

PTAB AIA Proceedings in the USPTO

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Abstract

This paper reviews law relating to PTAB AIA petition proceedings, as construed by the Courts and the PTAB. A goal of this paper is to provide the information necessary for informed strategic decision making in connection with obtaining, enforcing, and defending against patents.

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I. Introduction

A precondition to making informed decisions is being informed. This paper is designed to inform decision makers so that they can make informed decisions regarding patent disputes that might involve PTAB AIA proceedings and related patent infringement litigation. This paper reviews the current state of the law relating to PTAB AIA proceedings, identifies areas of uncertainty in the law. The paper then identifies and discusses strategic issues as they arise along a time line of a patent dispute.

This paper includes a large number of acronyms and some definitions. Here is a consolidated list.

Acronyms:

AIA - America Invents Act

APJ -Administrative Patent Judge

CAFC - Court of Appeals for the Federal Circuit

PTAB - Patent Trial and Appeal Board

IPR - *Inter Partes* Review

PGR - Post-Grant Review

CBM - Covered Business Method

DER - Derivation

BRI - Broadest Reasonable Interpretation

DJ -Declaratory judgement

PRPS - Patent Review Processing System

PTAB AIA Proceedings - IPR, PGR, CBM, and DER proceedings

FITF - First Inventor to File

RPI - Real Party in Interest

PTO - Patent and Trademark Office

DJ -Declaratory Judgement

FY - Fiscal Year

Definitions:

"FITF patent" means a patent subject to the first inventor to file provisions of the AIA.

II. Current Statistics for PTAB AIA Petition Proceedings

On 9/16/2012, AIA petitions became available. As of 3/2016, approximately 4200 IPR; 440 CBM; 22 PGR; and 7 DER petitions had been filed.² In the month of February, 2016: 0 DER; 6 PGR; 12 CBM; and 132 IPR petitions were filed. As of 3/2016, about half of all issuing utility patents are subject to the FITF provisions of the AIA, and therefore subject to PGR review.³ The fraction of newly issued patents that are FITF patents will eventually reach unity. IPR petitions have been and continue to be the most popular type of PTAB petition.⁴ PTO statistics from 10/31/2015 show that the fraction of IPR petitions instituted (excluding joinders) in 2014 FY 2014 and 2015 was about 75%; the fraction of CBM petitions instituted (excluding joinders) in 2014 and 2015 was 74% and 67% respectively; and all three decided PGR petitions had been instituted.⁵ PTO statistics from 10/31/2015 show that the majority of instituted PTAB trials resulted in all claims being finally determined unpatentable; and only 13% and 3% of IPR and CBM trials respectively resulted in no claims being finally determined unpatentable. Based upon statistics collected by the AIPLA, an average cost (per party) for an *Inter Partes* proceeding

through final hearing is \$334,000.⁶

Take aways from these statistics are that PTAB petitions are a popular and effective tool for challenging validity of patents.

Based upon a small sample (20 sequential IPRs), an average length of time from the date of filing of a patent owner's preliminary response to a decision regarding institution is 80 days; from the date of filing of an IPR petition to a decision regarding institution is 149 days; and from the date of filing of an IPR petition to a final written decision is 523 days (17 months, 13 days).⁷

As of mid March, 2016, the CAFC had issued several precedential decisions on appeals from PTAB AIA proceedings and the Supreme Court had granted certiorari from In re Cuozzo, (Fed. Cir. 7/8/2015), which was an appeal from IPR2012-00001.⁸

III. Overview of PTAB AIA Proceedings

In the AIA, Congress created the IPR, PGR, CBM, and DER proceedings. IPRs are defined by 35 USC Chapter 31 (containing 35 USC 311-319). PGRs are defined by 35 USC Chapter 32 (containing 35 USC 321-329). CBMs are defined by AIA section 18 ("AIA 18" herein after). DERs are defined by 35 USC 135. The PTO promulgated a uniform set of procedural rules: 37 CFR part 42, subpart A, which govern generic aspects of all such proceedings; and subparts B, C, D, and E, which govern distinct aspects of IPR, PGR, CBM, and DER proceedings, respectively.

