

Understanding PTAB Trials: Key Milestones in IPR, PGR, and CBM Proceedings

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This Practice Note discusses key milestones in post-grant patentability challenges at the US Patent and Trademark Office under the Leahy-Smith America Invents Act (AIA). It reviews typical timelines and procedures at key milestones in *inter partes* review (IPR), post-grant review (PGR), and covered business method (CBM) patentability challenges before the Patent Trial and Appeal Board (PTAB).

Since the Leahy-Smith America Invents Act (AIA) went into effect in September 2012, accused patent infringers have a robust set of options available at the US Patent and Trademark Office (USPTO) to challenge issued patents before the Patent Trial and Appeal Board (PTAB). These challenges include:

- *Inter partes* review (IPR).
- Post-grant review (PGR).
- The transitional program for covered business method patent review (CBM), a subset of PGR.

As these proceedings become standard practice in patent disputes, understanding the typical timelines and procedures of a trial before the PTAB is essential. This Note discusses typical timelines and

procedures and highlights important milestones in IPR, PGR, and CBM proceedings.

For more information on the PTAB's trial practice rules, see Practice Note, PTAB Trial Practice Rules ([7-518-0120](#)).

For a collection of representative PTAB decisions, see Practice Note, USPTO America Invents Act Trial Tracker (PTAB) ([2-569-3226](#)).

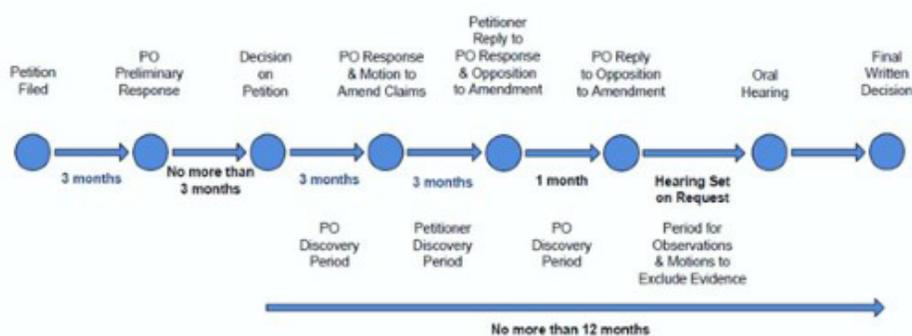
For a discussion of key aspects and differences between IPR, PGR, and CBM proceedings, see Practice Note, USPTO Post-Prosecution Patentability Proceedings ([9-553-6247](#)).

For a discussion on appealing PTAB rulings, see Practice Note, Appealing Patent Trial and Appeal Board Final Written Decisions ([W-006-9741](#)).

TYPICAL TIMELINES FOR IPR, PGR, AND CBM PROCEEDINGS

As part of implementing the AIA, in 2012 the USPTO issued final trial rules and a trial practice guide to provide guidance on the timelines, procedures, and trial practice for post-issuance patent challenges under the AIA (see 77 Fed. Reg. 48612 (Aug. 14, 2012) (37 C.F.R. §§ 42.1 to 42.80) and 77 Fed. Reg. 48756 (Aug. 14, 2012)). The USPTO updated the trial practice guide in August 2018 (see PTAB Trial Practice Guide August 2018 Update).

The 2012 trial guide includes the following representative timeline of an IPR, PGR, and CBM proceeding: (77 Fed. Reg. at 48757).



While the PTAB may deviate from this timeline in certain cases, it provides a useful guide and illustration of the key milestones of a PTAB proceeding.

Except where otherwise specified, the procedure for a CBM proceeding tracks that of a PGR proceeding (37 C.F.R. § 42.300(a)).

LENGTH OF PROCEEDINGS

Under the AIA, a PTAB proceeding is intended to move quickly. The AIA requires that the PTAB issue a final written decision on the patentability of any challenged claim within one year of instituting a trial. However, for good cause, the PTAB may extend this one-year statutory period by up to six months (37 C.F.R. §§ 42.100(c), 42.200(c), and 42.300(c)).

The PTAB generally adheres strictly to the one-year limit, but the one-year time limit:

- Does not begin until the PTAB issues a decision on whether to institute a trial (see T-0: Decision on Institution). This effectively extends a typical proceeding by up to six months, which is the typical amount of time the PTAB takes to decide whether to institute a trial (see Pre-Institution Proceedings).
- May be adjusted by the PTAB in the case of joinder of multiple proceedings (37 C.F.R. §§ 42.100(c), 42.200(c), and 42.300(c)).
- Applies only to proceedings before the PTAB. If a party appeals a PTAB final written decision to the US Court of Appeals for the Federal Circuit (Federal Circuit), the entire review process may last several years, including:
 - 18 to 24 months for the PTAB proceeding, including a request for rehearing of the PTAB's final written decision; and
 - at least one year for an appeal before the Federal Circuit, which does not take into account other delays in the appeal process, such as requests for rehearing and rehearing en banc, as well as petitions for certiorari to the US Supreme Court or remands back to the PTAB (see Appeal to the Federal Circuit).

The PTAB does not issue a certificate confirming patentability or cancelling challenged claims until all proceedings, including any appeals, are exhausted (see Issuance of Certificate).

PRE-INSTITUTION PROCEEDINGS

Pre-institution milestones in an IPR, PGR, or CBM proceeding include:

- Filing the petition for review (see T-6 Months: The Petition).
- The parties' initial disclosures (see T-6 Months to T-3 Months: Initial Disclosures).
- The patent owner's optional preliminary response to the petition (see T-3 Months: The Patent Owner's Preliminary Response (Optional)).
- The PTAB's decision on whether to institute a trial of the challenged claims (see T-0: Decision on Institution).

T-6 MONTHS: THE PETITION

Petition Filed



The first step to commence any IPR, PGR, or CBM is filing a petition identifying challenged claims and grounds of the patentability challenge. The petition's content is critical because it defines the broadest scope of the patentability challenge. The PTAB is unlikely to consider any unpatentability ground or supporting evidence not included in the petition.

Petition Timing

An **IPR** petition may only be filed:

- For a patent having an effective filing date on or after March 16, 2013 (a patent filed under the AIA's "first-inventor-to-file" patent system), the later of:
 - nine months after the patent's issue date; or
 - the termination of any PGR of the patent.
- After the patent's issue date for a patent having an effective filing date before March 16, 2013 (a patent filed under the pre-AIA "first-to-invent" patent system).

(37 C.F.R. § 42.102(a).)

A **PGR** petition may only be filed within nine months after the patent's issue or reissue date for a first-inventor-to-file patent (37 C.F.R. § 42.202(a)). First-to-invent patents are not eligible for PGR.

A **CBM** petition may only be filed:

- For a first-inventor-to-file patent:
 - by the later of nine months after the patent's issue or reissue date or the termination of any PGR of the patent;
 - once the petitioner has been charged with infringing the patent; and
 - before September 16, 2020.
- For a first-to-invent patent:
 - once the petitioner has been charged with infringing the patent; and
 - before September 16, 2020.

(37 C.F.R. §§ 42.302(a) and 42.303.)

Filing Limitations: The Declaratory Judgment Bar

The PTAB cannot institute an IPR, PGR, or CBM review if the petitioner or real party in interest has already filed a declaratory judgment action challenging the validity of one or more of the challenged patent's claims (see 35 U.S.C. §§ 315(a), 325(a); AIA § 18 (PL 112-29, § 18, 125 Stat 284 (2011)); *Securebuy, LLC v. CardinalCommerce Corp.*, 2014 WL 1691559 (PTAB Apr. 25, 2014); and 37 C.F.R. § 42.302(c)).

The declaratory judgment bar is not triggered by a:

- Counterclaim or affirmative defense of invalidity in response to the patent owner's infringement claim.
- Suit for declaratory judgment of non-infringement.

(See, for example, *Ariosa Diagnostics v. Isis Innovation Ltd.*, 2013 WL 2181162 (PTAB Feb. 12, 2013).)

Filing Limitations: The IPR One-Year Bar

The PTAB cannot institute an IPR based on a petition filed more than one year after the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the challenged patent (35 U.S.C. § 315(b)). If the patent owner has served multiple complaints asserting the challenged patent against the petitioner, the PTAB will consider the first complaint's service date to determine whether the one-year bar has been triggered (see *Apple Inc. v. VirnetX*, 2013 WL 8595302 (PTAB Dec. 13, 2013)).

The one-year bar is not triggered if the infringement complaint was filed with a court, but not served on the petitioner, more than one year before the IPR petition (see *Motorola Mobility LLC v. Arrouse*, 2013 WL 2023657 (PTAB Jan. 30, 2013)). On the other hand, the one-year bar is triggered even if the earlier district court action, in which the petitioner was served with a complaint for patent infringement more than one year before filing its petition, was:

- Voluntarily dismissed without prejudice (*Click-to-Call Technologies, LP v. Ingenio, Inc.*, 2018 WL 3893119 (Fed. Cir. Aug. 16, 2018); see also *Luminara Worldwide, LLC v. Iancu*, 2018 WL 3892991 (Fed. Cir. Aug. 16, 2018)).
- Involuntarily dismissed without prejudice (*Bennett Regulator Guards, Inc. v. Atlanta Gas Light Co.*, 2018 WL 4653673 (Fed. Cir. September 28, 2018)).
- Dismissed with prejudice (see *Universal Remote Control, Inc. v. Universal Elecs., Inc.*, 2013 WL 5947708 (PTAB Aug. 26, 2013)).

"[T]he IPR petitioner bears the ultimate burden of persuasion to show that its petitions are not time-barred under § 315(b) based on a complaint served on an alleged real party in interest more than one year earlier." With respect to the burden of production, "an IPR petitioner's initial identification of the real parties in interest should be accepted unless and until disputed by a patent owner." In order for a patent owner to sufficiently raise the issue, "a patent owner must produce some evidence that tends to show that a particular third party should be named a real party in interest." "A mere assertion that a third party is an unnamed real party in interest, without any support for that assertion, is insufficient to put the issue in dispute." (*Worlds Inc. v. Bungie, Inc.*, 2018 WL 4262564, *4 (Fed. Cir. 2018) (emphasis in original).)

