



2021 PTAB Bar Association Annual Conference

Evolving Strategies in view of Discretionary Denial

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Evolving Strategies in view of Discretionary Denial

- Meet your panel
- Impact of *Apple Inc. v. Fintiv, Inc.*
- Impact of 325(d)
- Impact of *General Plastic*
- Q&A (e-mail your questions to asutton@bomcip.com)

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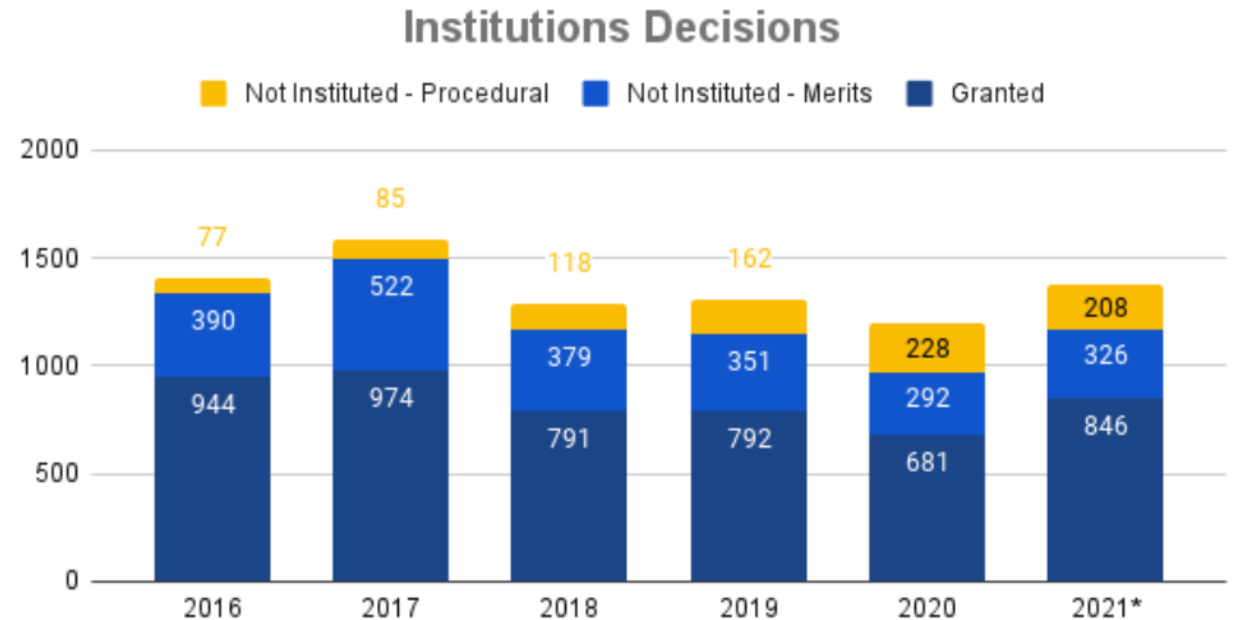
Evolving Strategies in view of Discretionary Denial

- **The Honorable Linda Horner**
Administrative Patent Judge, USPTO
- **Buddy Toliver**
Senior Corporate Counsel, Cisco Systems
- **Marissa Ducca**
Partner, Quinn Emanuel
- **Deborah Sterling**
Director, Sterne, Kessler, Goldstein & Fox
- **A.J. Sutton (Moderator)**
Attorney, Bookoff McAndrews



Discretionary Denial Statistics

- Significant increase in discretionary denials following the *Apple v. Fintiv* decision in 2020.