Each type of PTAB AIA proceeding has different standing, timing, and scope limitations, which are identified in the following sections. However, there are procedural similarities. Each PTAB AIA proceeding starts with a petitioner filing with the PTAB a petition to institute a proceeding. 35 USC: 311(a); 321(a); 135(a)(1); and AIA 18(a)(1).

Moreover, IPR, PGR, and CBM proceedings have largely the same procedural requirements and schedules. IPR, PGR, and CBM petitions request cancellation, as unpatentable, of one or more claims of a patent. If the PTAB grants a petition, as to certain claims, then the PTAB institutes a trial on such claims. The PTAB may terminate the trial upon joint request of the parties. If the PTAB does not terminate the trial, it will issue a final written decision on the claims for which trial was instituted. Issuance of the final written decision triggers a right of appeal to the CAFC. 35 USC 319; 329. Thereafter, once time for all appeals has expired, the PTO will issue a certificate confirming patentable claims and canceling unpatentable claims.

In response to an IPR, PGR, or CBM petition, the patent owner may, within three months from the date of notice indicating grant of a filing date to the petition, file a preliminary response to the petition. 35 USC 313 and 323; 37 CFR 42.107 and 42.207. The PTO Director must issue a decision on institution within three months after the earlier of when the preliminary response was due or filed. 35 USC 314(b); 324(c). The PTO Director has delegated authority to make institution decisions to the PTAB. The institution decisions are "nonappealable". 35 USC 314(d); 324(d). If instituted, the PTAB issues a scheduling order. The scheduling order normally provides about three months for the patent owner to file a response, and another three months for the petitioner to file a reply. See 35 USC 316(a)(8); 326(a)(8); 37 CFR 42.120 and 42.220 as to the response; and 35 USC 316(a)(13) and 326(a)(12) as to the reply.

The patent owner may also file a motion to substitute narrower claims, with its response. 35 USC 316(a)(9) and 326(a)(9); 37 CFR 42.121 and 42.221. Supporting testimony in the form

of declarations may be submitted with the petition, patent owner's response, and petitioner's reply, but currently not with the patent owners's preliminary response. The PTO has proposed a rule change, which is not yet in force, that would allow the patent owner's preliminary response to be supported by declaratory testimony.⁹ Witnesses are subject to cross-examination during the trial. 35 USC 316(a)(5) and 326(a)(5); 37 CFR 42.53.

The parties may make various other motions prior to, during, and after the trial. The most common motions are those for additional discovery, to exclude evidence, to seal parts of the proceeding, to expunge, and for fee refunds.

IV. Prior to Filing an IPR or PGR Petition - Venue Issues

35 USC 315(a) and 325(a) contain identical language for IPR and PGR proceedings. These sections provide that a patent challenger that files a civil action challenging validity of a patent first, is thereafter barred from filing a PTAB petition against the patent. But, if the patent challenger files the PTAB petition either on the same day as it files a civil action challenging validity of the patent or after the day it files the PTAB petition, then the PTAB petition is not barred, but the civil action is initially automatically stayed. Further, these sections provide that the automatic stay of the civil action will end under any one of the following circumstances: the patent owner moves the court to lift the stay; the patent challenger moves the court to dismiss the civil action; or the patent owner files either a civil action or a counterclaim alleging that the patent challenger has infringed the patent.¹⁰ Thus, 35 USC 315(a) and 325(a) allow a patent challenger to have their choice of venue while proceeding with a PTAB petition against the patent.¹¹

As noted, a civil action challenging validity of a patent filed by a patent challenger bars the challenger from subsequently filing a PTAB petition. However, the PTAB has held that, if the patent challenger voluntarily dismisses its civil action challenging validity of the patent,¹² or, if the Court dismissed such a civil action without prejudice, then the bar to the patent challenger filing a PTAB petition disappears and the patent challenger is no longer barred from filing a PTAB petition.¹³ Moreover, the PTAB has held that it is only the act of the patent challenger filing of a civil action challenging validity of the patent that will bar the challenger from a subsequent PTAB petition; that filing a civil action for a declaratory judgment of non-infringement; that asserting an affirmative defense of invalidity in response to a civil action alleging the petitioner infringes the patent; and that a validity challenge in an arbitration proceeding, are not bars to filing a PTAB petition.¹⁴