The Mandatory Notice Requirement

The petition must include a list of mandatory notices identifying:

- Each real party in interest.
- Any other related judicial or administrative matter that may affect or be affected by a decision in the proceeding.
- Lead and back-up counsel. Lead counsel may designate more than one back-up counsel (37 C.F.R. § 42.10(a)), but should carefully identify back-up counsel because the PTAB may expect any identified back-up counsel to fill in if lead counsel is unavailable.
- Service information.

(37 C.F.R. § 42.8.)

The patent owner must file the same mandatory notices with the PTAB within 21 days of service of the petition (37 C.F.R. § 42.8(a)(2)).

If the information listed in a party's mandatory notices changes, the party must file revised mandatory notices with the PTAB within 21 days of the change (37 C.F.R. § 42.8(a)(3)).

Petition Content

Unlike a typical patent infringement complaint, a petition for IPR, PGR, or CBM review requires more than notice pleading. Absent good cause, the PTAB strictly limits the petitioner to the patentability challenge grounds identified in the petition and the specific bases supporting those grounds. The petition therefore should conspicuously include detailed arguments and all evidence supporting the patentability challenges in the first instance, to the extent possible. The PTAB has generally not been receptive to arguments:

- Buried in a footnote or an expert declaration (see, for example, *Cisco Sys., Inc. v. C-Cation Techs., LLC*, 2014 WL 4352301, at *5-6 (PTAB Aug. 29, 2014) (declining to consider arguments incorporated from expert declaration)).
- In claim charts, which the PTAB may reject if they include proposed construction, statements of law, or detailed obviousness arguments. The PTAB has held, however, that citing an expert declaration in a claim chart, without more, is acceptable (see, for example, *Google Inc. v. Visual Real Estate, Inc.*, IPR2014-01338, Paper 3 (PTAB Sept. 2, 2014)).

A petitioner generally must file a separate petition for each patent challenged. Each petition must include:

- A statement of the precise relief requested.
- A full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence, including material facts and the governing law, rules, and precedent. (37 C.F.R. § 42.22.)

The statement of the precise relief requested must specify:

- The statutory grounds of the challenge, including:
 - 35 U.S.C. §§ 102 or 103 in an IPR petition; and
 - 35 U.S.C. §§ 101, 102, 103, or 112 in a PGR or CBM petition.
- How the PTAB should construe each disputed claim.
- Where each claim element is found in the prior art.
- Specific citations to exhibit numbers for the supporting evidence. (37 C.F.R. §§ 42.104, 42.204, and 42.304.)

The petitioner may also include a statement of material fact with its petition, but one is not required. If the petitioner includes a statement of material fact, the statement should identify each fact in separately numbered paragraphs including specific citations to the supporting portions of the record (37 C.F.R. § 42.22(c)).

The USPTO has identified the following "top 5" items a PTAB paralegal looks for to determine whether a petition for an IPR, CBM, or PGR should be accorded a filing date as complete:

- Verification that the appropriate fee was successfully paid.
- Identification of the challenged patent and the specific claims being challenged.
- Identification of the real parties in interest.
- Copies of the patents and printed publications relied on in support of the petition.
- Verification that the patent owner was served with the petition (for example, a certificate of service).

The PTAB has encouraged petitioners to choose their best arguments for the petition and commonly rejects redundant or inferior arguments in favor of the strongest argument in the strongest petition filed against any given patent claim (see *Macauto U.S.A. v. BOS GmbH & KG*, 2013 WL 5947694 (PTAB Jan. 24, 2013) and *Google Inc. v. Unwired Planet, LLC*, 2014 WL 1396978 (PTAB Apr. 8, 2014)). The PTAB also may deny a petition in favor of stronger or better arguments made in a separate petition as to the same claims of the same patent (see, for example, *Medtronic, Inc. v. NuVasive, Inc.*, 2014 WL 4594734 (PTAB Sept. 11, 2014)).

A petition may also include supporting declarations and other evidence, such as copies of the prior art relied on in the petition. However, the PTAB may ignore any arguments not conspicuously presented in the petition.

Petition Word Count Limits

Petitions are limited to:

- 14,000 words for IPRs.
- 18,700 words for CBMs and PGRs.

(37 C.F.R. § 42.24(a)(1).)

These word count limits for petitions do not include words needed for a table of contents, a table of authorities, mandatory notices under 37 C.F.R. § 42.8, a certificate of service or word count, or appendix of exhibits or claim listing (37 C.F.R. § 42.24(a)(1)).

Petitions must include a certification stating the number of words in the paper (37 C.F.R. § 42.24(d)).

The PTAB generally accepts a party’s certificate of compliance with the word count limits except in obvious cases of abuse, such as where a party:

- Includes excessive words in figures, drawings, or images.
- Deletes spacing between words.
- Uses excessive acronyms or abbreviations.

(PTAB Trial Practice Guide August 2018 Update.)

While these word count limits may seem generous, when many claims, long claims, or multiple grounds of challenge are involved, petitioners commonly file multiple petitions challenging the same patent, with each petition addressing different claims or different challenge grounds.

The PTAB does not review petitions to determine if any claim charts contain arguments.

Fee

The fee for each petition can be substantial:

Type of Fee	IPR	CBM and PGR
Request Fee	\$15,500 (basic fee) plus \$300 (for each claim over 20, including unchallenged claims from which a challenged claim depends)	\$16,000 (basic fee) plus \$375 (for each claim over 20, including unchallenged claims from which a challenged claim depends)

Type of Fee	IPR	CBM and PGR
Post-institution Fee	\$15,000 (basic fee) plus \$600 (for each claim over 15, including unchallenged claims from which a challenged claim depends)	\$22,000 (basic fee) plus \$825 (for each claim over 15, including unchallenged claims from which a challenged claim depends)
Total	\$30,500 plus excess claim fees	\$38,000 plus excess claim fees

(37 C.F.R. § 42.15(a) and (b).)

The petitioner must pay all fees up front at the time of filing. If the PTAB does not institute a trial or only institutes in part, the petitioner is entitled to a full or partial refund of the post-institution fee.

Rule 11-Type Certification to PTAB

All papers filed with the PTAB in a proceeding on or after May 2, 2016 are subject to the following:

- Any paper filed in a proceeding must comply with the signature requirements set forth in 37 C.F.R. § 11.18(a) (37 C.F.R. § 42.11(b)).
- By presenting a paper to the PTAB, an attorney, registered practitioner, or unrepresented party attests to compliance with the certification requirements under 37 C.F.R. § 11.18(b)(2) (37 C.F.R. § 42.11(c)).
- If the PTAB finds a violation of the above rule, it may impose, after notice and a reasonable opportunity to respond, an appropriate sanction on any attorney, registered practitioner, or party that violated the rule or is responsible for the violation (37 C.F.R. § 42.11(d)(1)).
- After the PTAB’s authorization, a motion for sanctions may be filed based on a violation of the above rule. At least 21 days prior to seeking authorization to file a motion for sanctions, the moving party must serve the other party with the proposed motion. A motion for sanctions must not be filed if the alleged violation is cured within 21 days after service of such motion (37 C.F.R. § 42.11(d)(2)).

Notices In Response To Petition

In the weeks after the petition is filed, the PTAB will issue a notice indicating if it has accorded the petition a filing date, or if instead there are any defects in the petition. The following are official representative examples of notices the PTAB may issue:

- Notice of Filing Date Accorded (see *Liberty Mutual Ins. Co. v. Progressive Casualty Ins. Co.*, CBM2012-00002, Paper 4, (PTAB Sept. 21, 2012) (for a CBM) and *CBS Interactive Inc. v. Helferich Patent Licensing, LLC*, IPR2013-00033, Paper 14, (PTAB Oct. 26, 2012) (for an IPR)).
- Notice of Defective Petition (see *Macauto U.S.A. v. Baumeister & Ostler GmbH & Co.*, IPR2012-00004, Paper 6, (PTAB Sept. 27, 2012)).
- Notice of Incomplete Petition (see *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, Paper 5, (PTAB Sept. 27, 2012)).

These representative notices reflect early practice of the PTAB. Although they have not been updated on the PTAB’s website of

Representative Notices, the PTAB has continued to refine its practice since, including its rules regarding claim charts in a petition.

T-6 MONTHS TO T-3 MONTHS: INITIAL DISCLOSURES

Mandatory Initial Disclosures: Agreement Reached

Once the petition is filed, the parties may begin negotiating the scope of mandatory initial disclosures.

If the parties agree to the scope of initial disclosures, they must submit that agreement by the earlier of:

- The time the patent owner files its preliminary response.
- The preliminary response due date (T-3 months).

(37 C.F.R. § 42.51(a)(1)(i).)

If the PTAB institutes a trial within three months of the patent owner's preliminary response, the parties may automatically take discovery of the information identified in the initial disclosures (37 C.F.R. § 42.51(a)(1)(iii)).

If the parties agree to the scope of mandatory initial disclosures, they may choose:

- **Option 1.** This option is modeled after the Federal Rule of Civil Procedure (FRCP) 26(a)(1)(A) and requires a basic exchange of information, such as:
 - the names, addresses, and telephone numbers of individuals likely to have discoverable information; and
 - copies of documents that a party may use to support its position.
- **Option 2.** This more extensive option includes:
 - the disclosures from Option 1;
 - additional contact information of individuals with knowledge of non-published prior art if the petition seeks to cancel claims based on a non-published disclosure; and
 - additional information regarding secondary considerations of non-obviousness if the petition seeks to cancel claims based on obviousness.

(See Trial Practice Guide, 77 Fed. Reg. at 48762 and *Carestream Health, Inc. v. Smartplates, LLC*, IPR2013-00600, Paper 8 (PTAB Dec. 26, 2013) (agreement under Option 1).)

Mandatory Initial Disclosures: No Agreement Reached

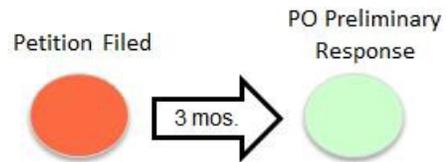
It may be more likely that the parties will disagree on the scope of mandatory initial disclosures, in which case they must file a motion to obtain any additional discovery they seek (see 37 C.F.R. § 42.51(a)(2); see Patent Owner Additional Discovery and Petitioner Additional Discovery).

