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## I. INTRODUCTION

The Patent Trial and Appeal Board (PTAB, or Board) has issued a substantial number of notices in the new PTAB trial proceedings. The new PTAB trial proceedings are: Inter Partes Reviews (IPRs); Post Grant Reviews (PGRs); Covered Business Method reviews (CBMs); and Derivation proceedings (DERs). These notices are available via the Patent Review Processing System (PRPS) interface and these notices provide guidance to the PTAB bar.<sup>2</sup> What follows is identification and analysis of the guidance provided by these notices as of 11/26/2012.

## II. SUBSTANTIVE ISSUES

### II.A. Relevance and Lack of Redundancy of Grounds in a Petition

Under the AIA, 35 USC 312(a)(3), as amended, and new 322(a)(3) require that "the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, ...." The corresponding rule in 37 CFR Part 42, Subpart A, is rule 42.22(a)(2), which states that the petition "must include: ... (2) 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 CFR 42.204(b)(4) (applicable for PGRs and CBMs) requires that, "[w]here the grounds for unpatentability are based on prior art, the petition must specify where each element of the claim is found in the prior art." Both rules 42.104(b)(5) and 42.204(b)(5) state that "[t]he Board may exclude or give no weight to the evidence where a party has failed to state its relevance or to identify specific portions of the evidence that support the challenge."

CBM2012-00003, notice 7 (expanded panel)<sup>3</sup> clarifies how the Board exercises this discretion to require specificity and reasoning. Generally speaking, CBM2012-00003, notice 7 makes it clear that the Board will not consider multiple grounds that are facially duplicative. Here, in reviewing the petition, the Board stated:

We take this opportunity to note that multiple grounds, which are presented in a redundant manner by a petitioner who makes no meaningful distinction between them, are contrary to the regulatory and statutory mandates, and therefore are not all entitled to consideration. In the present situation, the multiplicity of grounds requires so much of the petition that the Petitioner has failed to expressly identify the differences between any claim and the prior art in the Petitioner's assertions of obviousness.

The Board went on to explain that it found both "horizontal redundancy" and "vertical

redundancy" in the grounds identified in the subject petition. What the Board meant by "horizontal redundancy" was plural references applied to show the same claim element. What the Board meant by "vertical redundancy" was one ground of rejection based upon a set of references and an additional ground based upon the same set of references and an additional reference applied against the same claim without specifying how the additional reference was relevant.

The Board explained horizontal redundancy as follows:

Here, we discuss only redundancy. Two types of redundancy are common in the instant petition. The first involves a plurality of prior art references applied not in combination to complement each other but as distinct and separate alternatives. All of the myriad references relied on provide essentially the same teaching to meet the same claim limitation, and the associated arguments do not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, and vice versa. Because the references are not identical, each reference has to be better in some respect or else the references are collectively horizontally redundant.

The Board explained the vertical redundancy as follows:

The second type of redundancy involves a plurality of prior art applied both in partial combination and in full combination. In the former case, fewer references than the entire combination are sufficient to render a claim obvious, and in the latter case the entire combination is relied on to render the same claim obvious. There must be an explanation of why the reliance in part may be the stronger assertion as applied in certain instances and why the reliance in whole may also be the stronger assertion in other instances. Without a bi-directional explanation, the assertions are vertically redundant.

For the redundancy violations, the Board granted the petitioner seven days to select non redundant grounds to be considered in the petition, and noted that "grounds that are not selected by Petitioner will not be considered."

An obvious lesson from the Board's redundancy analysis is that petitioners should specify in the petition how each ground of rejection differs from another. For example, if alternative grounds turn on alternative claim constructions, the petition could identify that issue to avoid a redundancy election requirement. If sufficiency of alternative grounds turn on alternative findings of facts, the petition could so state to avoid a redundancy election requirement. In other words, the petition should identify conclusions or facts at issue, that make reliance on any two grounds not facially redundant of one another, and therefore indicate that those grounds are all relevant.

## **II.B. Burden of Persuasion**

The threshold burden of persuasion for instituting a trial is "more likely than not" for CBMs and PGRs (35 USC 324(a); AIA sec. 18(a)) and a "reasonable likelihood" for an IPR (35 USC 314(a)) that the petitioner will prevail for at least one challenged claim. In CBMs; PGRs; and IPRs, the ultimate burden of proving a proposition is "preponderance of the evidence." 35 USC 316(e); 326(e); AIA sec. 18(a); 37 CFR 42.20(c).

CBM2012-00003, notice 7, also addresses the underlying burden of persuasion for obviousness grounds. Basically, the Board explained that the petitioner had to expressly make its case; the Board would not read between the lines. Specifically, the Board stated that:

A petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Differences between the claimed invention and the prior art are a critically important underlying factual inquiry for any obviousness analysis. Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 17 (1966). A petitioner who does not state the differences between a challenged claim and the prior art, and relies instead on the Patent Owner and the Board to determine those differences based on the rest of the submission in the petition risks having the corresponding ground of obviousness not included for trial for failing to adequately state a claim for relief. [CBM-2012-00003, notice 7, expanded panel.]