V. Uncertainty In the Law Relating to Institution Decisions

The Supreme Court accepted certiorari in Cuozzo. Question 2 presented in that case is "Whether the court of appeals erred in holding that, even if the Board exceeds its statutory authority in instituting an IPR proceeding, the Board's decision whether to institute an IPR proceeding is judicially unreviewable." Cuozzo is scheduled for oral argument April 25, 2016. While most frequently cited for question 1, regarding BRI, question 2 has become more and more important over time. Starting with Cuozzo, in a series of cases, the CAFC has clarified and broadened its conclusion that it can only review final written decisions and therefore cannot review PTAB institution and non-institution decisions. The PTAB has generated a body of case decision relating to institution decisions. However, the PTAB rarely deems any of its decisions precedential to the PTAB. What this means is that PTAB panel decisions do not bind subsequent

panels. Consequently, splits are not readily resolved. The PTAB has splits on some issues relating to institution and conduct of its proceedings, leading to uncertainty (decisions that vary depending upon which APJs are on the panel). If the Supreme court reverses on Cuozzo question 2, then the CAFC will have authority to review the PTAB case law on institution decisions and resolve the splits amongst the PTAB decisions.

VI. Uncertainty Which Claim Construction Standard Applies

Question 1 in Cuozzo, has received the most attention. Question 1 reads "Whether the court of appeals erred in holding that, in IPR proceedings, the Board may construe claims in an issued patent according to their broadest reasonable interpretation rather than their plain and ordinary meaning."

Regarding BRI, the CAFC recently revised or clarified BRI so that BRI requires consideration of both prosecution history and record evidence. In Microsoft Corp. v. Proxyconn, Inc., (Fed. Cir. 6/16/2015), the CAFC stated:

The PTO should also consult the patent's prosecution history in proceedings in which the patent has been brought back to the agency for a second review. See *Tempo Lighting Inc. v. Tivoli LLC*, 742 F.3d 973, 977 (Fed. Cir. 2014). Even under the broadest reasonable interpretation, the Board's construction "cannot be divorced from the specification and the record evidence," *In re NTP, Inc.*, 654 F.3d 1279, 1288 (Fed. Cir. 2011), and "must be consistent with the one that those skilled in the art would reach," *In re Cortright*, 165 F.3d 1353, 1358 (Fed. Cir. 1999).

The references in the foregoing quote to "the patent's prosecution history" and "the record evidence" indicate that the evidentiary basis for BRI claim construction before the Board, and Phillips claim construction in civil litigation, are almost identical. Because BRI now requires consideration of both prosecution history and record evidence, BRI also requires consideration of prosecution history disavowal.

PTAB BRI claim construction now includes the prosecution history.¹⁵ This includes prosecution history disavowal.¹⁶

In contrast to BRI, however, the Phillips claim construction, as restated in Broadcom Corp. v. Qualcomm Inc., 543 F. 3d 683, 690 (Fed. Cir. 2008), requires that, in "cases in which the court concludes, after applying all the available tools of claim construction, that the claim is still ambiguous" then the claim "should be construed to preserve ... validity."

V. Limitations on Standing; Timing; and Scope of Challenge

There are various preconditions and limitations on each type of PTAB petition.

An IPR, PGR, or CBM petition can be filed by anyone other than the owner of the patent, 35 USC 311(a), 321(a). The PTAB has held that neither assignor nor contract estoppel applies. Assignors of the patent, and those contractually bound to not contest validity of the patent, can file PTAB petitions against the patent.¹⁷

V.A. IPR Limitations on Standing; Timing; and Scope of Challenge

V.A.1. IPR Filing Time Limits Based Upon Date of Grant of the Patent

An IPR petition for a non FITF patent can be filed any time after grant of the patent.

Section 1(d) of the Leahy-Smith America Invents Technical Corrections Act, Public Law, Pub. L. 112-274. 126 STAT. 2456-59 14 January 2013. However, an IPR petition for a FITF patent cannot be filed until the later of (1) nine months after grant of the patent and (2) the date of termination of any PGR proceeding for the patent. 35 USC 311(c).