T-5 MONTHS: REQUESTING APPLICATION OF DISTRICT COURT-TYPE CLAIM CONSTRUCTION STANDARD TO A PATENT EXPIRING BEFORE A FINAL WRITTEN DECISION

A party may request application of a *Phillips*-type approach to claim construction (that is, a claim construction consistent with district court practice following *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005)) by filing a motion within 30 days from the filing of the petition, with a certification that the challenged patent will expire within 18 months from the entry of the Notice of Filing Date Accorded to Petition (37 C.F.R. §§ 42.100, 42.200, and 42.300).

On October 11, 2018, the USPTO published a final rule, effecting new petitions filed on or after November 13, 2018, changing the claim construction standard from the "broadest reasonable construction" standard to the *Phillips*-type approach (83 Fed. Reg. 51340). This standard applies to IPR, PGR, and CBM proceedings before the PTAB.

T-3 MONTHS: THE PATENT OWNER'S PRELIMINARY RESPONSE (OPTIONAL)



Preliminary Response Timing

The patent owner may elect to file a preliminary response to an IPR, PGR, or CBM petition within three months of the PTAB's notice according to a filing date to the petition (37 C.F.R. §§ 42.107(b) and 42.207(b)).

The preliminary response may either:

- Identify the reasons why the PTAB should not institute a trial (see Preliminary Response Content).
- State that the patent owner declines to respond to the petition (see Trial Practice Guide, 77 Fed. Reg. at 48757).

The PTAB must determine whether to institute a proceeding within three months of the patent owner's preliminary response or the preliminary response due date, whichever is earlier. The patent owner may therefore attempt to expedite the proceedings by waiving its preliminary response (37 C.F.R. §§ 42.107(b) and 42.207(b)). Waiving a preliminary response does not result in an adverse inference against the patent owner (see Trial Practice Guide, 77 Fed. Reg. at 48764).

The PTAB also allows the patent owner at its option to include an expert declaration with its preliminary response (37 C.F.R. §§ 42.107(a) and 42.207(a)). Typically, no depositions of experts will be conducted before institution. If a patent owner submits a declaration with its preliminary response, the petitioner may seek leave to submit a reply to address the declaration but any such request must make a showing of good cause. To the extent a factual dispute is raised by competing declarations, the PTAB will, for purposes of the decision on institution, view all factual disputes in favor of the petitioner. (37 C.F.R. §§ 42.108(c) and 42.208(c).)

Preliminary Response Content

A patent owner's preliminary response:

- Is limited to stating the reasons why the PTAB should not institute a trial.
- May present supporting evidence, including new testimonial testimony (for example, expert declaration).
- May not include any claim amendment.
- May disclaim challenged patent claims, which precludes review of those claims.

(37 C.F.R. §§ 42.107 and 42.207.)

Patent owner preliminary responses commonly include arguments such as:

- The petitioner is statutorily barred from pursuing a review.
- The asserted references are not in fact prior art.
- The prior art:
 - lacks a material limitation present in all of the independent claims; or
 - teaches or suggests away from an obviousness combination that the petitioner is advocating.
- The petitioner’s proposed construction of the challenged claims is unreasonable.
- A brief explanation of how the challenged claims are directed to a patent-eligible subject matter, if a PGR or CBM petition challenges patentability under 35 U.S.C. § 101.

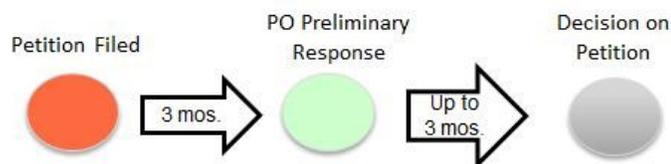
(See Trial Practice Guide, 77 Fed. Reg. at 48764.)

The USPTO maintains updated statistics of patent owner preliminary responses and other filing rates on its website.

Preliminary Response Word Count Limit

The word count limit for patent owner preliminary responses is the same as the word count limit for the petition (37 C.F.R. § 42.24(b)(1); see Petition Word Count Limits).

T-0: DECISION ON INSTITUTION



Institution Timing

The PTAB must determine whether to institute a trial within three months of the earlier of:

- The patent owner’s preliminary response filing.
- The preliminary response due date.

(See Trial Practice Guide, 77 Fed. Reg. at 48757.)

The PTAB’s institution decision will take into account any testimonial evidence provided by the patent owner along with its preliminary response. If a genuine issue of material fact is created by such testimonial evidence, the issue will be resolved in favor of petitioner solely for institution purposes so that petitioner will have an opportunity to cross-examine the declarant during the trial (37 C.F.R. §§ 42.108 and 42.208).

Institution Thresholds

In its decision on institution, the PTAB identifies any patentability challenges that will be part of the trial. Before the US Supreme Court’s decision in *SAS Institute Inc. v. Iancu*, 2018 WL 1914661 (U.S. Sup. Ct. Apr. 24, 2018), the PTAB would only institute trial on those challenged claims for which the petition has satisfied the threshold standard for instituting trial and issue a final written decision only on the instituted claims. In *SAS Institute Inc.*, however, the Supreme

Court held that when the USPTO institutes an IPR it must issue a final written decision addressing the patentability of all of the claims the petitioner challenged in the petition.

The institution threshold differs across proceedings:

- For **IPR**, the petition and any preliminary response must show that there is a reasonable likelihood that the petitioner would prevail on at least one of the challenged claims (35 U.S.C. § 314(a)).
- For **PGR**, the petition and any preliminary response must show that it is more likely than not (greater than 50%) that at least one of the challenged claims is unpatentable. The petition also may satisfy the “more likely than not” standard if it raises a novel or unsettled legal question that is important to other patents or patent applications (35 U.S.C. § 324(a)).
- For **CBM**, as a subset of PGR, the petition and any preliminary response must show that it is more likely than not that at least one of the challenged claims is unpatentable (see AIA § 18 (PL 112-29, § 18, 125 Stat 284 (2011)). The challenged patent must also meet the definition of a covered business method patent, which is one that:
 - claims a method or corresponding apparatus for performing data processing or other operations used in a financial product or service (AIA § 18(d)(1); 37 C.F.R. § 42.301(a)); and
 - does not claim a technological invention (AIA § 18(d)(1); 37 C.F.R. § 42.301(b)).

In *Unwired Planet, LLC v. Google Inc.*, the Federal Circuit held that “the Board’s reliance on whether the patent claims activities ‘incidental to’ or ‘complementary to’ a financial activity as the legal standard to determine whether a patent is a CBM patent was not in accordance with the law.” (841 F.3d 1376, 1382 (Fed. Cir. 2016), *reh’g en banc denied*, 682 Fed. Appx. 928 (Fed. Cir. Apr. 4, 2017), *cert. denied*, *Google LLC v. Unwired Planet, LLC* (U.S. Apr. 30, 2018)). The court noted that the statute’s definition of covered business method is paramount, and “the Board’s application of the ‘incidental to’ and ‘complementary to’ language from the PTO policy statement instead of the statutory definition renders superfluous the limits Congress placed on the definition of a CBM patent.” (*Unwired*, 841 F.3d at 1382).

The PTAB also considers whether the trial can be completed within the 18-month time period allowed by statute (see Timing).

Representative Institution Decisions

The USPTO has identified several representative institution decisions in which the PTAB:

- Conducted independent claim construction even though the patent owner had not challenged petitioner’s proposed constructions (see *Microsoft Corp. v. ProxyConn, Inc.*, 2012 WL 10703131 (PTAB Dec. 21, 2012)).
- Broadly defined a “covered business method” patent (see *SAP Am., Inc. v. Versata Dev. Grp., Inc.*, 2013 WL 5947661 (PTAB Jan. 9, 2013)).
- Did not adopt patent owner’s claim construction positions taken in a related infringement litigation (see *Garmin Int’l, Inc. v. Cuoizzo Speed Techs. LLC*, 2013 WL 5947691 (PTAB Jan. 9, 2013)).
- Refused to consider unpatentability arguments that were not clearly tied to the challenged claims (see *Microstrategy, Inc. v. Zillow, Inc.*, 2013 WL 6327763 (PTAB Apr. 22, 2013) (on rehearing of institution decision)).

- Applied estoppel under 35 U.S.C. § 315(e) to art that “could have been raised” in a prior proceeding, but not against claims that were not instituted (*Dell, Inc. v. Elecs. and Telecomms. Research. Inst.*, 2015 WL 1731182 (PTAB Mar. 26, 2015)).
- Applied estoppel under 35 U.S.C. § 325(e) on a claim-by-claim basis only against claims included in the Final Written Decision, even if otherwise included in the petition (*Westlake Services LLC v. Credit Acceptance, Inc.*, 2015 WL 9699417 (PTAB May 14, 2015)).

The USPTO maintains a list of PTAB Representative Orders, Decisions, and Notices on its website. For additional representative PTAB decisions, see Practice Note, USPTO America Invents Act Trial Tracker (PTAB) ([2-569-3226](https://www.uspto.gov/patent/procurement/tracker)).

The PTAB has also noted that it considers several non-exclusive factors (the “*General Plastic* factors”) in exercising its discretion under 35 U.S.C. Section 314(a) or Section 324(a) when instituting IPR, especially for follow-on petitions challenging the same patent previously challenged in an IPR, PGR, or CBM, including:

- Whether the same petitioner previously filed a petition directed to the same claims of the same patent.
- Whether, when the petitioner filed the first petition, it knew, or should have known, of the prior art asserted in the second petition.
- Whether, when the petitioner filed the second petition, it already received the patent owner’s preliminary response to the first petition or received the PTAB’s decision on whether to institute review on the first petition.
- The time period between when the petitioner learned of the prior art asserted in the second petition and the filing of the second petition.
- Whether the petitioner provides an adequate explanation for the delay between the filing of multiple petitions directed to the same claims of the same patent.
- The PTAB’s resources.
- The requirement for the PTAB to issue a final determination not later than one year after the date of institution.

(PTAB Trial Practice Guide August 2018 Update.)