Thus, a petition that does not identify the differences between a claim and a prior art reference relied upon for an obviousness ground is likely to have that ground of the petition denied.

CBM2012-00003, notice 8<sup>4</sup> is interesting for both procedural and substantive reasons. It states that it is an "Order" and is parenthetically titled "(DENIAL OF GROUNDS -- 37 C.F.R. § 42.208(b))." Rule 42.208(b) reads as follows:

(b) *At any time* prior to institution of post-grant review, the Board may deny some or all grounds for unpatentability for some or all of the challenged claims. Denial of a ground is a Board decision not to institute post-grant review on that ground. [Italics supplied for emphasis.]

First, CBM2012-00003, notice 8 is a notice denying certain grounds in the petition. Notice 8 was entered "prior to institution of" the review, but also *prior to the patent owner's preliminary response*. Normally, one would expect the Board to have waited until after the three month period from the date of the notice indicating that the petition was accorded a filing date (see rule 42.207(b) for PGRs and CBMs and 42.107(b) for IPRs) for filing a preliminary response, so that the Board had both the petition and the preliminary response before reviewing the petition on the merits. That is because the Board has no obligation to act before that period runs. However, in CBM2012-00003, notice 8, the Board took up the substantive review more promptly, and denied certain grounds. To be clear, the APJs handling this case conducted a substantive review and denied certain grounds in the petition prior to when the patent owner's preliminary response was due. This suggests that the Board will conduct diligent reviews in

other proceedings and where appropriate issue decisions narrowing the issues, like it did in this case. Consequently, it is *inadvisable* for patent owners and respondents to promptly file or waive their preliminary response. Allowing the Board the time to issue a decision before a preliminary response is filed can only help the patent owner or respondent. In addition to denying grounds, such a Board decision can provide clarity on issues such as obviousness and claim construction, and that clarity can only be helpful to the patent owner or respondent when preparing the preliminary response.

Second, CBM2012-00003, notice 8 is relevant in understanding how the Board weighs the burdens of proof and, importantly, *persuasion*. The following excerpt from CBM2012-00003, notice 8 explains the Board's general policy and standard for review of grounds in a petition:

#### ANALYSIS

When promulgating the regulations of Part 42, Code of Federal Regulations, Title 35, the Board considered “the effect of the regulations on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings” as mandated by 35 U.S.C. § 326(b). It is provided in 37 C.F.R. § 42.1(b) that: “[t]his part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.” Furthermore, the Petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Thus, we will *address only the basis, rationale, and reasoning put forth by the Petitioner* in the petition, *and resolve all vagueness and ambiguity in Petitioner’s arguments against the Petitioner.* \*\*\*

We recommend that all petitioners clearly express and explain their positions, especially on precisely how the teachings of multiple references are used in combination to meet a claim feature. We also recommend that all petitioners clearly state what the differences are between the subject matter claimed in a claim alleged as obvious over prior art, and the prior art. Here, Petitioner has *not clearly identified the differences between claim 1 and Kosaka, and the Petitioner’s reasoning on adding Scapinakis, Eisenmann, or Stanifer to the basic combination of Kosaka or Kosaka and Bouchard is vague and ambiguous* at best. [Italics added for emphasis.]

The first quoted paragraph herein above makes it perfectly clear that a vague or ambiguous argument in a petition will result in denial of the corresponding grounds. The second quoted paragraph shows an application of that standard, linking lack of specificity of correspondence of the primary reference (Kosaka) to the challenged claim with the petitioner's inability to articulate how the backup secondary references (Scapinakis, Eisenmann, or Stanifer) were relevant.

### III. PROCEDURAL ISSUES

The PTAB has substantial discretion on procedural issues in order to accomplish its goals. The following provides guidance how the PTAB is exercising that discretion.

### **III.A Stays**

The Director has the statutory authority to "stay, transfer, consolidat[e]..., or terminat[e] ... any... matter or proceeding" in the USPTO involving a patent subject to an IPR; PGR; or CBM. 35 USC 315(d); 325(d); AIA section 18(a). The Director delegated that authority to the Board. 37 CFR 42.122(a); 42.222(a).

In IPR2013-00033, notice 15,<sup>5</sup> the Board exercised this power by staying an inter partes reexamination in favor of an IPR for the same patent. Both proceedings raised similar grounds and parties, which were the primary factors for the stay. Given this decision, if you have a reexamination pending, you may want to think twice before filing a petition for an IPR on the same or similar grounds.

### **III.B Enlarging Petition Page Limits**

37 CFR 42.24(a)(2) states that:

Petitions to institute a trial must comply with the stated page limits but may be accompanied by a motion to waive the page limits. The petitioner must show in the motion how a waiver of the page limits is in the interests of justice ...."

