



2021 PTAB Bar Association Annual Conference

Concurrent Session A: Decisions on Appeal and Future Patent Challenges

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Overview

- Panel Introduction
- Evaluating Decisions on Appeal
- Considering Decisions on Appeal during a Patent Challenge
- Do Patents Appealed to the PTAB during Examination Fare Better during Challenges
- Questions

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Meet your panel

- Jennifer L. O'Connell – Partner, Davidson, Davidson & Kappel
- Tom Scott – Sr. VP and General Counsel, Personalized Media Comms.
- Lora M. Green – Partner, Wilson Sonsini
- Lissi Mojica – Managing Director, Answers IP
- Vice Chief Administrative Patent Judge Michael Kim

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Appeal Statistics

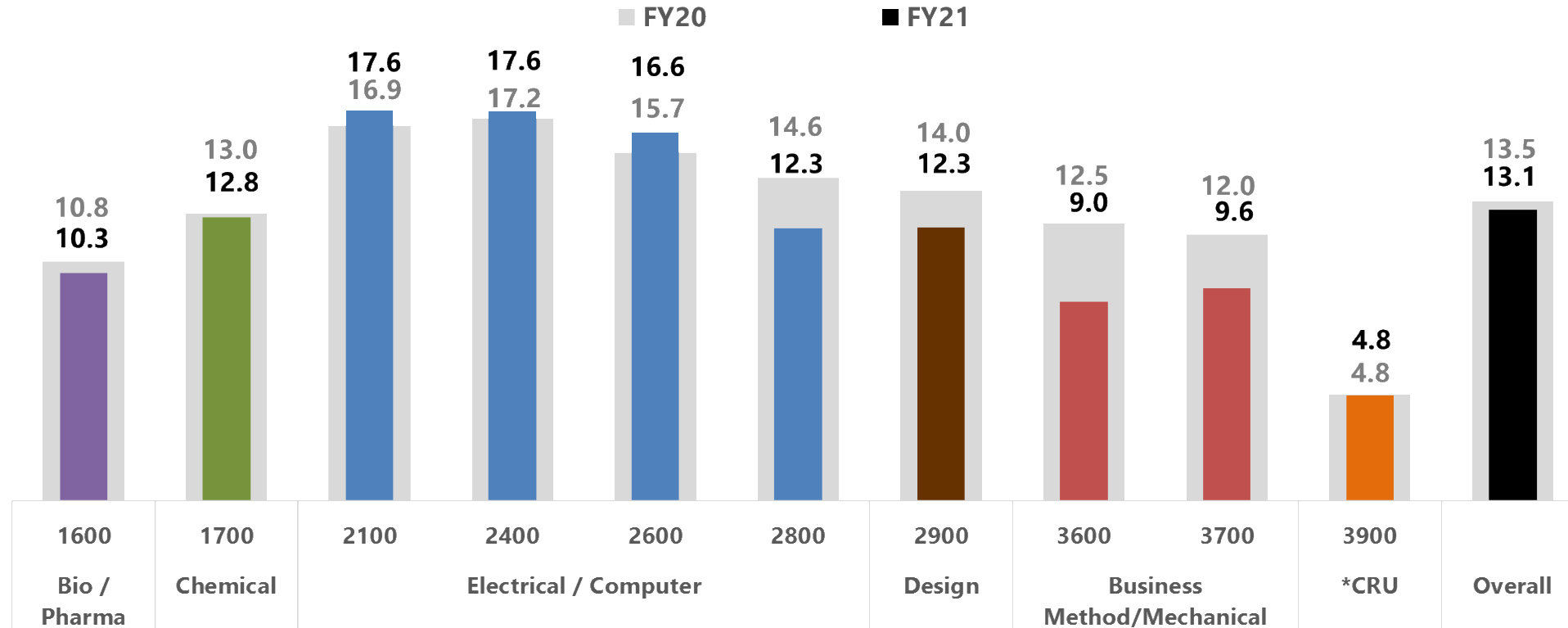
(From October 1, 2020 to September 8, 2021)

- 6250 Decisions on Appeal
- 174 Rehearing Decisions
- Intake of 4686 Appeals

<https://developer.uspto.gov/ptab-web/#/search/decisions>

Pendency of Decided Appeals

(May 2020 – Jul. 2020 compared to May 2021 – Jul. 2021)



*CRU includes 4 *ex parte* reexams, 6 *inter partes* reexam, and 5 reissues for all TC.

<https://www.uspto.gov/patents/ptab/appeals-and-interferences-statistics-page>

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Fast-Track Appeals Pilot Program

- Fast-Track Appeals Pilot Program became effective on July 2, 2020 and was extended until July 2, 2022.
- File petition to request fast track, \$420 fee.
- PTAB to issue decision within 6 months from date petition is granted.
- Petitions - on average 1.4 days to decide.
- Decisions - on average **2.2 months** to decide.