The PTAB has also noted the following non-exclusive factors (the “*Becton Dickinson* factors”) when determining under 35 U.S.C. Section 325(d) whether to institute IPR, PGR, or CBM when the same or substantially the same prior art or arguments were previously presented to the USPTO:

- The similarities and material differences between the asserted art and the prior art previously evaluated.
- The cumulative nature of the asserted art and the prior art previously evaluated.
- The extent to which the asserted art was previously evaluated.
- The extent of the overlap between the previous arguments and the manner in which the petitioner relies on or the patent owner distinguishes the prior art.
- Whether the petitioner sufficiently explained how the USPTO erred in evaluating the prior art.
- The extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

(PTAB Trial Practice Guide August 2018 Update.)

SEEKING REHEARING OF THE DECISION ON INSTITUTION

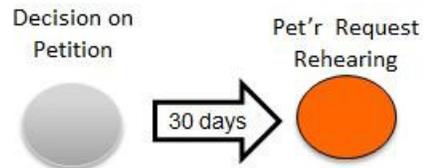
The PTAB’s institution decision is final and nonappealable (35 U.S.C. §§ 314(d) and 324(e)). A party dissatisfied with a decision may request a rehearing of an institution decision by a PTAB panel, but may only file a single rehearing request as of right (see 37 C.F.R. § 42.71(d)). The PTAB is generally reluctant to grant rehearing requests, however, and a party requesting rehearing of an institution decision may face an uphill battle.

Separate timelines and procedures exist for seeking rehearing of a PTAB institution decision depending on whether the PTAB has:

- Declined to institute a trial on any challenged claim (see Requesting Rehearing of a Decision Not to Institute a Trial).
- Instituted a trial on the challenged claims (see Requesting Rehearing of a Decision to Institute Trial).

REQUESTING REHEARING OF A DECISION NOT TO INSTITUTE A TRIAL

T+30 Days: Petitioner’s Rehearing Request



If the PTAB does not institute a trial, the petitioner may file a rehearing request, without the PTAB’s prior authorization, within 30 days of the PTAB’s entry of its decision (37 C.F.R. § 42.71(d)(2)). This differs from the 14 day period for seeking rehearing of a decision to institute a trial because a decision not to institute a trial is a final decision.

The petitioner bears the burden of proof in the rehearing request and a panel reviews the decision not to institute for an abuse of discretion (37 C.F.R. § 42.71(c) and Trial Practice Guide, 77 Fed. Reg. at 48768).

The rehearing request must specifically identify:

- All matters the PTAB misapprehended or overlooked.
- Where each matter was previously addressed in a motion, opposition, or reply.

(See 37 C.F.R. § 42.71(d) and *MicroStrategy, Inc. v. Zillow, Inc.*, 2013 WL 6327763 (PTAB Apr. 22, 2013).)

A petitioner may not present new evidence or arguments in a rehearing request without good cause (see *Larose Indus., LLC v. Choon's Design, LLC*, 2014 WL 2741646 (PTAB June 16, 2014)).

T+2 Months: Patent Owner’s Opposition to Rehearing Request



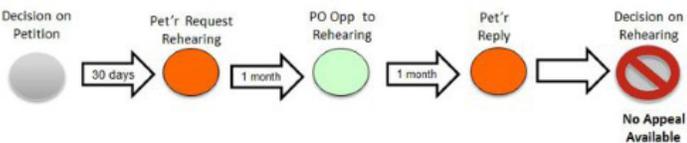
A patent owner's opposition to a rehearing request is due one month after service of the rehearing request (37 C.F.R. § 42.25). The patent owner must receive the PTAB's authorization to file an opposition (see Trial Practice Guide at 48768 and *Illumina Inc. v. The Tr. of Columbia Univ. in the City of New York*, 2013 WL 8696617 (PTAB Apr. 17, 2013)). The PTAB may decline to consider any unauthorized patent owner response to a rehearing request (see *Sony Corp., v. Tisum Research Dev. Co. of the Hebrew Univ. of Jerusalem*, 2013 WL 6514069 (PTAB Nov. 21, 2013)).

T+3 Months: Petitioner's Reply



If a patent owner submits an authorized opposition to a petitioner's rehearing request, the petitioner must obtain the PTAB's authorization to submit a reply brief in further support of its rehearing request. Any reply is due one month after the opposition (see 37 C.F.R. § 42.25 and *Sony Corp. v. Tisum Research Dev. Co. of the Hebrew Univ. of Jerusalem*, 2013 WL 6514069 (PTAB Nov. 21, 2013)).

Decision on Request for Rehearing after Denying Trial



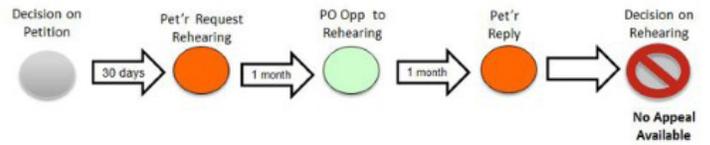
The PTAB determines whether to grant rehearing any time after the parties have either exhausted or been denied their requested rehearing filings.

Early PTAB decisions show that the PTAB has been reluctant to grant requests for rehearing of its institution decisions. In denying rehearing requests, the PTAB has emphasized that a rehearing petition must explain in detail what the PTAB misapprehended or overlooked regarding specific portions of the disclosed prior art.

One petitioner has successfully requested rehearing in three related IPRs, however, where it identified specific differences between two prior art publications and where the PTAB had instituted an IPR based on one of the publications, but denied IPR as redundant as to the other. On request for rehearing, the PTAB agreed that the prior art publications were not redundant and modified the institution decision to include a patentability challenge based on both publications (see *Illumina Inc. v. The Tr. of Columbia Univ. in the City of New York*, 2013 WL 8149386 (PTAB May 10, 2013) and *Illumina Inc. v. The Tr. of Columbia Univ.*, 2013 WL 5653110 (PTAB May 10, 2013)).

Notably, in order to avoid the high hurdles of the rehearing request, petitioners that have been denied trial on all challenged claims have in some cases filed separate IPR petitions on the same patent and sought to join the proceedings through joinder motions (see, for example, *Samsung Elecs. Co., Ltd. v. Virginia Innovation Scis., Inc.*, 2014 WL 2758771 (PTAB June 13, 2014)).

No Appeal is Available



While a party may request a rehearing of an institution decision, neither the decision nor a rehearing decision affirming non-institution is appealable to the Federal courts (see 35 U.S.C. §§ 314(d), 324(e); and *Dominion Dealer Solutions, LLC v. Lee*, 2014 WL 1572061 (E.D. Va. Apr. 18, 2014), *aff'd* 749 F.3d 1379 (Fed. Cir. 2014)).

REQUESTING REHEARING OF A DECISION TO INSTITUTE TRIAL
T+14 Days: Patent Owner Request for Rehearing on Decision to Institute Trial



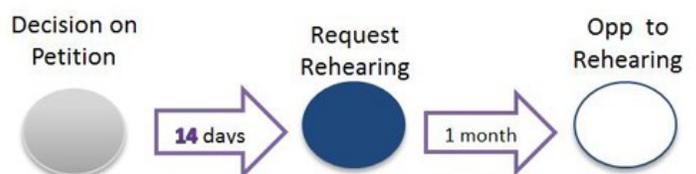
If the PTAB institutes a trial, the patent owner may request a rehearing of the institution decision and the petitioner may request a rehearing as to claims or unpatentability grounds for which the PTAB denied institution.

Because, unlike a decision not to institute a trial, a decision to institute an IPR is a non-final decision, a party must file any rehearing request within 14 days of the PTAB's entry of the decision (37 C.F.R. § 42.71(d)(1)).

As with a request for rehearing of a decision denying institution, the rehearing request must specifically identify all matters the PTAB misapprehended or overlooked and where the matter was previously addressed in the record (37 C.F.R. § 42.71(d) and Trial Practice Guide, 77 Fed. Reg. at 48768).

Absent a showing of good cause, the PTAB will not admit new evidence in a rehearing request that the parties did not raise in the pre-institution filings. For example, the PTAB has refused to consider rehearing exhibits not included in the patent owner's preliminary response, holding that a rehearing request is not an opportunity to supplement the parties' initial filings or raise new arguments (see *BAE Sys. Info. and Elec. Sys. Integration, Inc. v. Cheetah Omni, LLC*, 2013 WL 5653116 (PTAB July 23, 2013)).

T+1.5 Months: Opposition to Rehearing Brief



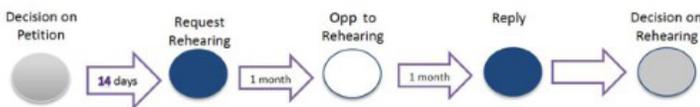
A party must receive the PTAB’s authorization to file an opposition to a rehearing request (Trial Practice Guide, 77 Fed. Reg. at 48768). Any authorized opposition is due one month after service of the rehearing request (37 C.F.R. § 42.25).

T+2.5 Months: Reply to Opposition Brief



If a party files an authorized opposition to a rehearing request, the party seeking rehearing must receive the PTAB’s authorization to file a reply within one month of service of the opposition (see 37 C.F.R. § 42.25).

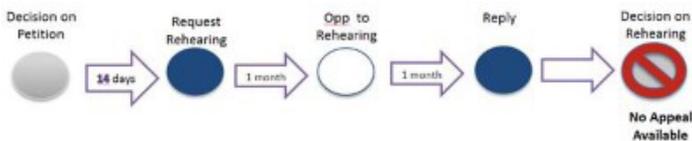
Decision on Rehearing



The PTAB determines whether to grant rehearing any time after the parties have either exhausted or been denied their requested rehearing filings. If no opposition is filed, the PTAB will likely decide the rehearing request one month after the rehearing request is filed (see Trial Practice Guide, 77 Fed. Reg. at 48768).

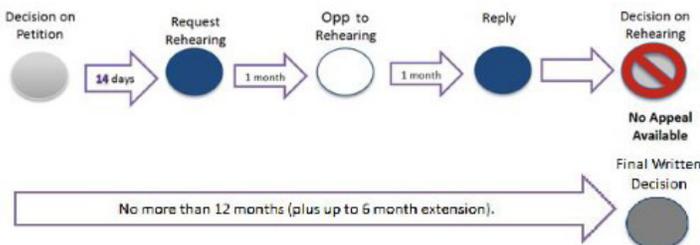
As with requests for rehearing of decisions not to institute trial, the PTAB has been reluctant to grant requests for rehearing of a decision to institute trial. However, in at least one case the PTAB has granted a patent owner’s rehearing request where the patent owner specifically identified arguments in its preliminary response that the PTAB had overlooked in instituting trial (see *Veeam Software Corp. v. Symantec Corp.*, 2013 WL 8696284 (PTAB Sept. 30, 2013)).