IPR2012-00006, notice 12,<sup>6</sup> identifies factors for showing that it is "in the interests of justice" to grant a motion to enlarge the page limit of a petition. The Board explained that, at a minimum, grant of such a motion would require a meaningful discussion why limitations of the challenged claims could not be addressed sufficiently within the sixty pages allotted for the subject petition. Specifically, what the Board said in IPR2012-00006, notice 12, is that:

The Illumina petition alleges twenty-two grounds of unpatentability against a total of twelve claims, i.e., claims 1-7, 11, 12, 14, 15 and 17. (Petition, Paper 3.) The proposed petition alleges ten additional grounds of unpatentability against these same claims. Six of the ten additional grounds found in the proposed petition rely upon new references - i.e., Seela II and Rosenthal - that are not relied upon in the petition.

Thus Illumina asserts, without supporting evidence or explanation, that the additional grounds it alleges in the proposed petition are not cumulative and that length and number (12) of the claims challenged would prohibit it from addressing patentability sufficiently within the sixty pages allowed by Rule 42(a)(1)(I). Illumina does not show that the additional references relied upon in the proposed petition are not cumulative to references already relied upon in the petition. Nor does Illumina show why additional pages were needed in view of the "length and number" of claims challenged.

For example within the motion there is no meaningful discussion of relevant teachings found in the additional references cited in the proposed petition that are not found in the references relied upon in the petition. Further there is no meaningful discussion of the limitations of the challenged claims that could not be addressed sufficiently within the sixty pages allowed because the challenged claims are too numerous and too lengthy.

It is not the Board's role to compare the Illumina petition with its proposed petition and attempt to figure out if the Illumina request for waiver of the page limit is in the interests of justice. Instead Illumina has the burden of establishing why it is entitled to the relief sought, 37 CFR 42.20(c). On the record before us, Illumina has not met its burden.

This passage indicates that one must prove the negative proposition that "limitations of the challenged claims that could not be addressed sufficiently within the sixty pages allowed." That would apparently require providing a comparison of two lengthy petition documents to show the differences in those two documents; providing a summary of the page limited petition as a basis to explain why it was inadequate; providing an explanation why the page limit was inadequate; and providing an explanation why relief from the inadequacy was "in the interests of justice."

It is unclear whether the "interests of justice" can be met. Specifically, it is not likely that the Board would consider the cost savings to the petitioner in filing one larger petition compared to more than one smaller petitions to meet the "interests of justice" standard. Since petitions are for specified claims, the only situation in which an enlarged petition could not be broken down into smaller petitions would be where the petition attacked only one claim and the grounds of attack required more than the page limit allowed by rule for that type of petition. As of this date, no motion for enlargement of a petition page limit in a PTAB proceeding has been granted.

One reason to move for an enlarged petition in an IPR or a PGR, even when knowing the very high likelihood that the motion for admission of the enlarged petition will be denied, is the impact of that action on the estoppel provisions of the AIA. If denial of such a motion results in a ground only present in the enlarged petition being excluded from the PTAB proceeding, there is an argument that such a ground is one that the petitioner could not "reasonably .. have raised" in the PTAB proceeding. Since could not "reasonably .. have raised" is the standard for IPRs and PGRs (35 USC 315(e), as amended and new 35 USC 325(e)), presenting the enlarged petition and having the motion to admit the enlarged petition denied may be sufficient to avoid non-statutory estoppel of grounds only present in the enlarged petition. However, such a tactic would be inadvisable for CBMs because estoppel in CBMs is limited to "any ground that the petitioner raised during the ... proceeding." (AIA section 18(a)(1)(C)). A ground not presented in a petition is most likely free of CBM estoppel. However, a ground raised only in an enlarged CBM petition might be deemed raised and therefore subject to non-statutory estoppel even though the motion to admit the enlarged petition is denied. For CBMs, the limited estoppel provision is a reason not to move for admission of an enlarged petition containing grounds not present in the non enlarged petition.

### III.C **Mandatory Notices; Counsel**

37 CFR 42.8(b) requires in part that the patent owner or applicant respondent in a DER identify lead and backup counsel within 21 days of service of the petition.

In IPR2012-00026, notice 12,<sup>7</sup> the Board found the fact that a patent owner was still searching for counsel to represent them before the Board was a sufficient reason for a two week extension of time.<sup>8</sup>

### III.D ***Pro Hac Vice* Admissions**

37 CFR 42.10(c) states that:

(c) The Board may recognize counsel *pro hac vice* during a proceeding upon a showing of good cause, subject to the condition that lead counsel be a registered practitioner and to any other conditions as the Board may impose. For example, where the lead counsel is a registered practitioner, a motion to appear *pro hac vice* by counsel who is not a registered practitioner may be granted upon showing that counsel is an experienced litigating attorney and has an established familiarity with the subject matter at issue in the proceeding.

