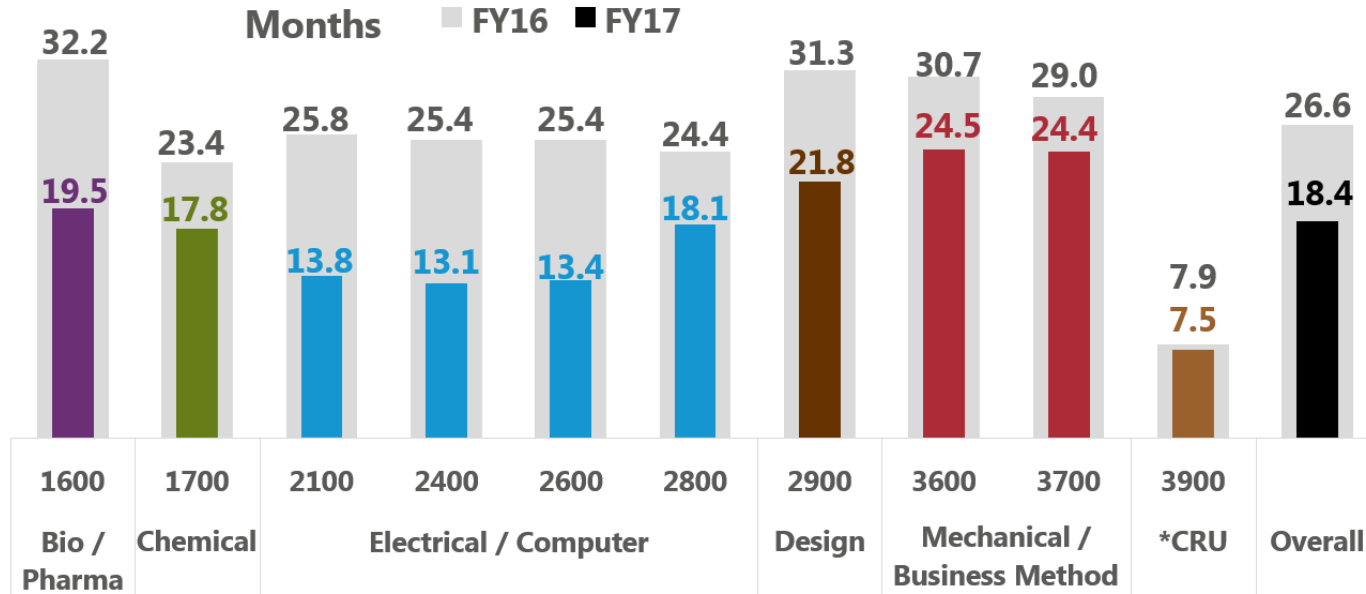
Pending Appeals

(FY10 to FY17: 10/1/09 to 6/30/17)



Pendency of Decided Appeals in FY16 and FY17

(6/30/16 compared to 6/30/17)



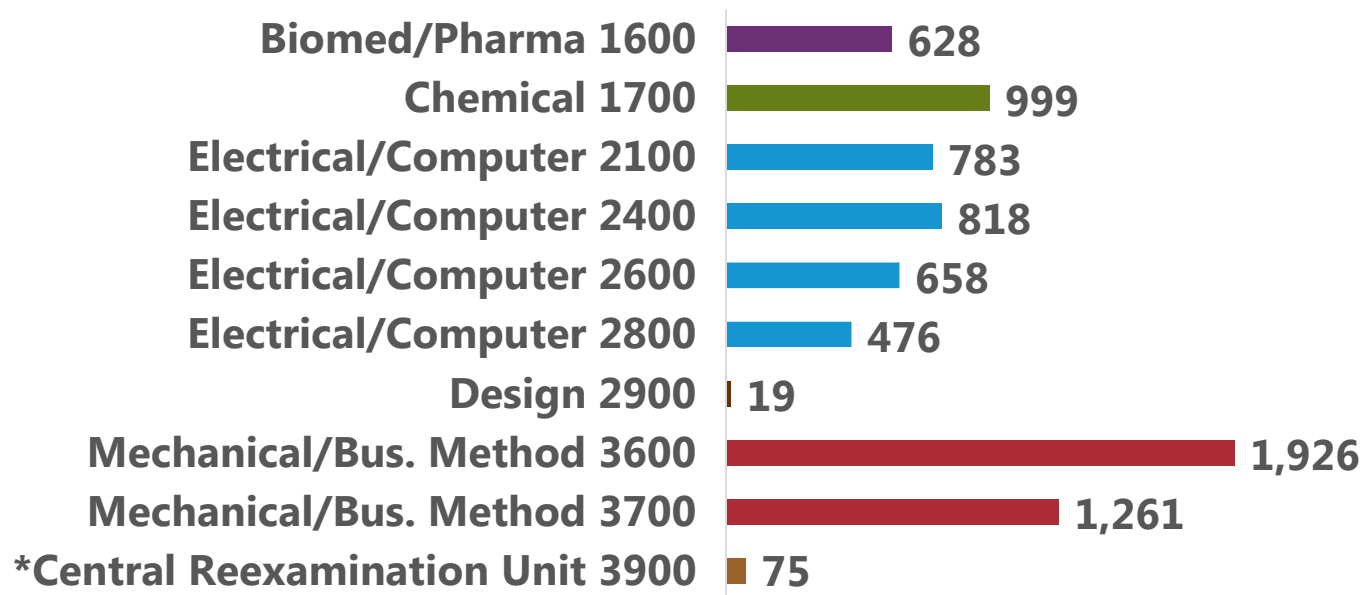
Pendency is calculated as average months from Board receipt date to final decision.

* CRU (Central Reexamination Unit) includes ex parte reexams, inter partes reexams, supplemental examination reviews and reissues from all technologies.



Appeal Intake in FY17

(10/1/16 to 4/30/17)



*The Central Reexamination Unit includes ex parte reexams, inter partes reexams, supplemental examination reviews and reissues from all technologies.