No Appeal is Available



The PTAB’s institution decision, including its decision on rehearing, is final and not appealable to the federal courts (see 35 U.S.C. §§ 314(d) and 324(e)).

Proceeding on Instituted Claims Continues in Parallel



Because the PTAB must enter a final written decision within one year of instituting trial, unless that time is extended by up to six months

for good cause, a request for rehearing of a decision to institute trial will not toll the deadlines for other actions in the proceedings (see 37 C.F.R. § 42.71(d)). The trial proceedings will therefore continue in parallel with any rehearing proceedings.

POST-INSTITUTION PROCEEDINGS LEADING TO THE HEARING

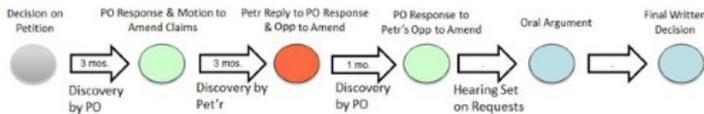
Once the PTAB has issued an order to institute a trial on the challenged claims, the trial proceeds with the following key milestones:

- Entry of a Scheduling Order and an initial conference call with the PTAB (see T-0 Months: Entry of Scheduling Order and Initial Conference Call).
- Discovery by the patent owner (see T-0 to T+3 Months: Discovery by Patent Owner).
- The patent owner’s response to the petition and motion to amend claims (see T+3 Months: Patent Owner Response and Motion to Amend Claims).
- Discovery by the petitioner (see T+3 Months to T+6 Months: Discovery by Petitioner).
- The petitioner’s reply in response to the patent owner’s opposition and the petitioner’s opposition to the patent owner’s motion to amend (see T+6 Months: Petitioner Reply to Patent Owner Response and Opposition to Motion to Amend).
- A second discovery period by the patent owner (see T+6 Months to T+7 Months: Second Patent Owner Discovery Period).
- The patent owner’s reply to the petitioner’s opposition to the motion to amend (see T+7 Months: Patent Owner Reply to Petitioner’s Opposition to Motion to Amend).
- The petitioner’s sur-reply on a motion to amend (optional with leave).
- Pre-hearing proceedings (see Pre-Hearing Proceedings).
- Oral argument (see Oral Argument).
- The PTAB’s final written decision (see Final Written Decision).

T-0 MONTHS: ENTRY OF SCHEDULING ORDER AND INITIAL CONFERENCE CALL

If the PTAB institutes trial, it will enter a scheduling order along with its institution decision (see Trial Practice Guide, 77 Fed. Reg. at 48757). Within one month of instituting trial, the PTAB may on request hold a conference call with the parties to discuss the scheduling order and any motions the parties anticipate filing during the trial (see Trial Guide, 77 Fed. Reg. at 48765). The PTAB generally requires a list of the parties’ proposed motions, if any, at least two business days before the conference call to provide the parties adequate notice to prepare for the conference call. The PTAB may require prior authorization if a party seeks to file any motion not included in the pre-conference list of proposed motions (see Trial Guide, 77 Fed. Reg. at 48765).

The scheduling order guides the proceedings to their conclusion within the statutory one-year time limit, unless an extension of up to six months is granted for good cause by the Chief Administrative Patent Judge or if the schedule is adjusted by the PTAB in the case of joinder (37 C.F.R. §§ 42.100(c), 42.200(c), and 42.300(c)).



The August 2018 update to the trial practice guide provides an exemplary scheduling order that includes the following important default deadlines:

- **DUE DATE 1:** Patent owner response to the petition and authorized motion to amend (three month default time).
- **DUE DATE 2:** Petitioner reply to the patent owner’s response and opposition to patent owner’s motion to amend (three month default time).
- **DUE DATE 3:** Patent owner sur-reply to reply and reply to the petitioner’s opposition (one month default time).
- **DUE DATE 4:** Petitioner sur-reply to reply to opposition to motion to amend and parties’ motion to exclude evidence (one month default time).
- **DUE DATE 5:** Opposition to motion to exclude (one week default time).
- **DUE DATE 6:** Reply to opposition to motion to exclude and request for prehearing conference (one week default time).
- **DUE DATE 7:** Oral argument (two week default time).

(PTAB Trial Practice Guide August 2018 Update.)

The parties may:

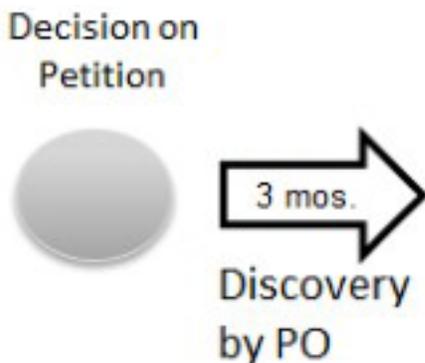
- Stipulate different dates for DUE DATES 1-5, but no later than DUE DATE 6.
- Not stipulate to an extension of DUE DATES 6-7 or to the requests for oral hearing.

(see PTAB Trial Practice Guide August 2018 Update.)

The USPTO has identified several cases with representative scheduling orders, including:

- *Microsoft Corp. v. Proxycorn, Inc.*, IPR2012-00026, Paper 18 (PTAB Dec. 21, 2012).
- *SAP Am., Inc. v. Versata Dev. Grp., Inc.*, 2013 WL 5947665 (PTAB Jan. 9, 2013).
- *Garmin Int’l, Inc. v. Cuozzo Speed Techs. LLC*, 2013 WL 5947692 (PTAB Jan. 9, 2013).

T-0 TO T+3 MONTHS: DISCOVERY BY PATENT OWNER



Once the PTAB institutes trial, discovery proceeds in a sequenced fashion between the patent owner and the petitioner. During the first three months after the PTAB institutes trial, the patent owner may conduct discovery including deposing (cross-examining) the petitioner’s declarants (see Trial Practice Guide, 77 Fed. Reg. at 48757). Unlike district court litigation, discovery in a PTAB trial is focused on what the parties actually need and narrows in scope as the trial continues (see Trial Practice Guide, 77 Fed. Reg. at 48761).

Discovery includes:

- The information the parties exchange through agreed-upon initial disclosures and mandatory notices (see T-6 Months to T-3 Months: Initial Disclosures).
- Routine discovery (see Routine Discovery).
- Additional discovery (see Patent Owner Additional Discovery).

(37 C.F.R. § 42.51.)

Routine Discovery

Routine discovery includes:

- Production of any exhibit cited in a paper or testimony.
- Cross-examination of affidavit testimony prepared for the proceeding.
- Relevant information that is inconsistent with a position advanced during the proceeding.

(37 C.F.R. § 42.51(b).)

The parties may obtain routine discovery without PTAB authorization and the scheduling order typically specifies the times for conducting routine discovery (see Trial Practice Guide at 48761).

Patent Owner Additional Discovery

If the patent owner seeks more than routine discovery, it typically must file a motion for additional discovery (see 37 C.F.R. § 42.51(b)(2)). The parties also may agree to conduct additional discovery, but this rarely occurs.

The PTAB’s standard for granting additional discovery depends on the proceeding type. In an IPR, the moving party must show that additional discovery should be allowed in the “interests of justice.” In a PGR or CBM proceeding, a more liberal “good cause” standard applies. The PTAB normally grants additional discovery of information that is in the exclusive possession of a party and relevant to an issue that the party raised (see Trial Practice Guide, 77 Fed. Reg. at 48761).

The PTAB has generally considered the following five factors, known as the “*Garmin* factors,” to determine whether to grant a motion for additional discovery in an IPR proceeding under the “interests of justice” standard:

- Is there more than a possibility and mere allegation that something useful might be found?
- Does the request merely seek early identification of the opponent’s litigation position?
- Can the party requesting discovery generate equivalent information through other means?
- Are the instructions easily understandable?
- Are the requests overly burdensome to answer?

(See *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, 2013 WL 8696519 (PTAB Feb. 14, 2013).)

Generally, the PTAB has been stringent in applying the *Garmin* factors and has denied most requests for additional discovery. The PTAB has, however, granted a patent owner's request for additional discovery of laboratory notebooks in the petitioner's possession where the petitioner's expert suggested that the details of procedures disclosed in the notebooks demonstrated unpatentability (see *Corning Inc. v. DSM IP Assets B.V.*, 2013 WL 8699246 (PTAB June 21, 2013)). The PTAB has also granted a patent owner's motion for additional discovery concerning real parties in interest that the petitioner did not identify in its petition (see *Atlanta Gas Light Co. v. Bennett Regulator Guards, Inc.*, 2014 WL 1622746 (PTAB April 23, 2014)). Requests for additional discovery that are merely "fishing expeditions" are not good enough. Instead, a party seeking additional discovery must show that the additional discovery is in the interests of justice and the request must be more than a possibility and mere allegation that something useful may be found (37 C.F.R. § 42.51(b)(2)(i); *Garmin Int'l, Inc. v. Cuozzo Speed Techs. LLC*, 2013 WL 11311697 (PTAB Mar. 5, 2013) (precedential)).

Objections to Evidence and Answers to Objections

Once the PTAB has instituted a trial, a party must raise any objection to the opposing party's deposition or other submitted evidence within five business days of service of the evidence or risk waiver (37 C.F.R. § 42.64(b)(1)). Any objection to evidence must particularly and clearly identify the grounds for the objection to allow the opposing party to correct the evidence by filing supplemental evidence.

Following an objection to evidence, the party that submitted the evidence may respond by filing supplemental evidence within ten business days of service of the objection (37 C.F.R. § 42.64(b)(2)).

If a party objects to evidence submitted before institution of a trial, the objection must be filed within ten business days of the institution of trial (37 C.F.R. § 42.64(b)(1)). The objection is preserved by filing a motion to exclude the evidence once the time for taking discovery in the trial has ended. The scheduling order sets the deadline for filing the motion to exclude. (PTAB Trial Practice Guide August 2018 Update.)