V.A.2. IPR Time Limit Based Upon Date of Suit for Patent Infringement

Moreover, an IPR petition cannot be filed more than one year after the petitioner (or their real party in interest or privy) "is served with a complaint alleging infringement of the patent." 35 USC 315(b), first sentence. The CAFC has stated that time bars on institution are not reviewable, and therefore the PTAB's determinations on this issue are the final word.¹⁸

The PTAB has held that the 315(b) clock starts when the defendant is brought under a court's authority by formal process; that is, when the defendant is officially a defendant in the law suit.¹⁹ On that basis, the PTAB concluded that "served with a complaint" requires either service of both a summons and a complaint or filing of a waiver of service with the Court.²⁰ The PTAB has held that a 315(b) bar date is measured from the date of the earliest in a series of complaints or counterclaims alleging infringement of the patent, and that the same 315(b) date applies even if the patent's claims have been amended by reexamination.²¹

The PTAB has held that a privy means an entity having "a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel."²² The PTAB has held that privity is based on facts at the time of filing the petition, not afterwards.²³ The PTAB considers significant privity factors to include the ability to control a proceeding, and control and participation in aspects of the petitioner's operations.²⁴

The PTAB has also held that dismissal without prejudice of "a complaint alleging infringement of the patent" nullifies the 315(b) running clock or 315(b) bar (unless the dismissal is for case consolidation which means that the dismissal was not in reality, without prejudice).²⁵

A 315(b) clock is not triggered if: the service of the "complaint alleging infringement of the patent" is by a party subsequently found to lack standing to sue; the service of the complaint is because the complaint is an attachment to some other pleading; or if the service is a service in some proceeding other than a civil action for patent infringement.²⁶

V.A.3. IPR Time Limit on Request for Joinder

35 USC 315(c) contains an express exclusion from the 315(b) one year time limit, for a "request for joinder" by a petitioner that "properly files" a petition. 35 USC 315(b), second sentence and 35 USC 311(c). Whether this provision allows the PTAB to institute trial on a petition filed after a 315(b) one year bar has passed, has been challenged, and remains an open question.²⁷

V.B. PGR Limitations on Standing; Timing; and Scope of Challenge

V.B.1. CBM and PGR Generally Rely upon the Same Substantive Statutory Provisions

Case law relating to PGRs, to date, is based largely on decisions in CBM proceedings. This is because AIA 18(a) promulgates CBM proceedings and AIA 18(a)(1) specifies that AIA 18(a) proceedings "shall be regarded as, and shall employ the standards and procedures of" PGR proceedings, with certain exceptions. The exceptions that do not apply to CBM proceedings are: 35 USC 321(c), which limits PGR filing to within nine months of date of grant of the patent

does not apply; 325(b), which requires a district court to consider a motion for preliminary injunction of infringement suits filed promptly after grant of the patent; 325(e)(2), which defines PGR estoppel in the courts and before the ITC; and 325(f), which precludes grant of a PGR petition challenging any reissued claim that is the same or narrower in scope as an originally patented claim. AIA 18(a)(1). There have been a relatively large number of CBM proceedings compared to PGR proceedings, at least because CBM proceedings are applicable to pre-AIA patents, whereas PGR proceedings are not.

A PGR petition against a patent may be filed by "a person who is not the owner of ...[the] patent." 35 USC 321(a).

V.B.2. PGR Limited to FITF Patents

PGR is only applicable to FITF patents. AIA 6(f)(2) and AIA 3(n)(1).²⁸ PGR applicability turns on the "effective filing date" as defined in 35 USC 100(i), of any claims to a claimed invention. PTAB applicability decisions to date indicate that the filing date of amendments to claims is not relevant to PGR applicability, and the enablement date of a claim is relevant.²⁹

V.B.3. PGR Filing Time Limit Based Upon Date of Grant of the Patent

A PGR petition must be filed not later than nine months after the date the patent was granted or reissued. 35 USC 321(c). However, a PGR review may not be instituted if the corresponding petition requests cancellation of "a claim in a reissue patent that is identical to or narrower than a claim in the original patent," unless the petition is filed within nine months after date of grant of the original patent. 35 USC 325(e). Given the time required to reissue a patent, in effect, PGR petitions against a reissued patent can only request cancellation of broadened claims in the reissued patent.