INTERFERENCES

Interferences

- A legacy system that awards a patent to the one who is the “first-to-invent” claimed subject matter (rather than the “first-to-file” a patent application)
- Applies to applications for patent having an effective filing date before March 16, 2013

Interferences

35 U.S.C. § 135—the USPTO Director may declare an interference between an application and—

- another application
- an unexpired patent

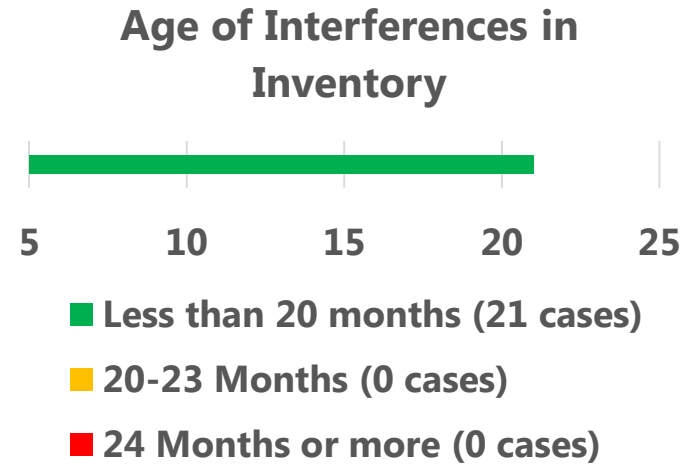
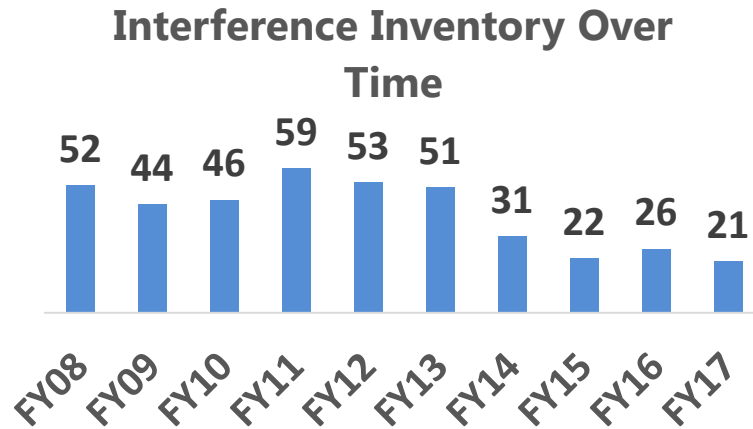
then the Board runs a trial to determine—

- priority
- if necessary or appropriate, patentability



Interference Inventory

(FY08 to FY17: 10/1/07 to 4/30/17)



REEXAMINATIONS

Reexamination

- Reexamination is an administrative proceeding that assesses the patentability of claims in an issued patent.
- **Ex Parte Reexamination (EPX):**
 - any person (Patent Owner, Third Party Requester, or Director) may file a request for reexamination of any claim of a patent
 - Only Patent Owner participates
- **Inter Partes Reexamination (IPX):**
 - only a Third Party Requestor may file a request
 - Patent Owner and/or Third Party Requestor participates



Reexamination

- Time for Filing: any time during the period of enforceability of a patent.
- Scope: limited to “prior art consisting of patents or printed publications” and may include prior art “previously cited by or to the Office or considered by the Office.” 35 U.S.C. § 301; MPEP § 2216.

Standard for Initiating

- A determination of whether “a substantial new question of patentability” (SNQ) affecting any claim of the patent has been raised (EPX) (pre-AIA IPX); or
- “a reasonable likelihood that the requester would prevail with respect to at least one of the claims challenged in the request” (IPX) (post-AIA).

** May not file a new request for inter partes reexamination (IPX) as of September 16, 2012*



Post Grant Proceedings

AIA TRIAL PROCEEDINGS

AIA Trial Proceedings

- *Inter partes* reviews (IPR)
- Post-grant reviews (PGR)
- Covered business method reviews (CBM)
- Derivations (DER)

District Court Time & Cost

- Time to trial in district court
 - Median 2.5 years
- Patent Litigation Cost

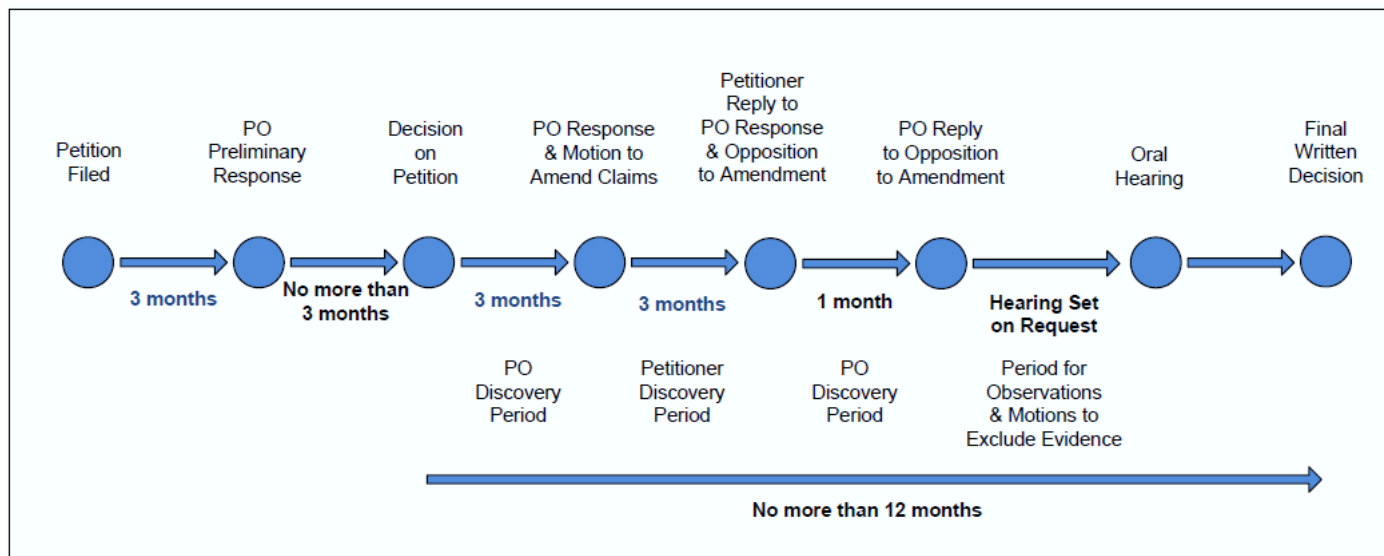
At Risk	Average, all costs, per party
<\$1M	\$600,000
\$1-10M	\$2,000,000
\$10-25M	\$3,100,000
>\$25M	\$5,000,000

***Inter Partes* Review Average Cost**

- Time to final decision:
 - 1 year from institution of trial
- IPR Cost per Petition

<i>Inter Partes</i> Review	Average cost
Through Filing Petition	\$100,000
Through PTAB Trial	\$250,000 (\$100K – \$700K)