A motion to exclude should:

- Identify where in the record:
 - the objection was originally made; and
 - an opponent relied on the evidence the party seeks to exclude.
- Address objections to exhibits in numerical order.
- Explain the basis and grounds for each objection.

A party may also seek authorization to file a motion to strike if a party believes that the opposing party's brief:

- Raises new issues.
- Is accompanied by belatedly presented evidence.
- Exceeds the proper scope of reply or sur-reply.

The party requesting authorization to file a motion to strike should do so within one week of the allegedly improper submission.

Alternatively, a party may seek authorization for further merits briefing. (PTAB Trial Practice Guide August 2018 Update.)

Admissibility of evidence is generally governed by the Federal Rules of Evidence (37 C.F.R. § 42.62).

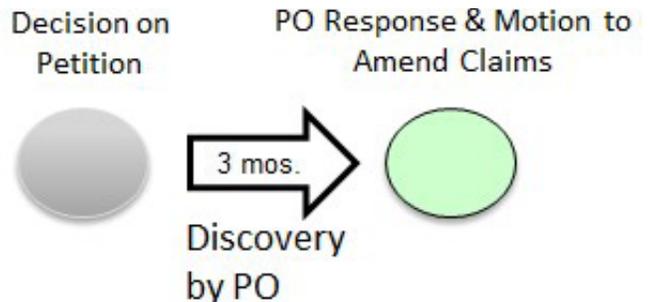
Depositions (Cross-Examination)/Uncompelled Testimony

Routine discovery permits the parties to depose (cross-examine) the opposing party's declarants that submit affidavit testimony prepared for the proceeding. A party seeking a deposition must file a notice at least ten business days before the deposition (37 C.F.R. § 42.53(d)(4)). The content, logistics, and form of the testimony are governed by 37 C.F.R. § 42.53.

Unless the parties agree otherwise, cross-examination should take place after any supplemental evidence is due and should conclude more than one week before the filing date for any paper in which the parties expect to cite the cross-examination testimony (37 C.F.R. § 42.53(d)(2)).

Testimony, such as a deposition transcript, must be filed as an exhibit, but either party may file the testimony (37 C.F.R. § 42.53(f)(7)). Any un compelled direct testimony must be submitted in the form of an affidavit (37 C.F.R. § 42.53(a)).

T+3 MONTHS: PATENT OWNER RESPONSE AND MOTION TO AMEND CLAIMS



Within three months of the institution decision, the patent owner may file a response and motion to amend the instituted patent claims (35 U.S.C. §§ 316(a)(8) and 326(a)(8); 37 C.F.R. §§ 42.120 and 42.220). Unlike the patent owner's preliminary response (see T-3 Months: The Patent Owner's Preliminary Response), in its post-institution response the patent owner may substantively refute the patentability challenges raised in the petition and institution decision.

Patent Owner Response Word Count Limit

The word count limit for patent owner responses is the same as the word count limit for the petition (37 C.F.R. § 42.24(b)(2); see Petition Word Count Limits).

Patent Owner Response Content

The patent owner's response should include arguments for all claims that are believed to be patentable as well as any affidavits or additional factual evidence on which the patent owner intends to rely, with an explanation of the evidence's relevance (Trial Practice Guide, 77 Fed. Reg. at 48766). If a patent owner chooses not to file a response, it may request a conference call with the PTAB to discuss

whether the patent owner will file a request for adverse judgment under 37 C.F.R. § 42.73(b).

A patent owner may request adverse judgment for strategic reasons. For example, in *ZTE Corp. v. ContentGuard Holdings Inc.*, the patent owner filed a request for adverse judgment and cancellation of all instituted claims where the petitioner moved to join two IPR petitions against claims the patent owner had asserted against it in a related litigation. The second IPR petition was time barred by 35 U.S.C. § 315(b) and, because the PTAB granted the patent owner's adverse judgment on the first petition, it then denied the petitioner's joinder request because there was no pre-existing proceeding to which the second, time-barred petition could be joined. This precluded review of the challenged claims in the second petition. (See 2013 WL 6514088 (PTAB Sept. 25, 2013)).

As with the petition, the patent owner's response is limited to 14,000 words in an IPR proceeding and 18,700 words in a PGR or CBM proceeding (37 C.F.R. § 42.24(b)).

Motion to Amend Claims

A patent owner may file a motion to amend instituted claims, which is typically due three months after a trial is instituted along with the patent owner's response to the petition (37 C.F.R. §§ 42.121(a) and 42.221(a)). The patent owner does not need the PTAB's permission to file an initial motion to amend, but must confer with the PTAB before filing the motion to give the parties guidance on how the motion to amend may affect the schedule. The PTAB may modify the motion to amend's due date if the patent owner gives the PTAB and opposing party adequate notice.

A motion to amend:

- May not enlarge claim scope or add new matter.
- Must clearly identify the support for the amended claims in the original patent disclosure.

(See 35 U.S.C. §§ 316(d)(3) and 326(d)(3); and *Munchkin, Inc., v. Luv N' Care, LTD.*, 110 U.S.P.Q.2d 1580, 2014 WL 1619033 (PTAB Apr. 21, 2014).)

In determining whether to grant a motion to amend, the PTAB also considers:

- Whether a petitioner has submitted supplemental information after the time period set for filing a motion to amend.
- The time remaining for the trial.
- Whether the additional evidence was known to the patent owner before the motion to amend was due.

(See Trial Practice Guide, 77 Fed. Reg. at 48766.)

In some cases, the patent owner may seek to file an additional motion to amend as the trial progresses. To do so, the patent owner must request the PTAB's authorization and show good cause for the additional amendment (37 C.F.R. §§ 42.121(c) and 42.221(c)). The PTAB has authorized a supplemental motion to amend where the parties submitted a joint request for a supplemental amendment to advance settlement (see *Nichia Corp. v. Emcore Corp.*, 2013 WL 8352845 (PTAB Jun. 3, 2013)).

A patent owner also may request to substitute new claims for the claims that are the subject of the trial. In *Aqua Products v. Matal*,

a divided *en banc* panel of the Federal Circuit vacated the PTAB's decision denying the patent owner's motion to amend and remanded the case for the PTAB to consider patentability of the amended claims without placing the burden of persuasion on the patent owner (2017 WL 4399000 (Fed. Cir. Oct. 4, 2017, O'Malley, K.)). In the court's leading opinion, Judge O'Malley directed the PTAB on remand to:

- Assess patentability on a motion to amend without placing the burden of persuasion on the patent owner.
- Consider the entire record when assessing the patentability of amended claims under 35 U.S.C. Section 318(a) and justify any conclusions of unpatentability on that record.

Before the *Aqua Products* decision, the PTAB had placed the burden of proving the patentability of proposed amended claims on the patent owner. For example, in *Idle Free Systems, Inc. v. Bergstrom, Inc.*, the PTAB rejected the patent owner's motion to substitute claims and set out guidelines that a patent owner must meet to substitute claims in an IPR proceeding, holding that:

- There is a rebuttable presumption that only one substitute claim would be needed to replace each challenged claim.
- The substitute claim may only narrow the claim it replaces, and the patent owner should specifically identify the feature or features added to each substitute claim.
- The burden is on the patent owner to show a patentable distinction over the prior art of record and other prior art known to the patent owner by:
 - showing that the claims are distinguishable over the prior art by identifying features, technical facts, and reasoning supporting the features; and
 - providing a proposed claim construction for the substitute claims that supports patentability over the prior art of record and other prior art known to the patent owner.

(2013 WL 8705538 (PTAB June 11, 2013), *but see Aqua Prods., Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).)

The Federal Circuit's *Aqua Products* decision left unclear whether a patent owner as a moving party still has the burden of **production** for a motion to amend (see *Aqua Prods.*, 2017 WL 4399000, at *41 (Renya, J., concurring, joined by a majority of Judges, stating that "the Patent Office must by default abide by the existing language of the *inter partes* review statute and regulations, § 316(d) and 37 C.F.R. § 42.121, which only allocate a burden of production to the patent owner."), *but see Aqua Prods.*, 2017 WL 4399000, at *27 (O'Malley, J., stating that this portion of Judge Renya's concurrence is "dictum").

As a result of the Federal Circuit's *Aqua Products* decision, on November 21, 2017 the USPTO revised its guidelines on motions to amend (see USPTO Guidance). Under *Aqua Products* and the new guidelines, the Board will not place the burden of persuasion on a patent owner with respect to the patentability of substitute claims presented in a motion to amend. However, the patent owner's motion to amend must still meet the statutory requirements of 35 U.S.C. § 316(d), and 37 C.F.R. §§ 42.121 or 42.221, as applicable.

On June 1, 2018, the USPTO designated as informative its April 25, 2018 Order in *Western Digital Corp. v. SPEX Techs., Inc.*, which provides further guidance on motions to amend based on

Federal Circuit case law (2018 WL 1989599 (PTAB Apr. 25, 2018)). The USPTO concurrently de-designated its earlier decisions regarding motions to amend in *MasterImage 3D, Inc. v. RealD Inc.* and *Idle Free Sys., Inc. v. Bergstrom, Inc.*, which it had designated precedential and informative, respectively.

Specifically, the *Western Digital* informative Order provides guidance on:

- Contingent motions to amend, noting that:
 - the PTAB will ordinarily treat a request to substitute claims as contingent;
 - the PTAB will normally consider a proposed substitute claim only if a preponderance of the evidence establishes that the original patent claim it replaces is unpatentable; and
 - the patent owner should identify proposed substitute claims on a claim-by-claim basis.
- The burden of persuasion, noting that:
 - it will ordinarily lie with the petitioner to show that any proposed substitute claims are unpatentable by a preponderance of the evidence;
 - the PTAB will determine whether substitute claims are unpatentable based on the entirety of the record, including any petitioner opposition; and
 - a motion to amend must meet the requirements of 35 U.S.C. § 316(d) and 37 C.F.R. § 42.121 before the PTAB will consider it.
- The reasonable number of substitute claims requirement, noting that there is a rebuttable presumption that the reasonable number of substitute claims is one per challenged claim.
- The requirement that the amendment must respond to unpatentability grounds involved in the trial, noting that:
 - every word added to or removed from a claim in a motion to amend need not be solely for the purpose of overcoming an instituted ground and, for example, the patent owner may include modifications that address potential 35 U.S.C. § 101 or § 112 issues; and
 - the patent owner may not seek to broaden a challenged claim in any respect in the name of responding to an alleged ground of unpatentability, but instead must narrow the scope of the challenged claim.
- The scope of the substitute claims, noting that:
 - the motion to amend may not enlarge claim scope or introduce new matter; and
 - the motion must set forth written description support in the originally-filed disclosure for each proposed substitute claim, and also in any earlier-filed disclosure for each claim for which the patent owner seeks priority (with citation to the original disclosure).
- The claim listing requirement, noting that the motion must clearly show the proposed changes to the challenged claims.
- The default page limits, which are 25 pages for motions and oppositions, and 12 pages for replies. The parties may submit additional testimonial evidence with their opposition and reply.
- The duty of candor, which the patent owner should consider regarding materiality when proposing each added limitation to substitute claims, and the petitioner should consider regarding any

relevant information that may be inconsistent with a position it has taken in the proceeding.