V.C. CBM Limitations on Standing; Timing; and Scope of Challenge

V.C.1. CBM Standing Requires Being Sued for Infringement of the Patent

A petitioner can file a CBM petition only if the petitioner (or their real party in interest or privy) "has been sued for infringement of the patent or has been charged with infringement under that patent." AIA 18(a)(1)(B). The PTAB has held that this is a standing requirement evaluated when the petition is filed, and the existence or lack of existence of ongoing patent infringement litigation is not a factor.³⁰ The phrase "charged with infringement under the patent" means a sufficient controversy so that the petitioner would have standing to bring a declaratory judgment action in Federal court. And sued or charged with infringement must be sufficiently plead in the petition, to avoid dismissal.³¹

V.C.2. CBM Petitions Are Not limited to FITF patents

35 USC 321(1)(a) excepts AIA 18 proceedings (aka CBM proceedings) from the limitation of applicability of PGR petitions only to FITF patents. Consequently, unlike PGR petitions, CBM petitions can be filed against pre and post AIA patents.

V.C.3. CBM Petitions Can be Filed More Than Nine Months After a Issuance of a Patent

AIA 18(a)(1)(A) makes 35 USC 321(c) (which is the limitation that PGR petitions must be filed within 9 months from date of issuance of the patent) inapplicable to CBM petitions. Consequently, unlike PGR petitions, CBM petitions may be filed more than nine months after the date of issuance of a patent.

V.C.4. CBM Petitions Cannot be Filed Within Nine Months After Issuance for a FITF Patent

Moreover, a CBM petition against a FITF patent cannot be filed during the nine month period after date of issuance of a patent. AIA 18(a)(2); 6(f)(2)(A); and 35 USC 321(c).³²

V.C.5. Current CBM Sunset Provision - 9/16/2020

CBM petitions can only be filed prior to 9/16/2020 under their AIA sunset provision. AIA 18(a)(3).³³

V.C.6. CBM Petitions Are Limited to CBM Patents

A CBM petition can only be filed against a CBM patent. AIA 18(a)(1)(E).

A CBM patent "means a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions." AIA 18(d)(1).

The CAFC concluded that a CBM patent: "is not limited to products and services of only the financial industry, or to patents owned by or directly affecting the activities of financial institutions" Versata Dev. Grp., Inc. v. SAP Am., Inc., 793 F.3d 1306, 1325 (Fed. Cir. 2015); that a "financial product or service" is not limited to money management or banking; Blue Calypso, LLC v. Groupon, Inc., (Fed. Cir. 3/1/2016).

A single claim meeting AIA 18(d)(1) results in that patent being a CBM patent. However, claims that were disclaimed do not count in determining whether a patent is a CBM patent.³⁴

AIA 18(d)(2) confers authority on the PTO to determine whether a patent is for a technological invention, within the meaning of AIA 18(d)(1). In response, the PTO promulgated 37 CFR 42.301(a) which parrots the statutory definition of a CBM patent and 37 CFR 42.301(b) defining a technological invention, which states that "the following will be considered on a case-by-case basis: whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution." The PTAB has referred to this as the two part-test.

A CBM petition must provide a sufficient explanation why the patent is a CBM patent.³⁵

Several PTAB decisions on CBM petitions rejected the petition for failing to establish that the subject patent was a CBM patent. These rejections were either for failure to negate part 1 of the two-part test (showing a claim lacking a technological feature that is novel and unobvious over the prior art);³⁶ or for failure to negate part 2 of the two-part test (showing a claim that fails to solve a technical problem using a technical solution).³⁷

VI. Differing Petition Grounds And Evidence Between IPR, PGR, and CBM

VI.A. An IPR Petition's Allowable Grounds and Evidence

In all IPRs, the allowable grounds are those "that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications." 35 USC 311(b).

VI.B. A PGR Petition's Allowable Grounds and Evidence

In all PGRs (and therefore also in all CBMs), the allowable grounds are "any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity of the patent or any claim)." 35 USC 321(a). Paragraphs (2) and (3) of section 282(b) read as follows:

(2) Invalidity of the patent or any claim in suit on any ground specified in part II as a condition for patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with—(A) any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable; or (B) any requirement of section 251.