Standard Timeline



Trial Proceedings

- Petitioner = any third party (not patent owner)
- Review is barred if petitioner or RPI filed a “civil action” challenging validity of a claim of the patent (DJ action) before filing petition
- If petitioner or RPI files a “civil action” challenging validity *on or after* filing date of IPR petition, civil action is automatically stayed
- A counter-claim challenging validity is not a “civil action” for purposes of above



Trial Proceedings

IPR is barred if petition is filed more than 1 year after date a complaint alleging infringement is *served*. 35 U.S.C. § 315(b)

Trial Proceedings

- **Standard of proof**
 - A “preponderance of evidence”
 - Lower than “clear and convincing evidence” required to challenge validity in district courts
- **Final decision within 12 months of institution**
 - Can extend by 6 months, but only for “good cause” = rare
 - Generally, entire process (petition → termination or final decision) takes 18 months or less

Trial Proceedings

- Estoppel for civil actions and ITC proceedings
 - Precludes petitioner, any real party in interest, or privy from later challenging same patent claim
- IPR/PGR: any ground *"raised or reasonably could have raised"* during review that resulted in final written decision
- CBM: any ground *"raised"* during review that resulted in final written decision



What Patents and When

- IPR: depends on effective filing date
 - Is effective f/d before or after March 16, 2013?
 - Pre-AIA patents – anytime after issuance (technical amendment)
 - Post-AIA patents – 9 months after patent issues or PGR is terminated (whichever is later)
- CBM: anytime after suit or charge of infringement
- PGR: within 9 months of patent issuance
 - Post-AIA patents only



Scope for Initiating Review

- IPR: “a reasonable likelihood that the petitioner would prevail” with respect to at least one challenged claim
- CBM/PGR: “more likely than not that at least one claim is unpatentable” or the petition raises “a novel or unsettled legal question that is important to other patents or applications”

Scope of Grounds in Petition

- IPR: only on § 102 and § 103 grounds, and only on basis of prior art consisting of patents and printed publications
- PGR: on any grounds for invalidity (except best mode)



Scope of Review

- CBM: same as PGR, but must be a “covered business method” patent
 - claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of *a financial product or service*
 - does not include patents for “technological inventions”
 - whether claimed subject matter as a whole recites a technological feature that is novel and unobvious over prior art, and solves a technical problem using a technical solution

Transitional CBM

- Generally employs PGR procedures/standards *except*:
 - Petitioner, RPI, or privy must have been sued for infringement or charged with infringement
 - Can file any time after issuance (not just within 9 mos.)
 - Both first-to-invent (pre-AIA) and first-inventor-to-file (post-AIA) patents are eligible
 - Ground cannot be based on 35 U.S.C. § 102(e) secret prior art
 - Civil action/ITC estoppel: any ground “raised”



Derivation

- **Derivation – differs from IPR, PGR and CBM**
 - Only an applicant for patent may file a petition to institute a derivation proceeding
 - Applicant must file petition within 1 year of the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention
 - The petition must set forth with particularity the basis for finding that an inventor named in an earlier application or patent derived the claimed invention



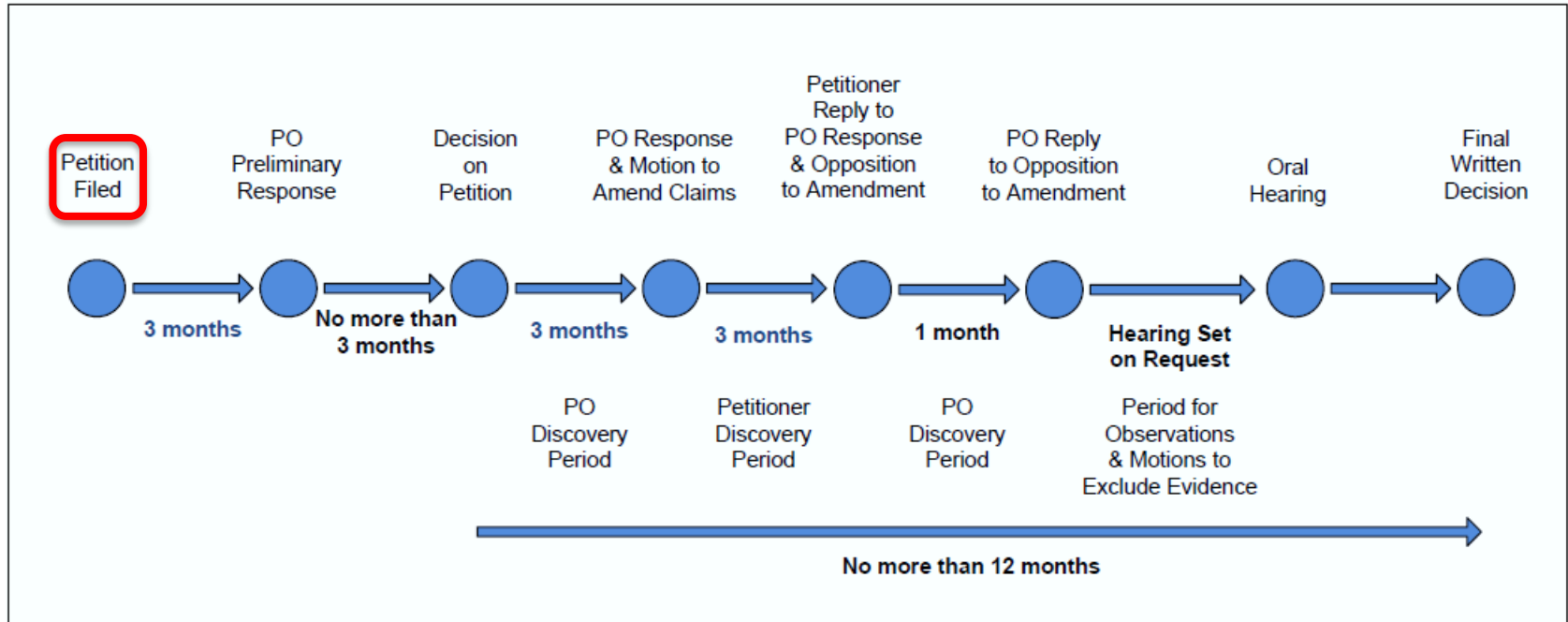
Judicial Review in Trial Proceedings

- **Decision whether to institute**
 - No appeal to court
 - But may file a request for rehearing
 - Explain how “Board misapprehended or overlooked” something
- **May appeal final written decisions to the Federal Circuit only**
 - No appeal to district court