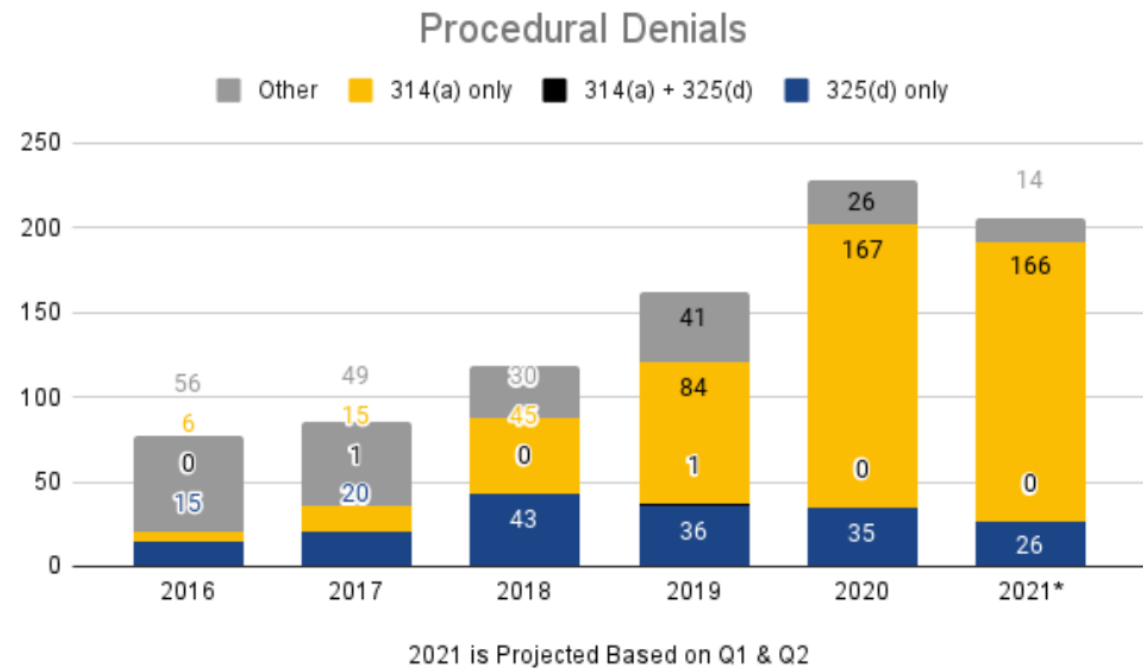


2021 is Projected Based on Q1 & Q2

• <https://www.unifiedpatents.com/insights/uspto-on-pace-to-again-issue-200-discretionary-denials-in-2021>

Discretionary Denial Statistics

- *Fintiv*-based denials are expected to account for 80% of all procedural denials



• <https://www.unifiedpatents.com/insights/uspto-on-pace-to-again-issue-200-discretionary-denials-in-2021>

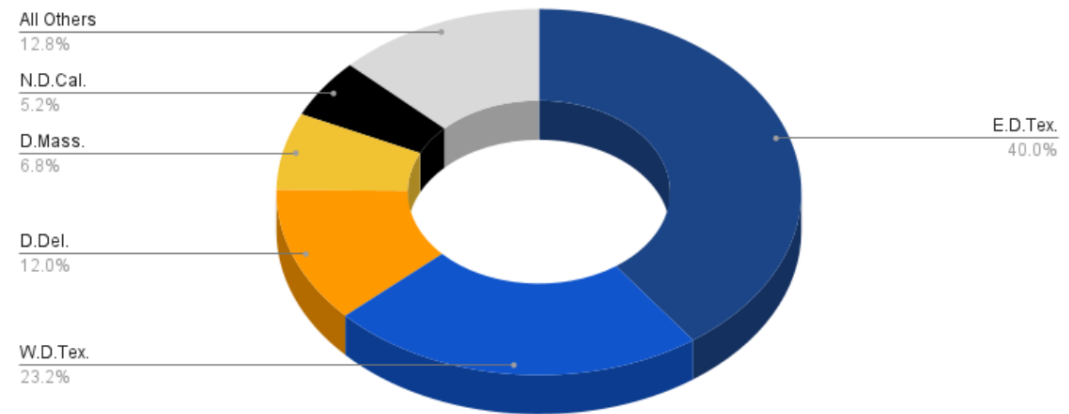
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Discretionary Denial Statistics

- 63.2% of *Fintiv*-based denials involved parallel proceedings in E.D. Texas and W.D. Texas

Use of NHK Spring/Fintiv Denials with District Court Litigation
2019-2021



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35 U.S.C. 314(a)

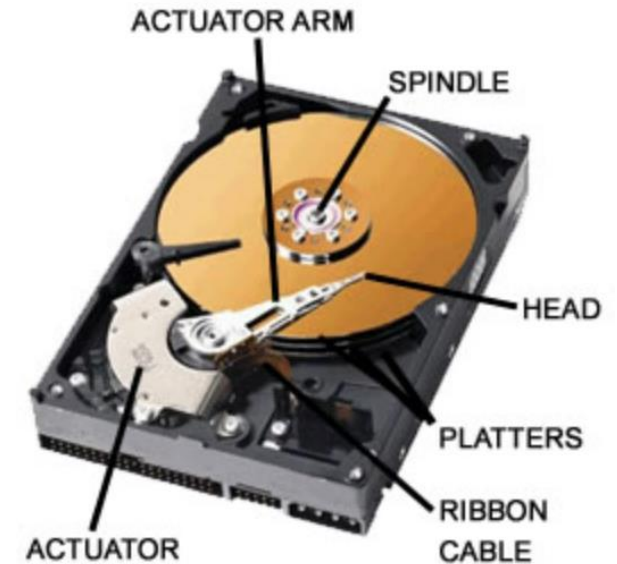
- (a) Threshold.-The Director *may not* authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