As expected, requests to file *pro hac vice* motions have appeared in several PTAB proceedings. No specific requirements for grant of a *pro hac vice* motion appear in the rules. What specifically was required for grant of a *pro hac vice* motion appeared first in CBM2012-00001, notice 9,<sup>9</sup> in a decision rendered solely by Lead APJ Tierney. Subsequently, in IPR2013-00010, notice 8, identified internally as paper 6,<sup>10</sup> Lead APJ Tierney, writing for an expanded panel, issued an order that specified the same criteria for grant of a *pro hac vice* motion as in the earlier CBM2012-00001, notice 9. Since then, the Board has been entering a copy of that order in each new proceeding and attaching it to the initial notice granting a filing date. This order authorizes filing of a *pro hac vice* motion only subsequent to 21 days after service of the petition; authorizes filing of an opposition only within one week of the filing of the motion; does not authorize any reply; requires the *pro hac vice* motion to "contain a statement of facts showing there is good cause for the Board to recognize counsel *pro hac vice* during the proceeding" and requires the *pro hac vice* motion to "[b]e accompanied by an affidavit or declaration of the individual seeking to appear attesting to" a list of specified factors indicative of competence and good standing.<sup>11</sup>

CBM2012-00001, notice 21<sup>12</sup> dealt with the good standing criteria for good cause for grant of a *pro hac vice* motion. In CBM2012-00001, notice 21, lead APJ Tierney noted that "Versata's motion and Mr. Cole's declaration do not address or mention the district court's finding of a pattern of protective order violations in the related litigation for which Mr. Cole was lead counsel." APJ Tierney then concluded that Versata had failed to meet the good cause standard. Consequently, parties should expect behavior of their litigation counsel in related litigation to impact admissibility of those counsel in the Board proceedings.

In CBM2013-00005, the patent owner filed a *pro hac vice* motion for admission of Ms.

Pruetz supported by a declaration from Ms. Pruetz averring to each of the items specified by the order. However, all the motion asserted was that Ms. Pruetz "is an experienced litigator and has an established familiarity with the subject matter at issue," and referred to Ms. Pruetz' declaration paragraphs for the underlying facts. The Board granted the patent owner's unopposed motion *pro hac vice* for Ms. Pruetz. CBM2013-00005, notice 13.<sup>13</sup> The Board found that Ms. Pruetz had "sufficient legal and technical qualifications to represent Markets-Alert in the instant proceeding" and the Board "recognize[d] that there ...[was] a need for Markets-Alert to have its lead counsel in the related litigations involved in this proceeding." However, I did not find a convincing argument of the "need for Markets-Alert to have its lead counsel in the related litigations involved in this proceeding" in the motion. While that need *may* be presumed by the Board, I would not rely upon such a presumption. The safer course of action is to expressly explain the "need for [the patent owner or derivation respondent] ... to have its lead counsel in the related litigations involved in this proceeding," in the motion.

### III.E Protective Orders

42.54(a) states in part that:

(a) A party may file a motion to seal where the motion to seal contains a proposed protective order, such as the default protective order set forth in the Office Patent Trial Practice Guide. The motion must include a certification that the moving party has in good faith conferred or attempted to confer with other affected parties in an effort to resolve the dispute. The Board may, for good cause, issue an order to protect a party or person from disclosing confidential information ....

The "Office Patent Trial Practice Guide"<sup>14</sup> contains the *standing* protective order [that is the "default" protective order specified by 42.54(a)] and states that this order "will be automatically entered into the proceeding upon the filing of a petition for review or institution of a derivation."<sup>15</sup>

The CBM2012-00001 proceeding is also interesting because of the concern expressed in opposition to the *pro hac vice* motion insofar as it impacted the ability of the patentee to make claim amendments in the proceeding based upon the availability confidential information obtained by counsel and experts that was under seal in the related district court litigation. Specifically, what CBM2012-00001, notice 16 states in this regard is that:

SAP opposes Versata's request. SAP Opposition to Motion for Pro Hac Vice Admission, Paper 15. SAP states that Mr. Cole, as trial counsel in the related litigation, gained access to highly confidential and proprietary information about SAP and its products. The use of this information is said to be governed by a protective order from the district court. SAP expressed a concern that Mr. Cole's participation in both the district court litigation and the review proceeding puts him in a position where he could affect the scope of the claims of the '350 patent

while knowing how SAP's products operate beyond that publically known. Id. at 2. SAP also represents that:

[A]llowing Mr. Cole to participate in this proceeding could effectively circumvent the restrictions of the underlying district court's protective order, which precludes litigation counsel's use of any SAP protected materials beyond the scope of that litigation.

Id. at 3.

In addition to Mr. Cole, Versata also seeks to employ expert witnesses in this proceeding that had access to SAP's confidential information in the related litigation. SAP again sought to oppose this reliance representing that the protective order in the related litigation precluded the use of experts and consultants that received information under the district court protective order in proceedings before the Office.