(2018 WL 1989599 (PTAB Apr. 25, 2018).)

Therefore, a motion to amend:

- May request to cancel any challenged claim (35 U.S.C. § 316(d)(1)).
- May only propose a reasonable number of substitute claims for each challenged claim (35 U.S.C. § 316(d)(2)). “The presumption is that only one substitute claim would be needed to replace each challenged claim, and it may be rebutted by a demonstration of need.” (37 C.F.R. § 42.121(a)(3) or § 42.221(a)(3)).
- May be denied if it:
 - does not respond to a ground of unpatentability involved in the trial (37 C.F.R. § 42.121(a)(2)(i) or § 42.221(a)(2)(i));
 - seeks to enlarge the scope of the patent’s claims (37 C.F.R. § 42.121(a)(2)(ii) or § 42.221(a)(2)(ii)); or
 - introduces new subject matter (37 C.F.R. § 42.121(a)(2)(ii) or § 42.221(a)(2)(ii)).
- Must list out (an appendix is acceptable) each claim and set forth written description support and support for the benefit of a filing date in relation to each substitute claim (37 C.F.R. § 42.121(b) or § 42.221(b)).

Under 37 C.F.R. § 42.11(a), all parties have a duty of candor during the course of a proceeding, which includes a patent owner’s duty to disclose to the Board information of which the patent owner is aware that is material to the patentability of substitute claims, if such information is not already of record in the case.

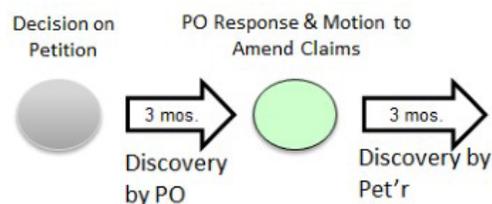
In view of the shift of burden of persuasion from the patent owner to the petitioner, the PTAB will entertain a request from petitioners to file a sur-reply brief with respect to any motion to amend.

Patent Owner Motion to Amend Page Limit

Motions to amend are limited to 25 pages (37 C.F.R. § 42.24(a)(1)(vi)).

This page limit does not include words needed for a table of contents, a table of authorities, a certificate of service or word count, or appendix of exhibits or claim listing (see 37 C.F.R. § 42.24 (a)(1)).

T+3 MONTHS TO T+6 MONTHS: DISCOVERY BY PETITIONER



After the patent owner has filed any response to the petition or motion to amend the claims, the petitioner is typically given three months to conduct routine discovery, including deposing the patent owner’s declarants (see Trial Practice Guide, 77 Fed. Reg. at 48757).

Like the patent owner, the petitioner also may attempt to agree to additional discovery with the patent owner or, if necessary, file a motion for additional discovery (see Trial Practice Guide, 77 Fed. Reg. at 48761).

Petitioner Additional Discovery

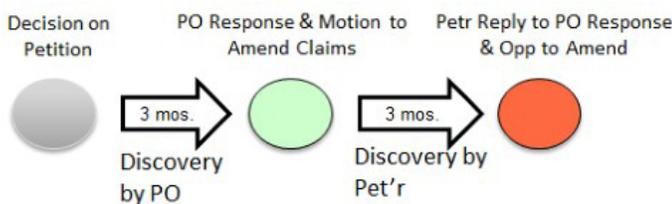
In requesting additional discovery, the petitioner faces difficulties similar to those faced by the patent owner (see Patent Owner Additional Discovery). The PTAB has been stringent in applying the five *Garmin* factors and reluctant to grant petitioners' requests for additional discovery.

The PTAB has, however, granted a motion for additional discovery of emails between two experts concerning prior art where the experts' testimony showed more than a mere possibility that something useful may be uncovered by examining the emails (see *Apple Inc. v. Achatos Reference Publ'g, Inc.*, 2014 WL 840502 (PTAB Jan. 31, 2014)).

Objections to Evidence and Depositions and Cross-Examination

The same guidelines that apply to patent owners for objections to evidence and depositions and cross-examination apply to petitioners (see Objections to Evidence and Answers to Objections and Depositions (Cross-Examination)/Uncompelled Testimony).

T+6 MONTHS: PETITIONER REPLY TO PATENT OWNER RESPONSE AND OPPOSITION TO MOTION TO AMEND



The scheduling order may provide up to three months for the petitioner to reply to any patent owner response and oppose any patent owner motion to amend (see Trial Practice Guide, 77 Fed. Reg. at 48757 and 37 C.F.R. §§ 42.120 and 42.220).

Reply to Patent Owner's Response Content

A petitioner's reply to a patent owner's response must be directed only to those arguments raised in the response (see 37 C.F.R. § 42.23 and Trial Practice Guide, 77 Fed. Reg. at 48767). The PTAB does not consider new issues raised for the first time in the petitioner's reply.

Petitioner Reply Word Count Limit

Replies to patent owner responses are limited to 5,600 words (37 C.F.R. § 42.24(c)(1)). Sur-replies, if authorized and unless the PTAB orders otherwise, are also limited to 5,600 words (PTAB Trial Practice Guide August 2018 Update).

Opposition to Motion to Amend

A petitioner may file an opposition to a motion to amend without the PTAB's authorization. The opposition may respond to new patentability issues arising from the patent owner's proposed substitute claims (35 U.S.C. §§ 316(a) and 326(a); and Trial Practice Guide, 77 Fed. Reg. at 48767).

In opposing a patent owner's motion to amend, petitioners commonly argue that the motion to amend:

- Fails to respond to a ground of unpatentability involved in the trial.
- Broadens the scope of the claims.

- Introduces new subject matter not supported by the original disclosure.

(See 37 C.F.R. §§ 42.121(a)(2) and 42.221(a)(2).)

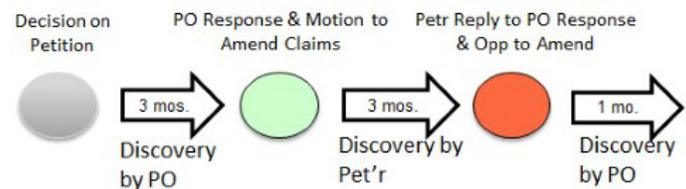
Under the Federal Circuit's *Aqua Products* decision, petitioners bear the burden of proving the unpatentability of amended claims. Accordingly, a petitioner opposing a motion to amend should:

- Consider asking the Board for waiver of the 25-page limit for its opposition brief.
- As the bearer of the burden of proof, consider seeking the Board's authorization to file a sur-reply in opposition to a motion to amend so that the petitioner can have the last word on the unpatentability of amended claims.

Petitioner Opposition to Motion to Amend Page Limit

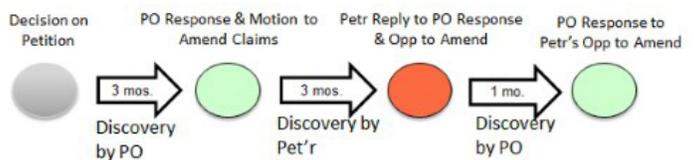
The page limits for oppositions are the same as those for corresponding motions (37 C.F.R. § 42.24(b)(3)).

T+6 MONTHS TO T+7 MONTHS: SECOND PATENT OWNER DISCOVERY PERIOD



After the petitioner has filed any reply to the patent owner's response and any opposition to the patent owner's motion to amend, the patent owner typically has one month to conduct any further discovery relating to the petitioner's opposition, including deposing the petitioner's declarants (see Trial Practice Guide, 77 Fed. Reg. at 48757-48758 and *Respironics, Inc., v. Zoll Med. Corp.*, IPR2013-00322, Paper 26, at 3 (PTAB May 7, 2014)).

T+7 MONTHS: PATENT OWNER REPLY TO PETITIONER'S OPPOSITION TO MOTION TO AMEND



The patent owner typically has one month to file any reply to the petitioner's opposition to a motion to amend. The patent owner's reply may only respond to those arguments raised in the petitioner's opposition. (37 C.F.R. §§ 42.23(b) and 42.25(a)(2).)

Practitioners filing a reply in support of a motion to amend should specifically address each of the petitioner's arguments in its opposition. The PTAB has denied a patent owner's motion to amend where its motion to amend and reply:

- Failed to discuss:
 - the level of ordinary skill in the art; or
 - prior art not of record known to the patent owner.

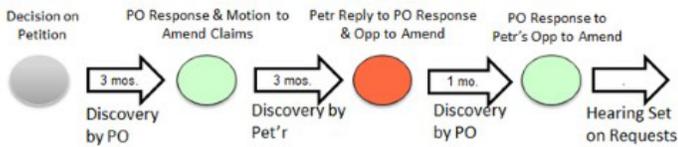
- Limited the bases for its motion to amend to references identified in the petition.
- Provided only conclusory remarks on the new references and combinations of references raised in the petitioner's opposition to the motion to amend.

(See *Larose Indus., LLC v. Capriola Corp.*, 2014 WL 2965701 (PTAB June 26, 2014).)

Patent Owner Reply to Opposition to Motion to Amend Page Limit

Replies to oppositions to motions to amend are limited to 12 pages (37 C.F.R. § 42.24(c)(3)). Sur-replies, if authorized and unless the PTAB orders otherwise, are limited to 12 pages (PTAB Trial Practice Guide August 2018 Update).