<https://www.uspto.gov/patents/ptab/fast-track-appeals-pilot-program#time%20to%20decision>

Document	Typical (months)	Diligent Appellant (months)	Diligent + PTAB Fast-Track
Final Rejection	4	1	1
Notice of Appeal	3	1.5	1.5
Appeal Brief	~2.5	~2.5	~2.5
Examiner's Answer*	2	1	1
Reply Brief	~12	~12	<6
Decision			

Final-to-Decision (months):	~23	~18	<12
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Where an Appellant would like to conclude an appeal quickly, the time frames for the briefing stage show how such appeals may proceed. It is not appropriate for all appeals.

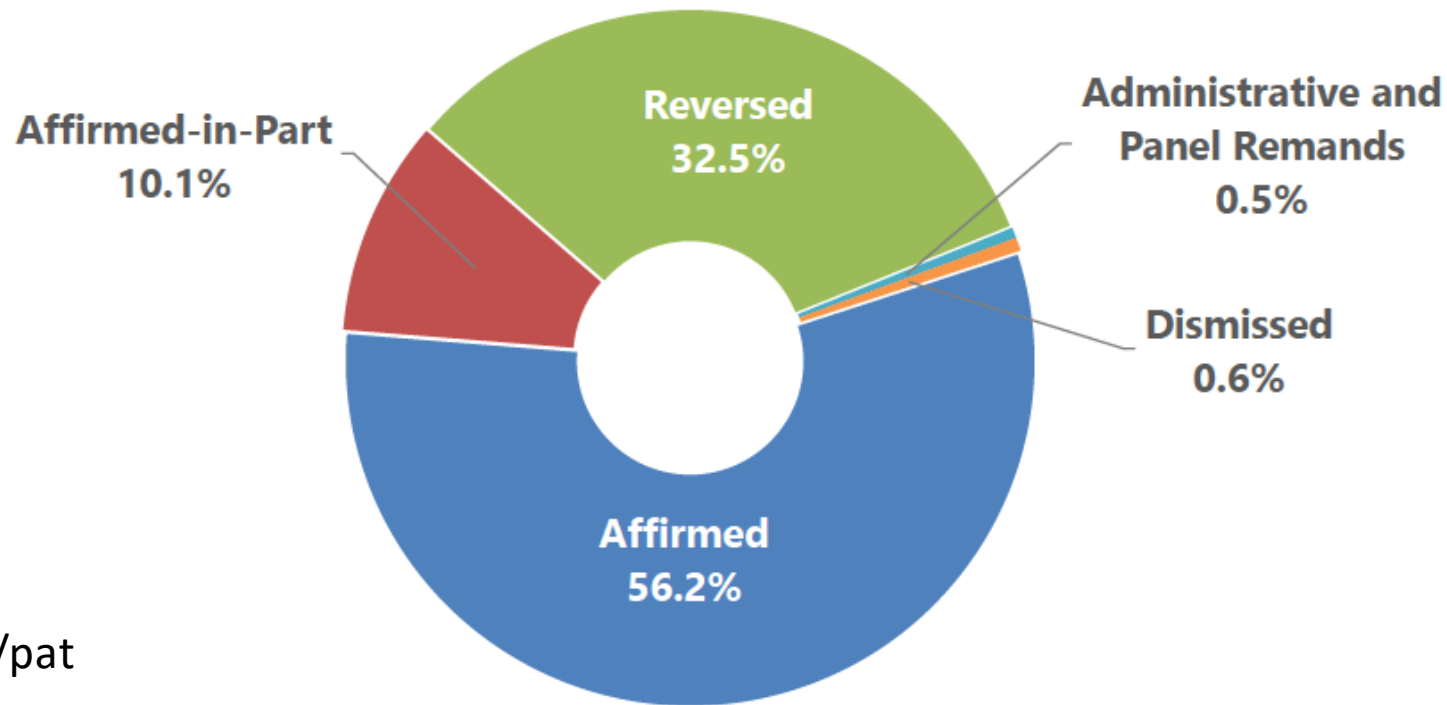
https://www.uspto.gov/sites/default/files/documents/boardside_chat_20210218_one_year_fasttrack_postappeal.pdf, slide 10

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Appeal Outcomes

(Oct. 1, 2020 - Jul. 31, 2021)