Those factors were not mentioned in the decision denying the *pro hac vice* motion, presumably because the litigation conduct evidence was a sufficient basis to deny the motion. However, the parties eventually stipulated to a protective order in lieu of the standing protective order, see CBM2012-00001, Exhibit 2004. The stipulated protective order does provide for additional safeguards not present in the standing protective order, including a patent prosecution bar. Just as significantly, the Board entered the stipulated protective, in CBM2012-00001, notice 27.<sup>16</sup>

### III.F Preliminary Responses

35 US 313, as amended, and new 35 USC 323 provide the patentee a right to file a preliminary response to a petition. Preliminary responses are governed by rules 42.107 (IPRs) and 42.207 (PGRs and CBMs). 42.107(c) and 42.207(c) both state "(c) No new testimonial evidence. The preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board." And the Office Patent Trial Practice Guide specifies the standard to deviate from the rule is "in the interests of justice."<sup>17</sup> Moreover, 42.65(a) states in relevant part that "Testimony on United States patent law or patent examination practice will not be admitted."

In CBM2012-00001, notice 16,<sup>18</sup> Lead APJ Tierney responded to a request for expert testimony interpreting the covered business method provisions of the AIA. The party's argument was that this was a standing issue, and testimonial evidence relating to standing was an exception to the preclusion of testimonial evidence in support of a preliminary response. However, APJ Tierney denied the request, citing 42.65(a).

In IPR2012-00022, notice 14,<sup>19</sup> APJ Green indicated that attacks on the petition, pre trial institution, were the purview of a preliminary response. APJ Green also denied the patent owner's request to file a motion separate and apart from the patent owner's preliminary response to challenge the petitioner's standing, stating that "If Isis wished to challenge Ariosa's standing, it may do so in the Patent Owner Preliminary Response."

In IPR2012-0035, notice 13,<sup>20</sup> APJ Lane denied a request by the patent owner to present testimony in support of their preliminary response. APJ Lane noted that evidence attacking the

credibility of petitioner's witnesses was not a sufficient basis to allow testimony to support a preliminary response. APJ Lane stated that:

During the call Collins stated that its basis for demonstrating that permitting new testimonial evidence [sic; in support of the preliminary response] would be in the interests of justice is that such testimony may be able to refute a Nissan witness' testimony as to how one skilled in the art would view the prior art. The basis Collins provides is not sufficient to persuade us to veer from the ordinary course of the proceeding. The new testimonial evidence Collins wishes to rely upon in its preliminary response is not directed to an issue of standing, i.e., whether Nissan properly could have filed the petition, but rather to an issue of credibility of a Nissan witness. In its preliminary response, Nissan may rely upon other evidence to attack the witness' credibility and to show how one skilled in the art would have viewed the prior art, but new testimonial evidence in this context is best considered if and when a trial is instituted. Accordingly, because Collins has not shown that it can meet the interests of justice standard that is required by the filing of new testimony in the preliminary patent owner response, the Collins request is denied. [Interpolation supplied.]

In reading this passage, I wonder why the APJ bothered to note Nissan's ability to rely upon non testimonial evidence to impugn credibility of the petition witnesses. That issue was not relevant to denial of the request because the request had not met the requisite interests of justice standard.

In IPR2012-00022, notice 14, APJ Green also denied the patent owner's request to strike a section of the petition discussing Mayo Collaborative Services v. Prometheus Laboratories, Inc., 132 S. Ct. 1289 (2012). The request was made on the basis that Mayo related to an issue (subject matter eligibility under 35 USC 101) unavailable in an IPR. APJ Green stated that "The Board declines to strike the portions of Ariosa's Petition that discuss the Mayo case. If Isis wishes to challenge those portions, it may do so in the Patent Owner Preliminary Response."

Rule 42.24(b)(1) states that "The page limits for a patent owner preliminary response to petition are the same as the page limits for the petition." In IPR2012-00022, notice 14, APJ Green also clarified that the page limit for a preliminary response was the number of pages authorized by rule for the petition, not the actual number of pages in the petition.

In summary, (1) testimonial evidence will not be allowed in support of preliminary responses, unless it is in the interests of justice, such as a evidence of facts indicating that a petitioner lacks standing and (2) a preliminary response is the only relief against a petition that a patent owner or respondent may obtain, prior to a decision on the petition.

### **III.G Motions Practice**

Rule 42.29(b) states that "(b) Prior authorization. A motion will not be entered without Board authorization. Authorization may be provided in an order of general applicability or during the proceeding." Hence it is no surprise that the Board is expunging unauthorized motions.