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NHK Spring

- *NHK Spring Co. Ltd. v. Intri-Plex Techs. Inc.*, IPR2018-00752, Pap. 8 (Sept. 12, 2018) (precedential)
 - The Board denied institution on Section 325 grounds because the same art and grounds were considered during prosecution
- The Board also alternatively denied institution of review under 314(a) in light of parallel district court litigation
 - The parallel district court trial would conclude 6 months before an expected FWD
 - Instituting an IPR under these circumstances “would not be consistent with an objective of the AIA ... to provide an effective and efficient alternative to district court litigation.”



Apple v. Fintiv Order

- *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Pap. 11 (March 20, 2020) (precedential)
- Provided 6 factors to consider when there is a parallel court proceeding:
 - Factor 1: Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted
 - Factor 2: Proximity of the Court's trial date to the projected statutory deadline for the FWD
 - Factor 3: Investment in parallel proceedings by the court and the parties
 - Factor 4: Overlap between issues raised in the petition and in the parallel proceeding
 - Factor 5: Whether the petitioner and the defendant in the parallel proceeding are the same party
 - Factor 6: Other circumstances that impact the Board's exercise of discretion,

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Impact of *Apple Inc. v. Fintiv, Inc.*

- Impact of ITC Investigations
- Impact of Joint Defense Groups
- Effectiveness of stipulations

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Impact of *Apple Inc. v. Fintiv, Inc.*

- Patent Owner strategies
 - Emphasize earlier parallel proceeding trial date and low likelihood of a stay
 - Emphasize overlap in issues with the parallel proceeding
 - Emphasize investment already made in other proceedings
 - Identify at least one substantive flaw on the merits in the POPR
- Petitioner strategies
 - File petitions as soon as possible after infringement contentions are served
 - Provide broader stipulations (*see Sotera*)
 - Consider challenging different claims than those challenged in other proceedings to avoid overlap

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35 U.S.C 325(d).

- Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

Becton, Dickinson factors

- *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Pap. 8 (PTAB Dec. 15, 2017) (precedential)
- A) the similarities and material differences between the asserted art and the prior art involved during examination;
- B) the cumulative nature of the asserted art and the prior art evaluated during examination;
- C) the extent to which the asserted art was evaluated during examination;
- D) the extent of the overlap between the arguments made during examination and the manner in which a petitioner relies on the prior art or a patent owner distinguishes the prior art;
- E) whether the petitioner has pointed out sufficiently how the Office erred in evaluating the asserted prior art; and
- F) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Advanced Bionics framework

- *Advanced Bionics LLC v. Med-EL Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6, (PTAB Feb. 13, 2020) (precedential).
- Based on the *Becton, Dickinson* factors, *Advanced Bionics* set forth a two-part framework:
 - Whether the same or substantially art previously was presented to the Office, or whether the same or substantially the same arguments previously were presented to the Office; and
 - If either condition of the first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims.
- The first part (1) relates to *Becton, Dickinson* factors (a), (b), and (d).
- The second part (2) relates to *Becton, Dickinson* factors (c), (e), and (f).
- “[T]his framework reflects a commitment to **defer to previous Office evaluations** of the evidence of record **unless material error is shown.**”

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General Plastic factors

- ***General Plastic Industrial Co., Ltd., v. Canon Kabushiki Kaisha***, IPR2016-01357, Paper 19 (PTAB September 6, 2017)
- 1. Whether the same petitioner previously filed a petition directed to the same claims of the same patent;
- 2. Whether, at the time of filing of first petition, petitioner knew or should have known about prior art asserted in second petition;
- 3. Whether petitioner filed second petition after POPR or ID for first petition;
- 4. Length of time that elapsed between learning of prior art asserted in second petition and filing of second petition;
- 5. Adequate explanation for the time elapsed in factor 4;
- 6. Finite resources of the Board; and
- 7. Requirement to issue FWD within one year of institution

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Impact of *General Plastic*.

- Expansion of General Plastic Factors
 - Valve I
 - “[A]pplication of the *General Plastic* factors is not limited solely to instances where multiple petitions are filed by the same petitioner. Rather, when different petitioners challenge the same patent, we consider any relationship between those petitioners when weighing the *General Plastic* factors.”
 - Valve II
 - *General Plastic* factor 1 applies to joined petitioner. Valve’s first petition was a me-too petition to join HTC’s instituted petition
- Impact on Joint Defense Groups

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Questions?