

Major Changes to Law Relating to AIA PTAB Petitions

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OUTLINE

1. Recent Major Changes
2. SAS – District Court
3. SAS – PTAB Institution
4. SAS, 325(d) – Prosecution

Aqua Products, Inc. v. Matal, (Fed. Cir. 10/4/2017) (en banc)

- **Held:** Patent Owner does not have the burden of persuasion to show proposed substitute claims are patentable over the prior art. (Petitioner has BOP.)
- **Impact:** From 4/2018 to present, 10 decisions on motions to substitute claims, 4 granted or granted in part. (Source “DA.”)

Proposed Rulemaking, 83 FR 21221 (5/9/2018)

- **Proposed:** “Office proposes to replace ... (“BRI”) standard for construing ... claims ... with ... the standard applied in federal district courts” [in IPR, PGR, CBM proceedings] (aka “*Phillips*” standard).
- **Impact:**
 - Would favor patentability.
 - Would avoid gaming.

SAS Institute Inc. v. Iancu, (4/24/2018)

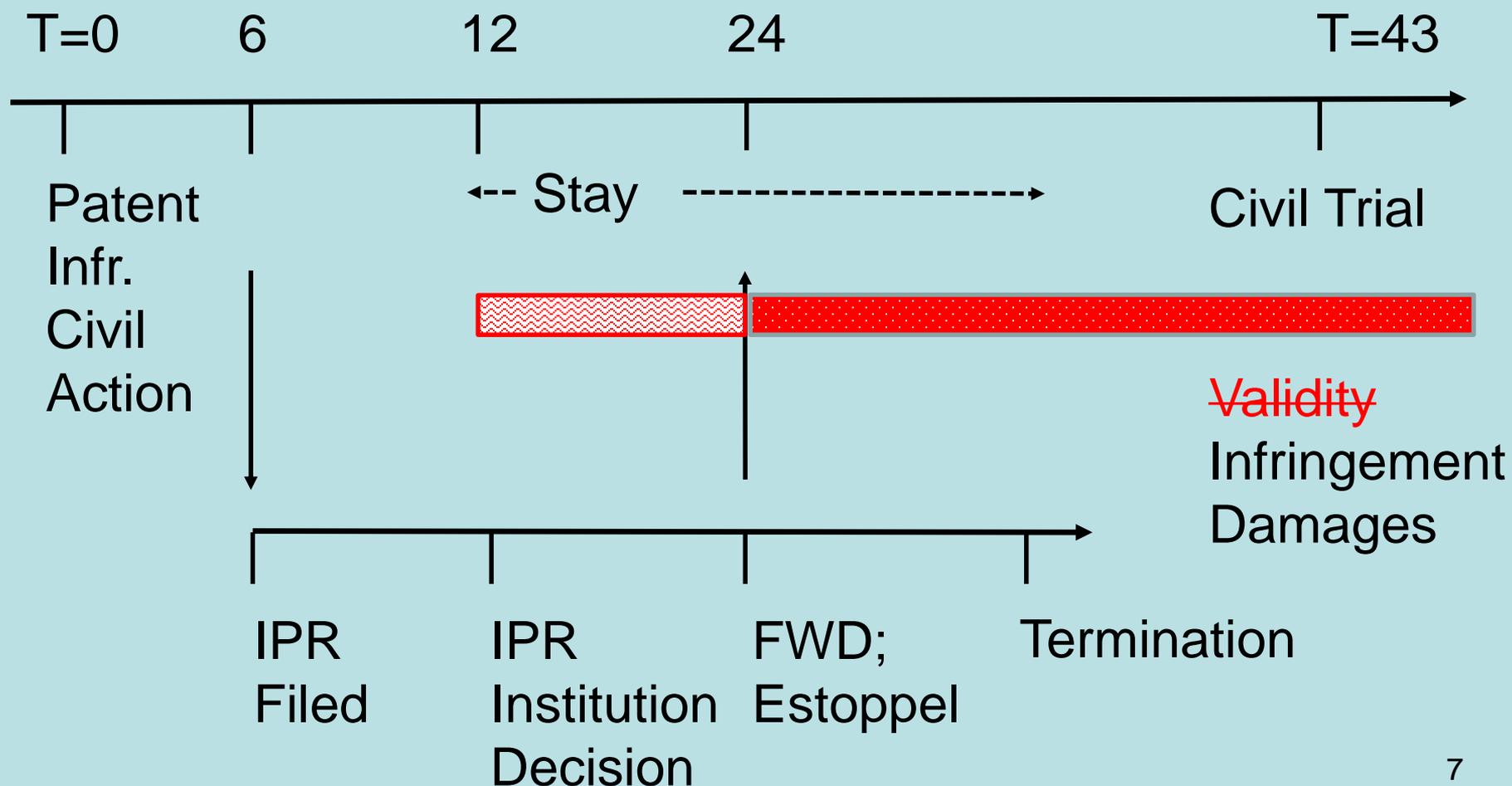
- **Held:** "the Board *must* address every claim the petitioner has challenged."
- Binary Choice
- **Impact:**
 - PTAB Re-Institutions of ongoing trials.
 - Federal Circuit Remands.
 - District Court Stays and Estoppel.

SAS - Estoppel

- 315(e) Petitioner “may not assert invalidity ... on any ground that the petitioner raised or reasonably could have raised” in the IPR proceeding, after PTAB issues the FWD.
- Pre-SAS - Non-instituted *grounds and claims* escaped 315(e) estoppel.
- Post-SAS - There are NO non-instituted *grounds or claims*.

District Court – PTAB Interplay

Estoppel Danger Zone!



SAS, Estoppel, District Court

- Petitioner/Defendant - Stripped of *all* publication based validity defenses for claims surviving IPR.
- Occurs *early on* in the civil action.
- Impact in Civil Action: construction; validity; infringement; and damages.
- Clearly favors patentee.

SAS Impact on Institution Decisions

- PTAB may *decline to institute*, even when petition meets the threshold for some claims. *Cf.* 314(a).
- PTAB may reject a petition presenting “same or substantially the same art or arguments” as in a prior Office proceeding. 325(d).
- See PTAB SAS FAQs D1-3.

325(d) Factors

- *Becton, Dickinson and Company v. B. Braun Melsungen AG*, IPR2017-01586, paper 8 (PTAB 12/15/2017)(Decision by APJ Daniels for APJs Daniels, Woods, and Kinder)(Designated *Informative* on 3/21/2018).
- Non Exhaustive List of Factors.

325(d) – Prosecution Related

- Similarity of prior art *teaching* relied upon in PTAB petition to what the examiner/PTAB considered in a prior proceeding.
- Extent to which the record shows that references asserted in PTAB petition were considered in prior proceeding.
- Applicant's *detailed reasoning* refuting a rejection similar to the proposed Ground in the petition.

Conclusion

1. The patent validity *needle has shifted* towards patentees.
2. Thoroughly vetting issues during prosecution may help avoid PTAB proceedings.

THANK YOU!

QUESTIONS?

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