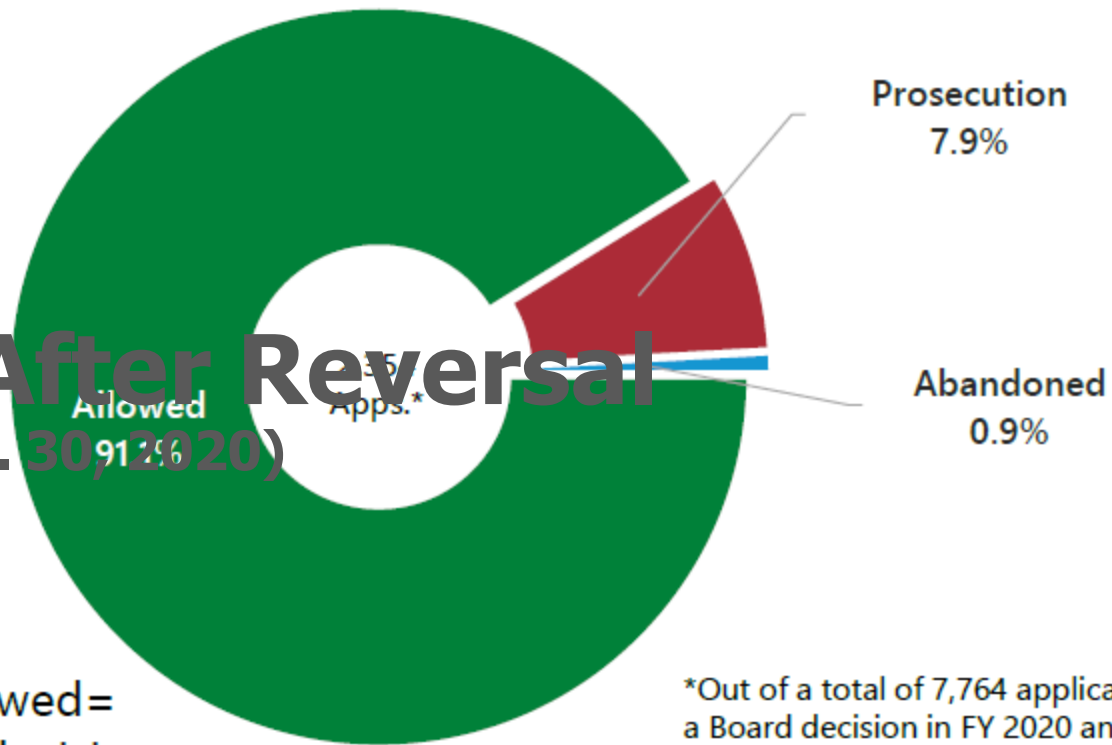


<https://www.uspto.gov/patents/ptab/appeals-and-interferences-statistics-page>

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Outcomes After Reversal

(Oct. 1, 2019 – Sept. 30, 2020)



30.3% reversal * 91.1% allowed =
~27% allowance after PTAB decision

*Out of a total of 7,764 applications that received a Board decision in FY 2020 and had a meaningful subsequent action

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PTAB Decision

- What did the Decision on Appeal ***actually decide?***
 - Claim construction
 - Application of claims to the prior art
 - Grounds of rejection
 - Error in law
 - Error in fact
- Did the PTAB present a new rejection?
- How did the Decision on Appeal impact allowance of the claims?

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Considering Decisions on Appeal during a Patent Challenge

- Deference to a Decision on Appeal
- Claim Construction
- Burden Shifting
- Declarations
- Differences in Law

Deference: Examination

- *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, Case IPR2019-01469, Paper 6 (Feb. 13, 2020) (designated precedential: March 24, 2020) [AIA § 325(d) – setting forth two-part framework; denies institution]
 - Was the same art or issue previously considered?
 - If so, did the Office err in evaluating the art or issue?
- *Kayak Software Corp. v. Int’l Bus. Mach. Corp.*, CBM2016-00075, Paper 16 (Dec. 15, 2016) (designated informative: March 21, 2018) [AIA § 325(d), deny institution – examination]
 - Did circumstances materially change? Changes in claim constructions or new evidence may weigh in favor of institution.
 - Exhaustive prosecution history and consideration of references weighs against institution.

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From *Kayak* authored by Judge Kim

“To be sure, we acknowledge that similarity of prior art alone does not require the Office to exercise its discretion in denying any grounds set forth in a Petition. There could be situations where, for example, the prosecution is not as exhaustive, where there are clear errors in the original prosecution, or where the prior art at issue was only cursorily considered that can weigh against exercising the discretion.

Moreover, if the Petitioner had brought forward and explained ***some specific circumstances*** that have ***materially changed*** or of which the ***Office was not aware of*** during the prior consideration of the prior art and arguments at issue—such as, for example, ***changed claim constructions or new evidence related to priority dates of the prior art or challenged patent***—then those could ***weigh in favor of institution***.