PRE-HEARING PROCEEDINGS



Motions to Exclude

Following any authorized patent owner reply in support of a motion to amend, either party may challenge submitted evidence to which it has objected by filing a motion to exclude the evidence (37 C.F.R. § 42.64 and Objections to Evidence and Answers to Objections).

The scheduling order typically sets the deadline for filing motions to exclude at one month after the patent owner's reply in support of its motion to amend. Any opposition to a motion to exclude is typically due one week later and any reply to the opposition is due one week after that (see PTAB Trial Practice Guide August 2018 Update).

A motion to exclude evidence must:

- Identify where in the record the objection originally was made.
- Identify where in the record the evidence sought to be excluded was relied on by an opponent.
- Address objections to exhibits in numerical order.
- Explain each objection.

(See PTAB Trial Practice Guide August 2018 Update.)

The PTAB has denied in part a patent owner's motion to exclude that did not specifically identify the evidence it sought to exclude or where in the record the petitioner relied on the evidence (see *Corning Inc. v. DSM IP Assets B.V.*, 2014 WL 1783280 (PTAB May 1, 2014)).

Sur-Replies

Sur-replies to:

- Motions are not generally permitted, but may be authorized on a case-by-case basis.
- Principle briefs are normally authorized by the scheduling order.

The sur-reply:

- May not be accompanied by new evidence other than deposition transcripts of any reply witness' cross-examination.

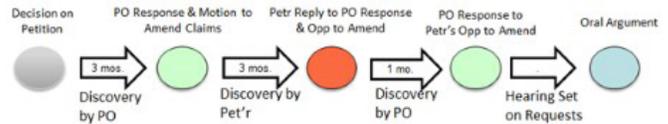
- Should only:
 - respond to arguments made in reply briefs;
 - comment on reply declaration testimony; or
 - point to cross-examination testimony.

A sur-reply may address the institution decision if necessary to respond to the petitioner's reply.

Sur-reply practice essentially replaces the previous practice of filing observations on cross-examination testimony.

(PTAB Trial Practice Guide August 2018 Update.)

ORAL ARGUMENT



Once the parties have filed all motions and briefs, a party may request oral argument on an issue raised in a brief (37 C.F.R. § 42.70 and Trial Practice Guide, 77 Fed. Reg. at 48758). The scheduling order usually sets the time for requesting an oral argument, but the request may be modified on a case-by-case basis. For examples of representative trial hearing orders, see:

- *Synopsis, Inc. v. Mentor Graphics Corp.*, 2013 WL 8705579 (PTAB Oct. 31, 2013).
- *Bloomberg Inc. v. Markets-Alert Pty Ltd.*, 2013 WL 8609637 (PTAB Dec. 5, 2013).
- *Shaw Indus. Group, Inc. v. Automated Creel Sys., Inc.*, IPR2013-00132, Paper 36, (PTAB Apr. 10, 2014).

The PTAB generally hears the petitioner first, followed by the patent owner and then any petitioner rebuttal. The PTAB may modify this order according to the needs of the case. The parties may only rely on previously submitted evidence and may not introduce new evidence at the oral argument (see Trial Practice Guide, 77 Fed. Reg. at 48768).

A representative hearing order for CBM cases was presented in *SAP America v. Versata Development Group*. There, the PTAB stated that when the hearing regards unpatentability under 35 U.S.C. § 101 and associated issues, the procedure should be that:

- Each party is given 60 minutes total to present its case.
- Because the petitioner bears the ultimate burden of proving the claims at issue unpatentable, the petitioner presents its arguments first followed by the patent owner.
- The parties may reserve time for rebuttal arguments.

(2013 WL 5947672 (PTAB Apr. 8, 2013).)

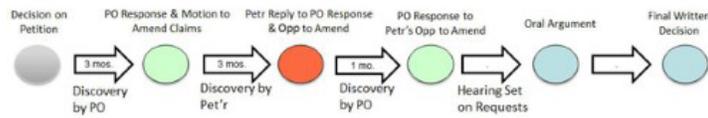
The PTAB ordinarily provides one hour of argument for each party for a single proceeding, but a party may request more or less time.

Either party may request a pre-hearing conference call at least three days before the oral argument to preview the issues to be discussed at the oral argument and seek the PTAB's guidance on any particular issue the PTAB would like the parties to address (PTAB Trial Practice Guide August 2018 Update).

The USPTO publicly broadcasts the oral argument due to the strong public policy interest in making all information presented in a covered business method patent review public because the patentability of claims in an issued patent affect the public's rights.

The parties must serve any demonstrative exhibit they intend to use at the hearing at least seven business days before the hearing and file them with the USPTO before the hearing (37 C.F.R. § 42.70(b)).

FINAL WRITTEN DECISION



Timing

The PTAB must enter a final written decision no later than one year after instituting trial. The Chief Administrative Patent Judge may extend the one-year period in a case for good cause (35 U.S.C. §§ 316(a)(11) and 326(a)(11)). Unlike the PTAB's decision on whether to institute trial, a party may appeal the final written decision to the Federal Circuit (see Appeal to the Federal Circuit).

The USPTO maintains final written decision statistics on its website.

Cancellation of Claims

In its final written decision, the PTAB may cancel all or some of the reviewed claims based on the permissible patentability challenges for each type of proceeding. In an IPR, the PTAB may cancel claims as anticipated under 35 U.S.C. § 102 or obvious in view of prior art under 35 U.S.C. § 103 (see, for example, *Illumina Inc. v. Columbia Univ.*, 2014 WL 1252940 (PTAB Mar. 6, 2014) (cancelling claims as obvious and denying the patent owner's motion to amend) and *Intellectual Ventures Mgmt. LLC v. Xilinx*, 110 U.S.P.Q.2d 1346, 2014 WL 574597 (PTAB Feb. 10, 2014) (same)).

In PGR and CBM reviews, the PTAB may cancel claims as anticipated or obvious, failing to claim patent eligible subject matter under 35 U.S.C. § 101, or failing to satisfy the enablement or written description requirements of 35 U.S.C. § 112.

While the PTAB has cancelled all challenged claims in most of its early IPR and CBM decisions, some challenged claims have survived a trial (see, for example *ABB Inc. v. Roy-G-Biv Corp.*, 2014 WL 1478218 (PTAB Apr. 11, 2014) (surviving obviousness challenge because petitioner's expert did not directly address missing elements from the prior art references) and *Avaya Inc. v. Network-1 Sec. Solutions, Inc.*, 2014 WL 2175370 (PTAB May 22, 2014) (rejecting petitioner's inherent anticipation arguments)).

Settlements

The parties may agree to settle any issue in a proceeding (37 C.F.R. § 42.74). To settle an issue, the parties must file a true copy of any agreement between the parties with the PTAB before the termination of the trial (37 C.F.R. § 42.74(b)). The PTAB generally terminates proceedings regarding both the petitioner and the patent owner if the parties settle early in the proceeding or if the case is not fully briefed at the time of settlement (see, for example, *Int'l Bus.*

Mach. Corp. v. Fin. Sys. Tech. Pty. Ltd., 2013 WL 3323647 (PTAB Feb. 12, 2013) (Representative Settlement Related Order); *Honeywell Int'l, Inc. v. HVAC Modulation Techs. LLC*, 2013 WL 5408061 (PTAB Aug. 27, 2013)). However, the PTAB has made clear in a representative order that since "the Board is not a party to the settlement [it] may independently determine any question of jurisdiction, patentability, or Office practice" (*Macauto U.S.A. v. Bos GmbH & KG*, 2013 WL 5947695 (PTAB Feb. 4, 2013) (quoting 37 C.F.R. § 42.74(a))).

When the parties settle a proceeding, the PTAB may require them to file a copy of the settlement with the Board, which may be filed under seal as business confidential (*Int'l Bus. Mach. Corp. v. Fin. Sys. Tech. Pty. Ltd.*, 2013 WL 5947701 (PTAB Feb. 8, 2013) (Representative Settlement Related Order)).

POST-FINAL WRITTEN DECISION PROCEEDINGS

APPEAL TO THE FEDERAL CIRCUIT

A party to an IPR, PGR, or CBM proceeding who is dissatisfied with the PTAB's final written decision may:

- File a request for rehearing within 30 days after the final written decision (see 37 C.F.R. § 42.71(d)(2)).
- Appeal the decision only to the Federal Circuit (see 35 U.S.C. § 141(c)).

The appealing party must file the appeal within 63 days of the final written decision (35 U.S.C. § 141 and 37 C.F.R. § 90.3(a)). The appellant also must:

- File a copy of the notice of appeal with the PTAB (37 C.F.R. §§ 41.10 and 42.6(b)).
- Comply with the Federal Rules of Appellate Procedure and Federal Circuit's rules. For more information on Federal Circuit appeal procedure, see Federal Circuit Civil Appeals Toolkit.

For a discussion on appealing PTAB rulings, see Practice Note, [Appealing Patent Trial and Appeal Board Final Written Decisions \(W-006-9741\)](#).

ISSUANCE OF CERTIFICATE

The USPTO issues and publishes a certificate when the time for any appeal of a final written decision has expired or any appeal has terminated (see 37 C.F.R. § 42.80). The certificate:

- Cancels any claims the PTAB has determined are unpatentable.
- Confirms any patentable claims the PTAB has reviewed.
- Incorporates into the challenged patent any patentable, amended claims.

(37 C.F.R. § 42.80.)

ESTOPPEL

The AIA's estoppel provisions apply on the issuance of the PTAB's final written decision. Following a final written decision in an IPR or PGR proceeding, the petitioner or any real party in interest or privy of the petitioner is estopped from challenging the patentability or validity of any previously challenged claim on any ground that the petitioner raised or reasonably could have raised in the proceeding (35 U.S.C. §§ 315(e) and 325(e)).

Following a CBM final written decision, the petitioner or any real party in interest or privy of the petitioner is estopped:

- In a district court litigation or ITC proceeding from challenging the patent claims on those grounds **actually raised** in the proceedings (AIA § 18(a)(1)D) (PL 112-29, § 18, 125 Stat 284 (2011)).
- In a subsequent USPTO proceeding, from challenging the claims on any ground that the petitioner raised or reasonably could have raised in the CBM proceeding (35 U.S.C. § 325(e)(1)).

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