Post-Grant Proceedings

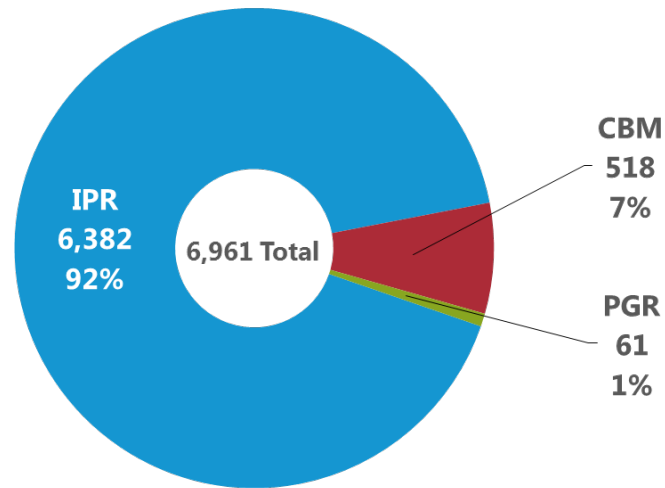
AIA TRIALS STATISTICS

Petition Filed



Petitions by Trial Type

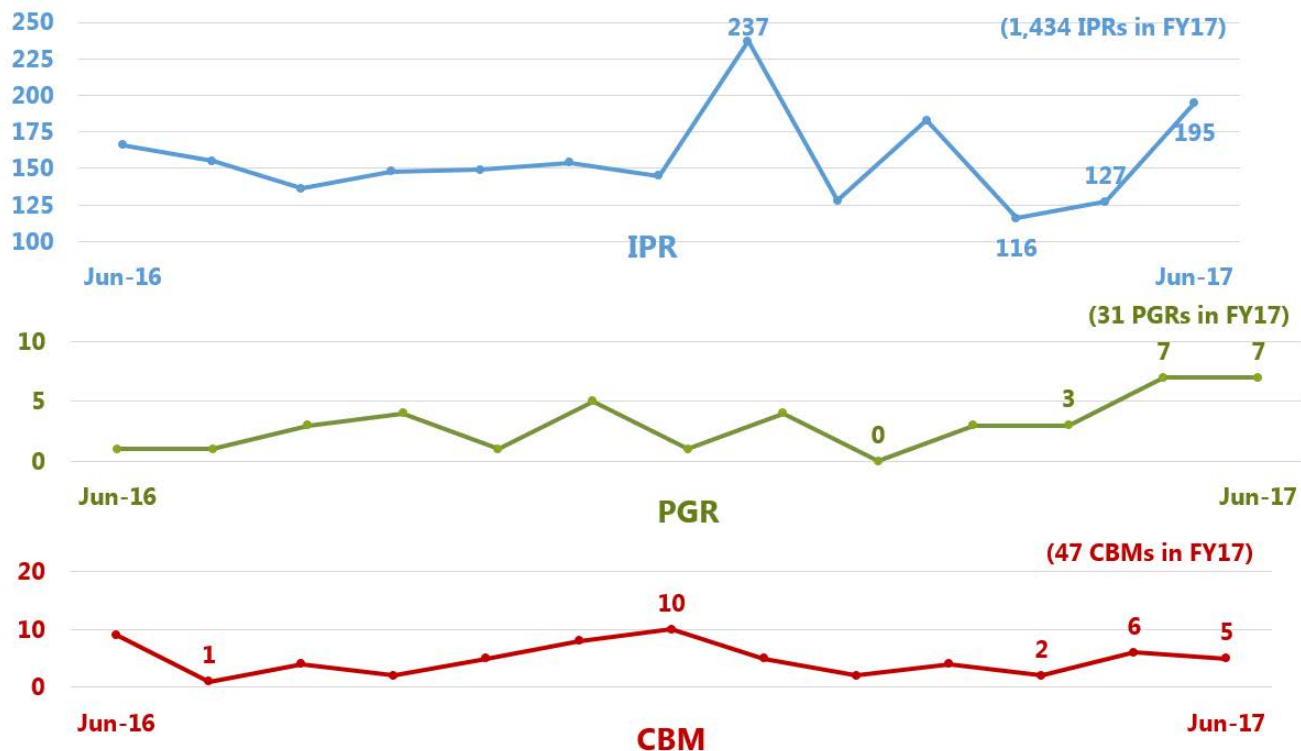
(All Time: 9/16/12 to 5/31/17)

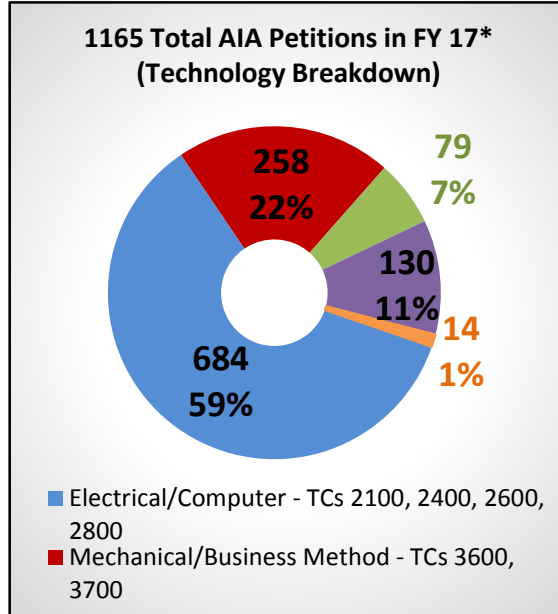


Trial types include *Inter Partes* Review (IPR), Post Grant Review (PGR), and Covered Business Method (CBM).

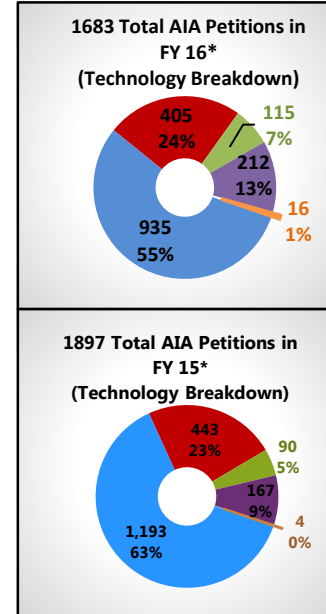
Petitions Filed by Month

(June 2017 and Previous 12 Months: 6/1/16 to 6/30/17)