Part II of 35 USC is titled "Patentability Of Inventions and Grant of Patents" and includes chapters 10-18, which span 35 USC 100 to 35 USC 212.³⁸ One PTAB panel held that obviousness-type double patenting is not a permissible ground for challenging claims in a CBM review, but one member of the panel concurred only in the result.³⁹ One PTAB panel held that same invention type double patenting under 35 USC 101 is a permissible ground for challenging claims in a CBM review.⁴⁰

VI.C. A CBM Petition's Allowable Grounds and Evidence

The grounds available in a CBM petition against pre-AIA patents are the same as the grounds available in a PGR petition, with the following important exception. Pursuant to AIA 18(a)(1)(C), a CBM petition that challenges validity on a ground raised under pre-AIA 35 USC 102 or 103 may support that ground only on the basis of: "(i) prior art that is described by pre-AIA 35U.S.C. 102(a); or (ii) prior art that—(I) discloses the invention more than 1 year before the date of the application for patent in the United States; and (II) would be described by pre-AIA 35U.S.C. 102(a) if the disclosure had been made by another before the invention thereof by the applicant for patent." Pre-AIA 35 USC 102 reads:

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent

In a series of proceedings, PTAB panels concluded that AIA 18(a)(1)(C) precludes patents that qualify as prior art only under pre-AIA 35 USC 102(e) as an evidentiary basis for a ground of unpatentability in a CBM petition.⁴¹ The same rationales applying to 102(e) also appear to exclude other sections of pre-AIA 102 from the grounds on which a CBM petition can be granted.

VII. DER - Legacy from the Pre-AIA days

DERs are the legacy of first to invent interference practice, and deal with the rare situation where a deriver files, first, for an invention of another.

A DER petition may only be filed by "[a]n applicant for patent." 35 USC 135(a)(1).⁴² A DER petition must be filed within 1 year following the earliest date of publication of a claim to the derived invention in the application or patent of the deriver. 35 USC 135(a)(2).⁴³ The petitioner's patent application must have a later effective filing date than the deriver's application, for the derived invention. 35 USC 135(a)(1), second sentence and 35 USC 135(a)(3). The PTAB has held that a DER petition must show derivation under the law of derivation as it existed prior to enactment of the AIA.⁴⁴ The relief provided by a derivation proceeding is an adverse decision against claims, which constitutes a final refusal or cancellation of those claims. 35 USC

135(d). DER petitions involve a pending application and are very rare. To date, PRPS shows no trial instituted based upon a DER petition.⁴⁵ No more will be said in this article about DERs.

VIII. Petitions

VIII.A. Petition Size Limits

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; and specific citations to the portions of the record that support each material fact. 37 CFR 42.24. IPR and PGR (and also CBM) petition size limits are currently set by rule to be not more than 60 and 80 pages, (14 point font, double line spaced), respectively. 37 CFR 42.24(a)(a)(i) and (ii). This size limits the number of grounds and claims, assertions of fact, and reasoning that can effectively be included in a single petition. A problem with some petitions is improper use of exhibits to make a case. For example, a petition referring to an exhibit containing a claim chart, or to an expert declaration containing arguments not present in the petition, may result in the petition or certain arguments being dismissed.⁴⁶

As noted above, the petitioner's case must be made in the petition. Failing to do so by making conclusions in the petition and citing to an expert declaration to make a case, risks having the petition rejected. However, there is no requirement that every exhibit cited by an expert in their expert declaration also be cited in the petition.⁴⁷ Regarding citation of exhibits in a petition the CAFC held that the PTAB must consider exhibits cited only in an expert declaration that are relied upon to show state of the art.⁴⁸

VIII.B. Petition Procedural Defects

I classify petition procedural defects in three categories, which are: defects precluding the grant of a filing date; defects that allow grant of a filing date but require correction; and defects that result in dismissal or rejection of certain grounds.