In llumina, Inc. v. The Trustees of Columbia University in the City of New York, IPR2012-00007, the petitioner noticed on September 17, 2012 that its motion to waive the petition page limit accompanying its petition filed September 16, 2012 was for the wrong patent; patent 7,713,698 instead of patent 7,790,869. Petitioner Illumina filed at least two petitions on 9/16/2012. Those two petitions were accorded proceeding numbers IPR2012-00006 and IPR2012-00007, for patents 7713698 and 7790869 respectively. Illumina then filed (without authorization) a motion to have the motion for page enlargement for the petition for 7,713,698 expunged from the proceedings for the petition for 7,790,869. In IPR2012-00007, notice 18, APJ Lane ordered both Illumina's motion to expunge and the motion for the enlargement of that page limit for the petition for 7,713,698 expunged from IPR2012-00007. Regarding the motion to expunge, APJ Lane merely noted that "Illumina has not pointed to a basis for authorization of the filing of the Motion to expunge." Regarding the motion for enlargement of the petition page limit directed to IPR2012-00006, but filed in IPR2012-00007, APJ Lane noted that "Further the Motion to waive page limit filed by Illumina (Paper 4) is not relevant to the present case and therefore is not authorized by 37 CFR 42.24(a)(2)". In footnote 4, APJ Lane indicated that the motion for waiver of the petition page limit filed in the IPR2012-00006 proceeding, was the motion intended for the IPR2012-00007 proceeding. In other words, Illumina made a clerical error in filing its petitions, by switching page limit waiver motions between the two petitions. The patent owner, Columbia University, promptly picked up on the improper motions to waive page limits and the motions to expunge and promptly filed oppositions in both cases. Of course, the oppositions had not been authorized. APJ Lane's response to the oppositions was to expunge them, as well. IPR2012-00007, notice 19, on 11/9/2012. APJ Lane's reasoning was that Columbia University could have contacted the Board for authorization to file its oppositions, and there was no basis in the rule for filing an opposition to an unauthorized motion.

There are two take aways from the filing fiascos in IPR2012-00006 and IPR2012-00007. First, the ministerial acts of filing documents in Board proceedings are just as important as the acts of preparing them. The same level of care should be taken for both. Second, in a Board proceeding, when you have a procedural problem, contact the Board. For example, it was within the Board's discretion to swap the motions filed with the wrong petitions back to the correct proceeding. After all, the motions were filed on the same day as the petitions and arguably compliant with all rules. Perhaps a conference call with the Board, which is what the rules require for all procedural relief, to explain the situation and request guidance, instead of the filing of an unauthorized motion to expunge, would have achieved a more beneficial result.

#### **IV. SIGNIFICANT PETITION FORMAL DEFECT ISSUES**

There are also a substantial number of formalities defects in petitions. These defects normally resulting in 5 day deadlines to cure. However, some defects may not be curable (e.g., if cure would result in non compliance with some other limitation on the petition) or simply be very difficult to cure (such as renumbering all exhibits and citations thereto in order to comply with Board exhibit numbering rules). I copy below some of the more significant shortcomings, as noted by Board notices.

#### IV.A Petition Page Limit Related Issues

37 CFR 42.6(a)(2)(iii) states that "Double spacing must be used except in claim charts, headings, tables of contents, tables of authorities, indices, signature blocks, and certificates of service." The USPTO response to comment 81 at 77 FR 48634 notes that "As discussed with respect to § 42.6, single spacing may be used for claim charts rather than double spacing - which results in a doubling of the space available to present claim charts." The USPTO response to comments at 77 FR 48617 regarding rule 42.6(a) note that "[p]arties should not use line spacing, font size, or margins to evade page limits." One common impropriety has been placing arguments in claim charts.

In IPR2013-00034, notice 4,<sup>21</sup> a Board trial paralegal stated that:

Improper usages of claim charts: The rules require that a petition identify how the challenged claims are to be construed and how the claims are unpatentable under the statutory grounds raised. This information is to be provided pursuant to the page limit requirements, which require double spacing. Additionally, the rules require that the petition specify where each element of a challenged claim is to be found in the prior art. The element by element showing may be provided in a claim chart, which is permitted to be written with single spacing. See 37 C.F.R. 42.6(a)(2)(iii). Placing one's argument and claim construction in a claim chart to circumvent the double spacing requirement is not permitted.

The same issue appears in IPR2013-00036, notice 5,<sup>22</sup> and in other cases.

37 CFR 42.6(a)(2)(iv) requires that "Margins must be at least 2.5 centimeters (1 inch) on all sides." Failure to maintain margins was a problem in CBM2012-00001, notice 4.<sup>23</sup> There, Supervisory Trial Clerk Vignone stated that:

The Board notes that the margins on the pages of the petition containing claim charts were less than 1 inch as required under 37 C.F.R. § 42.06. The Board accepts the petition without modification, but future submissions are required to comply with the formatting requirements set forth in the rules.

In IPR2013-00008, notice 3,<sup>24</sup> the Board indicates a displeasure with portrait orientation claim charts:

The Board notes that the claim charts within the Petition are formatted in landscape orientation and should be formatted in portrait orientation. While the Board accepts this defect by waiving the requirements as this is a new process, the Board will enforce the requirements in the near future.

There is no rule precluding landscape claim charts and therefore this "requirement" is unsettled.

Many practitioners believe that landscape claim charts are easier to interpret, and normally use them.<sup>25</sup> If you want to use landscape claim charts, however, it would be advisable to confer with the Board to determine whether they are permitted.

#### **IV.B Exhibit Numbering**

37 CFR 42.63(a) requires that "All evidence must be filed in the form of an exhibit." 42.63(c) states that:

Each party's exhibits must be uniquely numbered sequentially in a range the Board specifies. For the petitioner, the range is 1001 - 1999, and for the patent owner, the range is 2001–2999.