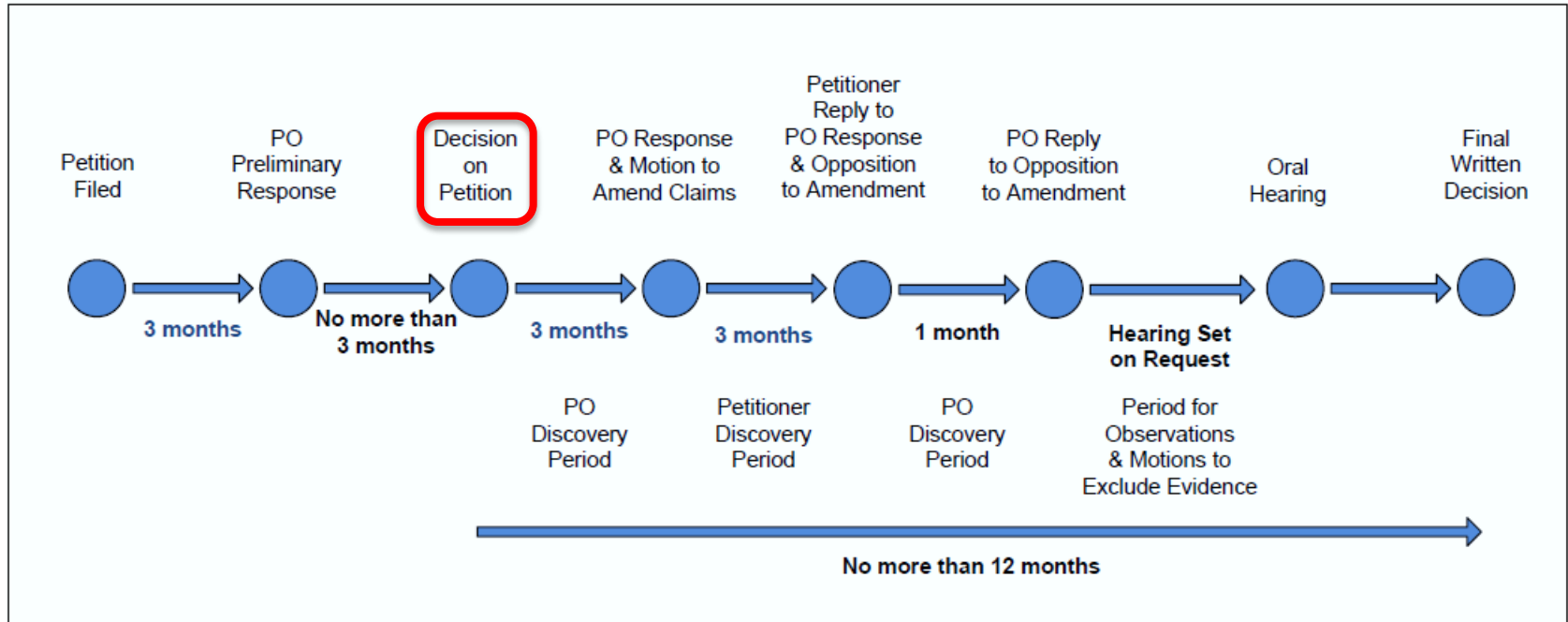
*Data current as of: 4/30/2017



Narrative:

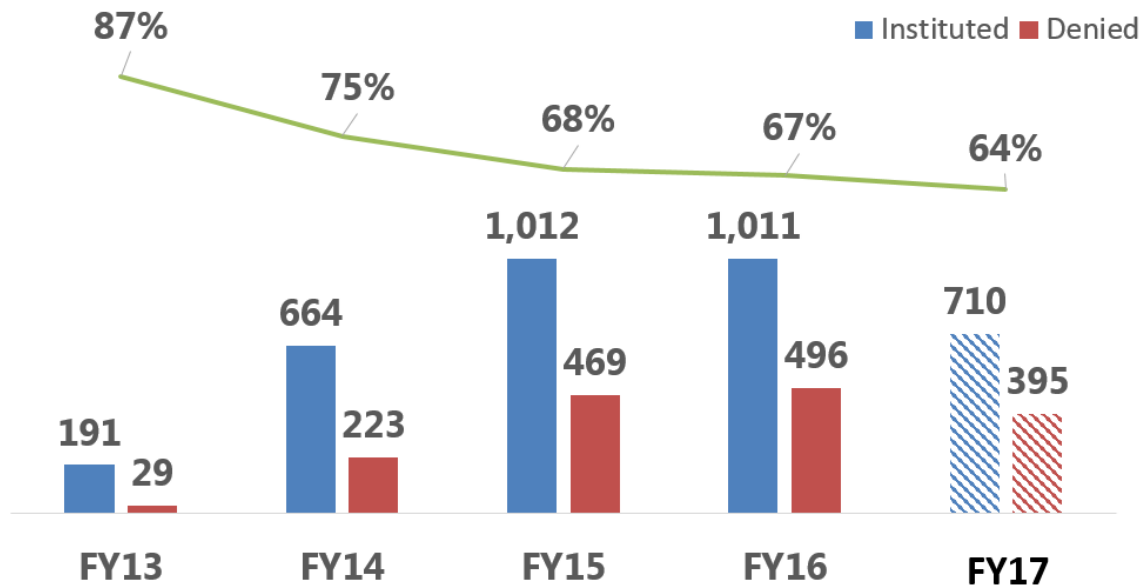
This pie chart shows the total number of AIA petitions filed in the current fiscal year to date as well as the number and percentage of these petitions broken down by technology.