Petitioner, however, has not articulated such circumstances in this case. Accordingly, for the above reasons, we exercise our discretion under 35 U.S.C. § 325(d) and decline to institute review on Petitioner’s proffered grounds of obviousness based on Reference 7, Simon, Alber, and Wilson.”
Pages 11 and 12.

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From *Kayak* authored by Judge Kim

“the '025 application underwent more than **12 years of prosecution**, including the Examiner’s issuance of at least **six Office Actions** each including a ground of rejection based on prior art, and the Board’s issuance of **three separate Decisions**, each of these Board’s Decisions including analysis concerning at least one new ground of rejection based on prior art.

While length of prosecution and the numbers of Office Actions and Board Decisions do not, by themselves, definitively mandate for or against institution on a particular ground, on these facts, we are persuaded that they do weigh heavily against institution of the prior art grounds proffered by Petitioner.” Pages 12 and 13.

Deference to the Decision on Appeal

- What is the potential for deference to the Decision on Appeal in view of the challenged grounds?
- What factors contribute to deference?
 - Exhaustive prosecution
 - Thoughtful consideration of prior art
- What factors diminish deference?
 - Changed claim constructions
 - Material changes in circumstances
 - New evidence regarding priority dates of challenged patent or prior art
 - Clear errors during prosecution
- Does showing Examiner error differ from showing Board error?

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Claim Construction

Examination

- Broadest reasonable interpretation. MPEP 2111.
- *In re Packard*, 753 F.3d 1307 (Fed. Circ. 2014). A “claim is indefinite when it contains words or phrases whose meaning is unclear.”

Post Grant

- *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). “Ordinary and customary meaning.”
- *Nautilus v. Biosig Instruments, Inc.*, 572 U.S. 898 (2014). A claim of a patent is indefinite if the claim, read in light of the specification and the prosecution history, fails to inform, with reasonable certainty, those skilled in the art about the scope of the invention.

Claim Construction

- Impact of differences, if any
 - “The broadest reasonable interpretation of a claim term may be the same as or broader than the construction of a term under the *Phillips* standard. But it cannot be narrower.” *Facebook, Inc. v. Pragmatus AV, LLC*, 582 Fed. Appx. 864, 869 (Fed. Cir. 2014).
- PTAB Construction
 - When can changes to PTAB construction occur?
 - When are changes to PTAB construction necessary? (clear error, new evidence)
 - Does PTAB look to district court in patent challenges for claim construction?

Burden Shifting

- Examination
 - Burden is on Office to present *prima facie* case first, then shifts to Applicant to show otherwise.
- Post grant
 - Burden of persuasion is always with Petitioner.
 - *But see E.I. DuPont de Nemours & Company v. Synvina C.V.* 904 F.3d 996 (Fed. Cir. 2018). In *DuPont*, Federal Circuit found that, as a part of an obviousness determination in IPR, burden-shifting could apply under specific circumstances where accepted evidentiary rules apply [such as well-known prior art chemical composition ranges].

Declarations

- How does the same Board treat the same declaration? Approaches are different during prosecution v. post-grant.
- Examination
 - Board must give weight to declaration unless Examiner provides evidence to the contrary.
 - Generally easier to show conception before the Board during prosecution than post-grant.
 - How will a declaration submitted during prosecution be viewed during a future patent challenge?
- Post Grant
 - Threshold for declaration is higher after allowance.
 - Board will not disregard declarations unless Petitioner provides a reason to do so.
 - Petitioner can provide expert rebuttal, point to a problem that was not addressed during prosecution. Petitioner must demonstrate declarations do not show what they say they do.
 - If Examiner accepts a declaration during examination, Board may be reluctant to question Examiner regardless of later expert testimony.

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Differences in Law

- Differences in law applied in examination and reexamination and forum where invalidity contest is being conducted.
 - Double Patenting - Obviousness or Statutory Subject Matter
 - Board makes a determination on the same standard in District Court
- Is the MPEP which the Board must follow, different from the caselaw? Are the Office guidelines identical with the caselaw?

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Practical Considerations

- Address PTAB Decision in detail
- Potential for Deference to PTAB Decision
- Evaluate Declarations and provide rebuttal testimony if needed.
- Best Mode, Double Patenting
- Differences in what is considered a patent or printed publication between PTAB, CRU, courts

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Concluding Thoughts as to How to Evaluate Impact of Board Decision in Subsequent Proceedings

Whether Patents Appealed to PTAB Fare Better at Trial

- Do patents that are appealed to the PTAB fare better in post-grant proceedings, district court trials, or the Federal Circuit?
- Is this an underlying consideration when evaluating the merits of a trial/suit?
 - Consideration for the PTAB?
 - Consideration for Petitioner?
 - Consideration for Patent Owner?

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Questions?

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