37 CFR 42.63(d) provides exhibit format and marking requirements.

Not all filers have been compliant. In a notice of a defective petition in IPR2012-00004, notice 3,<sup>26</sup> Supervisory Paralegal Specialist Desperrett stated:

Exhibits are not sequentially numbered in the 1001-1999 range. 37 C.F.R. § 42.63(c). The exhibits currently are listed alphabetically throughout the petition. Please correct the petition to number the exhibits sequentially throughout. ... Petitioner must correct the defects within FIVE BUSINESS DAYS from this notice.

Considering that the expert declarations also cite to the exhibits, this means that exhibits, petitions, and expert declarations all had to be reworked, and the expert declarations again reviewed and signed by the experts. A tremendous amount of corrective work resulting from a tiny procedural oversight.

#### **V. SUMMARY**

In summary, notices in the new PTAB proceedings to date provide substantial guidance to the bar on substantive, procedural, and formal requirements. We can expect continued guidance on new issues as the earliest filed proceedings work their way through the timeline for resolution.

1. I can be reached via telephone at 1-703-415-0012 and via the firm website: Neifeld.com. I thank Bruce Margulies and Daniel Sachs for editorial review and comments on drafts of this article.

2. PRPS generally identifies the "Type" of documents generated by the Board as "Notice". Sometimes these document contains the word "paper" such as "paper 3" and sometimes they do not. Sometimes these documents include a date and sometimes they do not. Since no document downloaded from PRPS is made of paper, I refer to them as "notices". Where a date appears in such a notice, I include that date in the citation to the document. Where no date appears in the

notice, I include in this paper the year "2012" in the citation to the document.

3. Liberty Mutual Insurance Company v. Progressive Casualty Insurance Company, CBM2012-00003, notice 7, (PTAB 2012)(Opinion by APJ Lee, with an expanded panel also consisting of: Chief APJ Smith; Vice Chief APJ Moore; Lead APJ Tierney; and APJs Lane; Medley; Chang; Zecher; and Mcnamara).

4. Liberty Mutual Insurance Company v. Progressive Casualty Insurance Company, CBM2012-00003, notice 8 (PTAB 2012)(Opinion by Lee, APJ, for a panel consisting of APJs Lee, Chang, and Zecher).

This notice is undated and lacks internal identification that it is in fact notice number 8 in the proceeding. However, the link to the document in PRPS identifies it as notice 8. I noted the issue of lack of identifying indicia in certain PTAB notices, as well as the issues of the lack of date and proceeding notice number information in the PRPS display of notices in PTAB proceedings, to the lead APJ. It is my understanding that the Board is working to resolve those issues.

5. CBS Interactive et al. v. Helferich Patent Licensing, IPR2013-00033, notice 15 (PTAB 11/6/2012)(Opinion by APJ Chang, for a panel consisting of APJs Chang, Boalick, and Turner).

6. Illumina, Inc. v. The Trustees of Columbia University in the City of New York, IPR2012-00006, notice 12, (PTAB 11/9/2012)(Opinion by APJ Lane, for a panel consisting of APJs Lane, Lebovitz, and Katz).

7. Microsoft Corporation v. Proxyconn, Inc, IPR2012-00026, notice 12 (PTAB 11/2/2012)(Opinion by APJ Medley, for a panel consisting of APJs Medley, Boalick, and Giannetti).

8. Anyone searching for counsel to represent them in a PTAB proceeding can examine postings on the PatentInterPartes Yahoo! Group email distribution list. I administer that distribution list.

9. SAP America, Inc. et al. v. Versata Development Group, Inc, CBM2012-00001, notice 9 (PTAB 9/20/2012)(Lead APJ Tierney).

10. Motorola Mobility LLC v. Michael Arnouse, IPR2013-00010, notice 8, internally identified as paper 6, (PTAB 10/15/2012)(opinion by Lead APJ Tierney, expanded panel consisting of CAPJ Smith; Vice CAPJ Moore; lead APJ Tierney; and APJs Lee; Lane; Medley; Chang; Giannetti; and McNamara)("informative opinion").

11. The Order reads as follows:

Motorola Mobility, LLC ("Motorola") has requested that the Board authorize a motion for *pro hac vice* admission. Petition, Paper 2 at 2. Specifically, Motorola requests that the Board authorize a motion for Steven D. Moore to appear *pro hac vice*. According to Motorola, Mr. Moore is an experienced

litigating attorney and is familiar with the subject matter at issue in the proceeding as Mr. Moore is lead counsel in a concurrent litigation involving the same patent as that challenged in this proceeding.

Section 42.10(c) of the Code of Federal Regulations (C.F.R.) provides that:

The Board may recognize counsel *pro hac vice* during a proceeding upon a showing of good cause, subject to the condition that lead counsel be a registered practitioner and to any other conditions as the Board may impose. For example, where the lead counsel is a registered practitioner, a motion to appear *pro hac vice* by counsel who is not a registered practitioner may be granted upon showing that counsel is an experienced litigating attorney and has an established familiarity with the subject matter at issue in the proceeding.