Institution Phase



Institution Rates

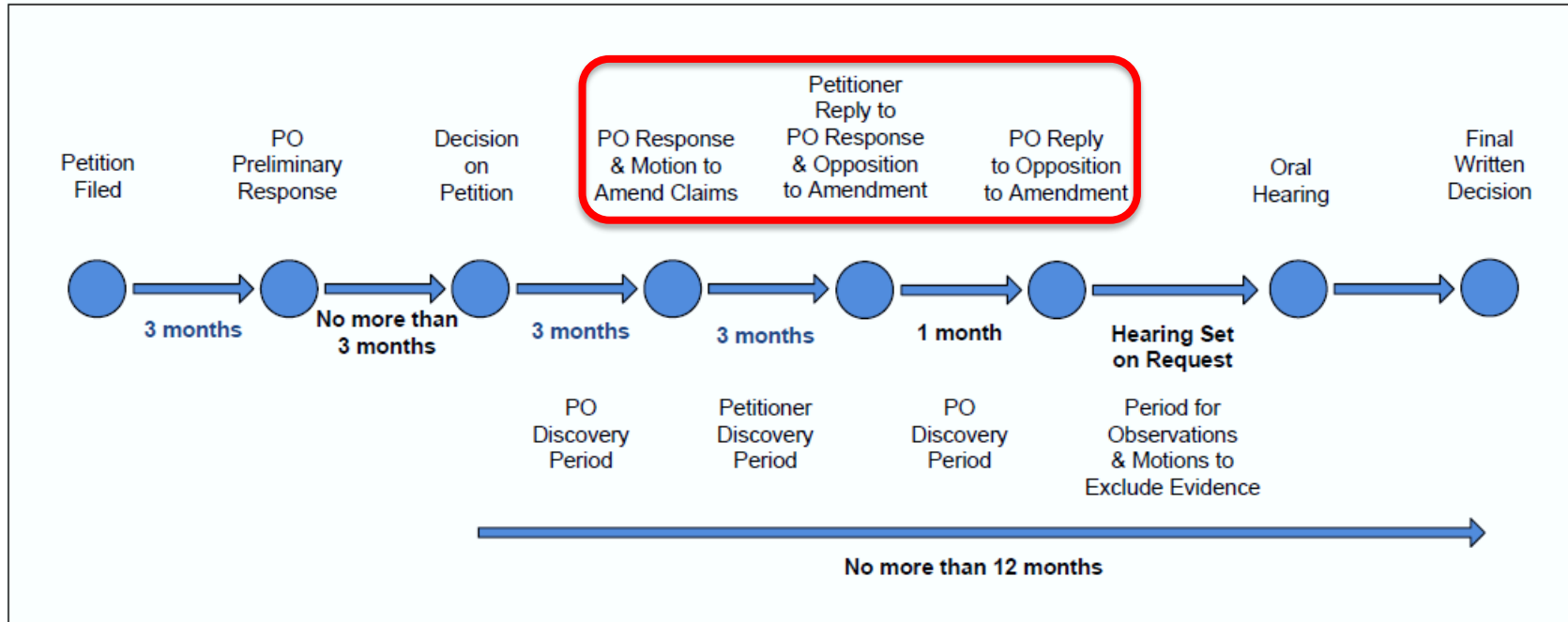
(FY13 to FY17: 10/1/12 to 6/30/17)



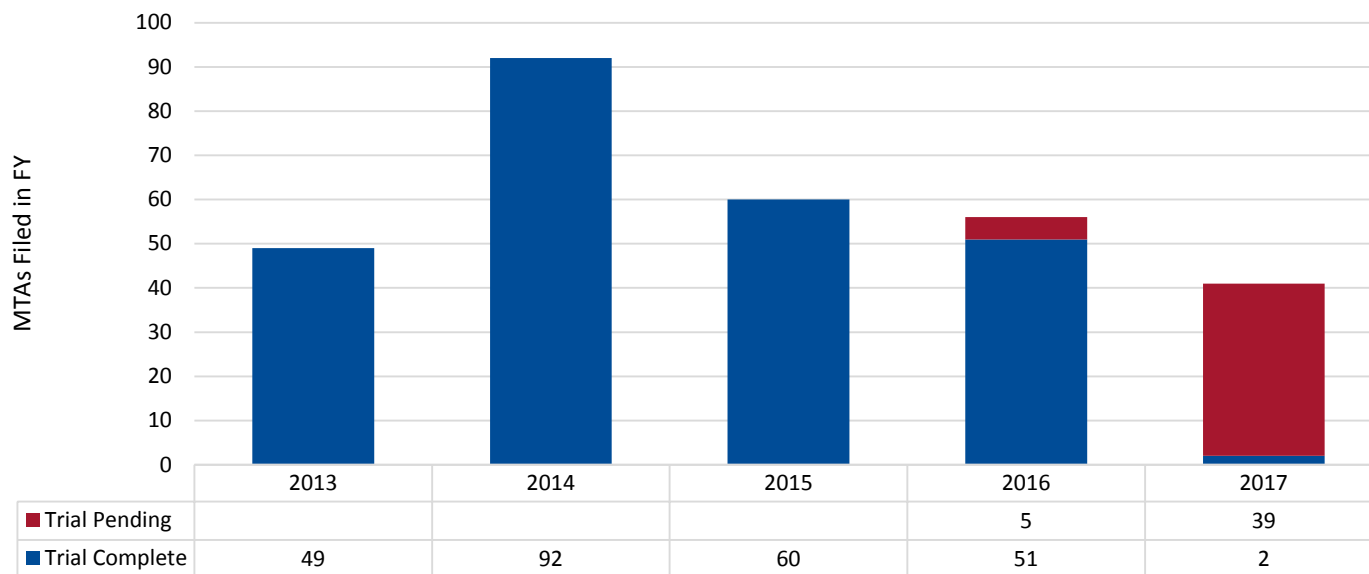
Institution rate for each fiscal year is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.



Motions to Amend



How Many Motions to Amend Were Filed in Each Fiscal Year?



* Data for FY2017 are from October 1, 2016–May 31, 2017

	Reason for Denying Entry	# of Motions	% of Motions
§102/103	Anticipated or Obvious Over Art of Record	62	40%
§§102/103 112/316	Multiple Statutory Reasons *All included at least 102, 103, and/or 112 as a reason for denial	35	23%
§101	Non-Statutory Subject Matter	9	6%
§112	Written Description	10	6%
§112	Enablement	3	2%
§112	Definiteness	1	1%
§316	Claims Enlarge Scope of Patent	9	6%
§316	Unreasonable Number of Substitute Claims	3	2%
	Procedural Reasons	22	14%
	Total Motions to Amend Denied	154	100%

* Data current through May 31, 2017



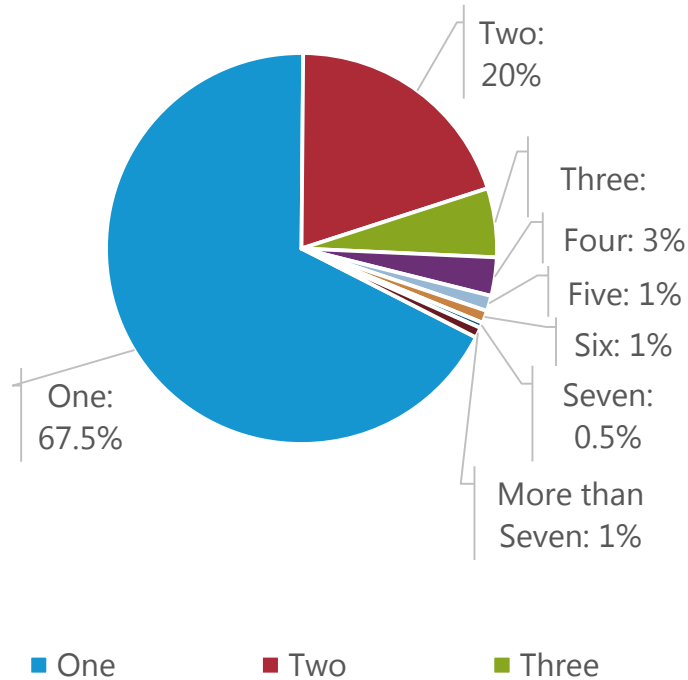
Multiple Petition Study

- Having heard from a number of stakeholders concerned about multiple petitions filed against a single patent, the Board has undertaken a study of the prevalence of such filings.
- The study is based on five-years' worth of data representing about 4,000 patents challenged in AIA trial proceedings.
- The data includes all patents challenged in IPR, PGR, and CBM petitions filed from September 2012 through February 2017.

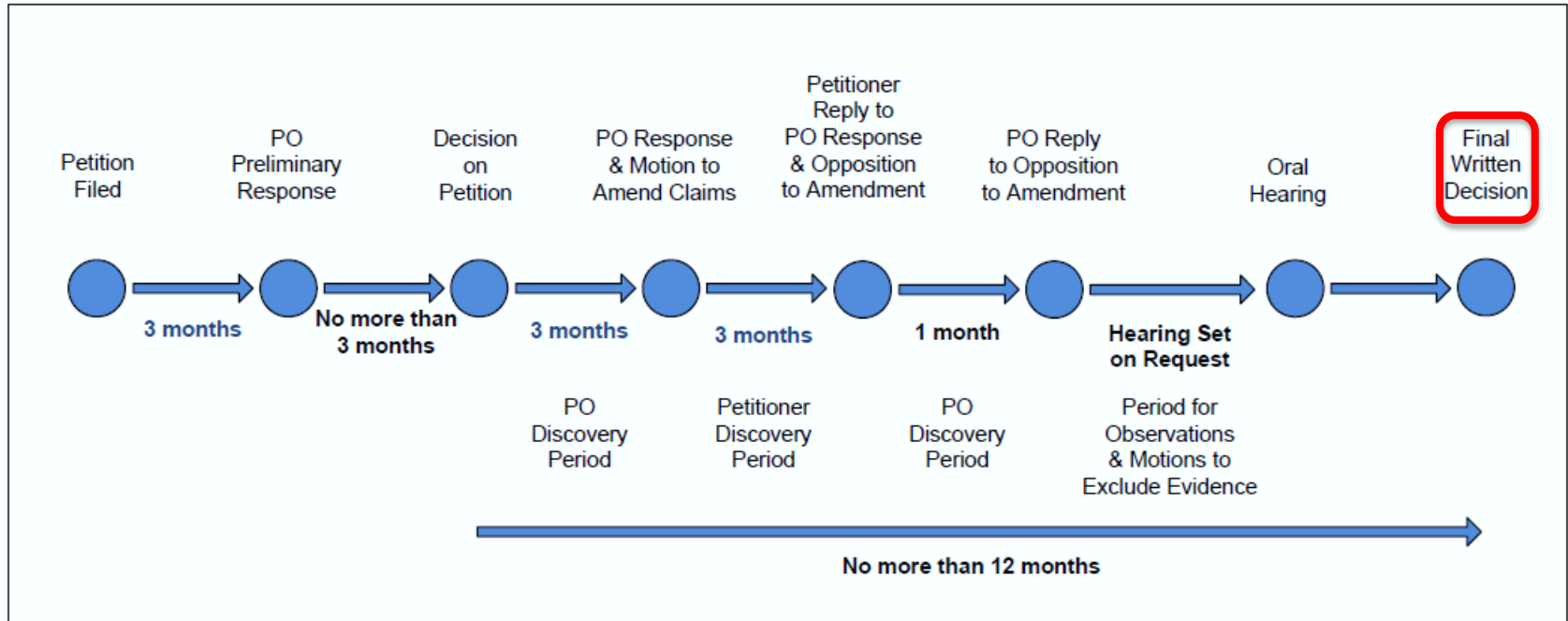


Number of Petitions Filed Per Patent (As of 2/28/17)