The Board authorizes both parties to file motions for *pro hac vice* admission under 37 C.F.R. § 42.10(c) as follows:

1. Time for Filing

The time for filing *pro hac vice* motions is no sooner than twenty one (21) days after service of the petition, which is the time for filing patent owner mandatory notices. Parties seeking to oppose a motion for *pro hac vice* admission must file their opposition no later than one week after the filing of the underlying motion. No reply to any opposition shall be filed unless authorized by the Board.

2. Content of Motion

A motion for *pro hac vice* admission must:

a. Contain a statement of facts showing there is good cause for the Board to recognize counsel *pro hac vice* during the proceeding.

b. Be accompanied by an affidavit or declaration of the individual seeking to appear attesting to the following:

i. Membership in good standing of the Bar of at least one State or the District of Columbia;

ii. No suspensions or disbarments from practice before any court or administrative body;

iii. No application for admission to practice before any court or administrative body ever denied;

iv. No sanctions or contempt citations imposed by any court or administrative body;

v. The individual seeking to appear has read and will comply with the Office Patent Trial Practice Guide and the Board's Rules of Practice for Trials set forth in part 42 of the C.F.R.;

vi. The individual will be subject to the USPTO Code of Professional Responsibility set forth in 37 C.F.R. §§ 10.20 et seq. and disciplinary jurisdiction under 37 C.F.R. § 11.19(a);

vii. All other proceedings before the Office for which the individual has applied to appear *pro hac vice* in the last three (3) years; and

viii. Familiarity with the subject matter at issue in the proceeding.  
c. Where the affiant or declarant is unable to provide any of the information requested above in part 2(b) or make any of the required statements or representations under oath, the individual should provide a full explanation of the circumstances as part of the affidavit or declaration.

12. SAP America, Inc. et al. v. Versata Development Group, Inc., CBM2012-00001, notice 21 (PTAB 11/6/2012)(Lead APJ Tierney).

13. Bloomberg Inc. v. Markets-Alert Pty Ltd., CBM2013-00005, notice 13 (PTAB 11/26/2012)(Decision by APJ Lee, for a panel also consisting of APJs Lee, Medley and Chang).

14. See "37 CFR Part 42 Office Patent Trial Practice Guide, Rule," 77 FR 48756 (8/14/2012).

15. *Id.* at 48771. Notwithstanding the "automatically" language, my discussion with an APJ regarding the inconsistency between the rule and the Office Patent Trial Practice Guide indicates that the protective order, or a copy of the protective order, must be filed with the motion to seal.

16. However, information is only sealed in a Board proceeding until 45 days after denial of a petition to institute a trial or 45 days after final judgment in a trial". Office Patent Trial Practice Guide section I.E.6 at 77 FR 48761. Failure to timely file a motion to expunge will result in the confidential information being publicly available.

17. Office Patent Trial Practice Guide section I.C, at 77 FR 48764.

18. SAP America, Inc. et al. v. Versata Development Group, Inc., CBM2012-00001, notice 16, (PTAB 11/1/2012)(Opinion by Lead APJ Tierney, for a panel consisting of Lead APJ Tierney, and APJs Medley and Elluru).

19. Ariosa Diagnostics. v. Isis Innovation Limited, IPR2012-00022, notice 14 (PTAB 11/20/2012)(Opinion by APJ Green, for a panel consisting of APJs Green, Tierney, and Robertson).

20. Nissan North America, Inc. v. Collins et al., IPR2012-00035, notice 13 (PTAB 11/9/2012)(Opinion by APJ Lane, for a panel consisting of APJs Lane, Robertson and Guest).

21. Microstrategy, Inc. v. Silicon Valley Bank, IPR2013-00034, notice 4 (PTAB 11/5/2012)(Trial Paralegal Kellogg).

Microstrategy, Inc. v. Silicon Valley Bank, IPR2013-00034, notice 4 (PTAB 11/5/2012)(Trial Paralegal Kellogg).

22. Research in Motion Corp v. Mobilemedia Ideas LLC, IPR2013-00036, notice 5 (PTAB 11/5/2012)(Trial Paralegal Kellogg).

23. SAP America, Inc. et Al. v. Versata Development Group, Inc, CBM2012-00001, notice 4 (PTAB 9/20/2012)(Supervisory Trial Clerk Vignone).

24. Micron Technology, Inc. v. Department of Navy, IPR2013-00008, notice 3 (PTAB 10/5/2012)(Supervisory Paralegal Specialist Despertt).

25. Brad Pedersen is the current chair of the Inter Partes Proceedings committee of the AIPLA. In response to my raising the landscape claim chart issue, he wrote "Given the font size requirements, I would have automatically prepared claim charts in landscape format to improve readability."

26. Macauto USA v. Baumeister & Ostler GMBH & Co, IPR2012-00004, notice 3 (PTAB 9/21/2012)(Supervisory Paralegal Specialist Despertt).