- 3,998 patents analyzed
- Approximately 88% of patents challenged 1 or 2 times

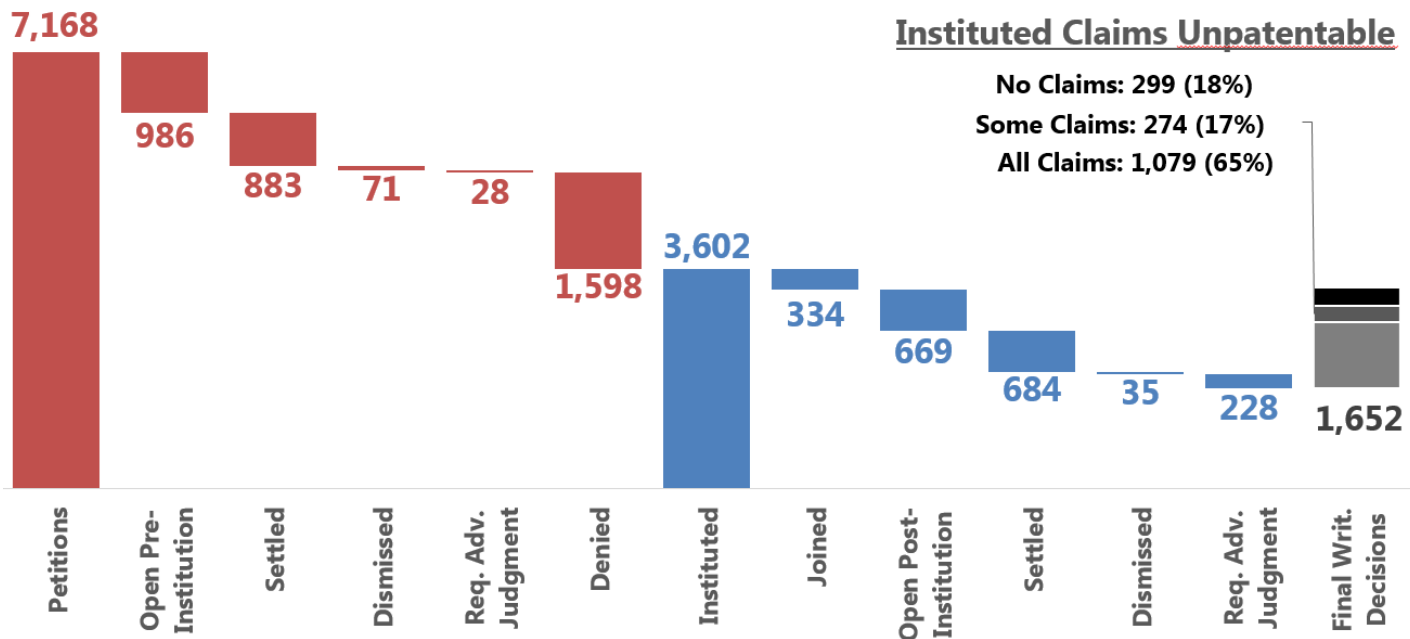


Final Written Decision



Status of Petitions

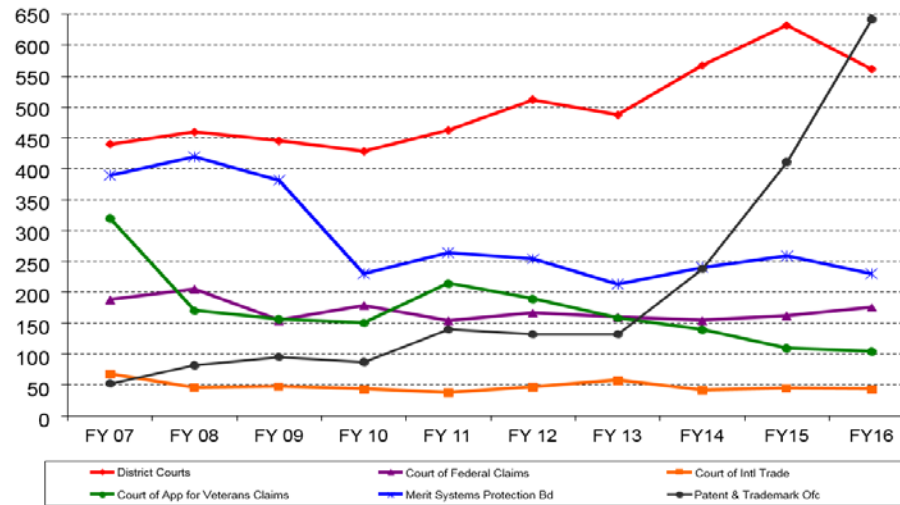
(All Time: 9/16/12 to 6/30/17)



These figures reflect the latest status of each petition. For example, 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.




United States Court of Appeals for the Federal Circuit Appeals Filed in Major Origins




Notes: Includes reinstated, cross-, and consolidated appeals.

Source: <http://www.cafc.uscourts.gov/the-court/statistics>




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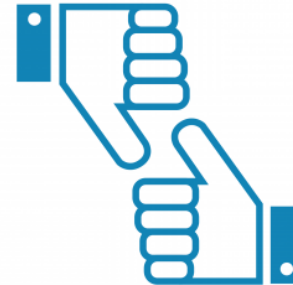
Suggestion Box

Please send any suggestions regarding PTAB E2E to the [PTAB E2E Admin mailbox](#). 

Please send any suggestions regarding the Appeals Process to the Board at [PTAB Appeals Suggestions](#). 

Please send any suggestions regarding the Trials Process to the Board at PTABAITrialSuggestions@uspto.gov. 

If you have suggestions for other topics that you would like to see covered by the PTAB in a future Outreach event, please email your suggestions to PTABOutreach@uspto.gov. 



Accessible via the public PTAB Website at the following address:
<https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/suggestion-box>



REFERENCE MATERIALS AND RESOURCES

PTAB Resources

Information concerning the Board can be found at:

<http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board-0>

Information concerning Appeals can be found at:

<http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/appeals>

Information concerning Trials can be found at:

<http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials>

Information concerning PTAB Statistics can be found at:

<http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/statistics>

Information concerning Board Decisions can be found at:

<http://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/decisions>



Major Differences between IPR, PGR, and CBM

Inter Partes Review (IPR)	Petitioner	Estoppel	Standard	Basis
Post Grant Review (PGR)	<ul style="list-style-type: none"> Person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent Must identify all real parties in interest 	<ul style="list-style-type: none"> Raised or reasonably could have raised Applied to subsequent USPTO/district court/ITC action 	More likely than not OR Novel or unsettled legal question important to other patents/applications	101, 102, 103, 112, double patenting but not best mode
Inter Partes Review (IPR)	<ul style="list-style-type: none"> Person who is not the patent owner, has not previously filed a civil action challenging the validity of a claim of the patent, and has not been served with a complaint alleging infringement of the patent more than 1 year prior (exception for joinder) Must identify all real parties in interest 	<ul style="list-style-type: none"> Raised or reasonably could have raised Applied to subsequent USPTO/district court/ITC action 	Reasonable likelihood	102 and 103 based on patents and printed publications
Covered Business Method (CBM)	<ul style="list-style-type: none"> Must be sued or charged with infringement Financial product or service Excludes technological inventions Must identify all real parties in interest 	<ul style="list-style-type: none"> Office—raised or reasonably could have raised Court-raised 	Same as PGR	Same as PGR (some 102 differences)

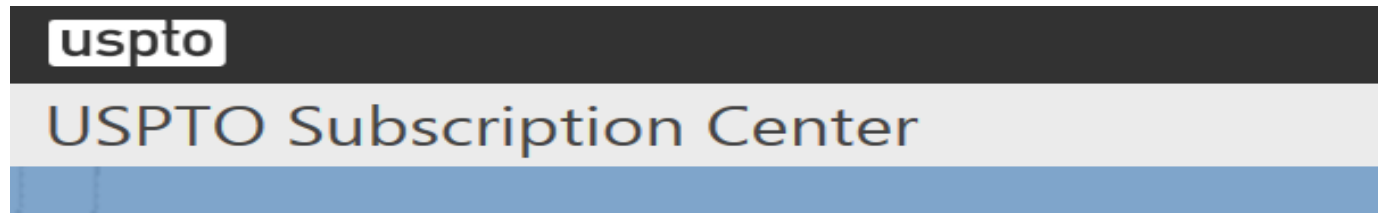
Major Differences between IPR, PGR, and CBM

Proceeding	Available	Applicable	Timing
Post Grant Review (PGR)	From patent grant to 9 months after patent grant or reissue	Patent issued under first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible
Inter Partes Review (IPR)	For first-inventor-to-file, from the later of: (i) 9 months after patent grant or reissue; or (ii) the date of termination of any post grant review of the patent. For first-to-invent, available after grant or reissue (technical amendment)	Patent issued under first-to-invent or first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible
Covered Business Method (CBM)	Available 9/16/12 (for first-inventor-to-file only after PGR not available or completed)	Patents issued under first-to-invent and first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible

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Presented By:
Jacqueline Bonilla



Invention-Con 2017 - Appeals of
Examiners' Decisions and Trials