Rules 42.106, 206 identify the requirements to obtain a filing date, which include the petition format, filing, and service requirements (rule 42.6); mandatory notices including all real parties in interest, related matters, counsel, and service information (42.8); size limits (42.24); request for relief, argument, and evidence, including grounds for standing and identification of the claims, statutory grounds; claim construction; and reasoning (42.22 and 104, 204, or 304). A petition denied a filing date will be dismissed if the defects are not corrected in a time limit specified in the notice denying a filing date. That time limit is typically one month. A corrected petition (corrected to provide the requirements necessary to obtain a filing date) obtains the filing date of the correction, not the original filing, and therefore intervening time bars may arise.⁴⁹ Identification of all real parties in interest is a mandatory notice requirement. Accordingly, failure to identify all real parties in interest results in denial of a filing date.⁵⁰

For petition defects that do not preclude grant of a filing date, the PTAB typically allows the petitioner five business days to file a corrected petition or face non-institution. Common defects that do not result in denial of a filing date are argument included in claim charts and petitions exceeding their size limit.⁵¹

Finally, there are errors that impact the substantive case, such as mis-citations in the petition, or the uploading of incorrect documents. The PTAB may grant a motion to correct an error in a petition that is shown to be "a clerical or typographical mistake". 37 CFR 41.104(c),

204(c). If granted, the petition will retain its original filing date.⁵²

VIII.C. Applicable Burden; Claim Construction; Evidence; Argument

The burden for institution for an IPR is "a reasonable likelihood" and for a PGR and a CBM "more likely than not" - - that at least 1 of the claims challenged in the petition is unpatentable. 35 USC 314(a). The ultimate burden to show unpatentability during the trial is preponderance of the evidence. 35 USC 316(e); 326(e). The ultimate burden remains on the petitioner.⁵³ The burden of production may shift back and forth during the PTAB proceeding.⁵⁴

VIII.D. Claim Construction in the Petition

The PTO by rule set the claim construction standard to the "broadest reasonable construction in light of the specification of the patent in which it appears." 42.100(b); 200(b); 300(b). There is no mention in those rules of the prosecution history or record evidence. As noted above, CAFC case law now indicates otherwise. A PTAB petition must set forth "How the challenged claim is to be construed." 37 CFR 42.104(b)(3); 204(b)(3); 304(b)(3).

VIII.E. Evidence and Argument in the Petition

Petitions should contain identified grounds, claim, and evidence clearly tied together by argument. In at least one case, the PTAB declined institution because of the lack of clarity of the petition.⁵⁵

IX. Institution Decisions

IX.A. Rejection of Petitions Presenting "the same or substantially the same prior art or arguments" Previously Presented to the Office - 325(d)

35 USC 325(d) provides the PTO Director the authority to deal with multiple proceedings by "stay, transfer, consolidation, or termination of any" such proceeding. However, the last sentence of 35 USC 325(d) is an estoppel-like provision, allowing the PTAB discretion to reject a petition if "the same or substantially the same prior art or arguments previously were presented to the Office." The PTAB has exercised this discretion in a significant number of petitions in which the facts vary from case to case.⁵⁶ The PTAB has characterized a subsequent petition as presenting "the same arguments" by substituting, in a 103, for a secondary reference failing to teach a feature, two new secondary references.⁵⁷ The PTAB has characterized a subsequent petition as presenting "the same or substantially the same prior art" when the subsequent petition asserted eleven references in various combinations, seven of which were not presented in the prior petition, when the second petition provided "no argument or evidence that the seven newly cited references were not known or available" when the prior petition was filed.⁵⁸ The PTAB has also identified prudential factors for rejecting a petition, pursuant to 325(d). These include protecting the patent owner from "multifarious challenges to the same patent claims";⁵⁹ using a prior PTAB decision to bolster challenges;⁶⁰ using a prior PTAB decision to correct procedural defects;⁶¹ late filing of the later petition relative to the earlier petition;⁶² existence of a prior instituted petition on similar grounds;⁶³ and filing after a 315(b) bar date in reliance upon joinder.⁶⁴

The PTAB has also identified some prudential factors boding against applying 325(d) to reject a petition, including: correcting a failure in a prior petition to make a threshold showing that a reference qualifies as a printed publication;⁶⁵ different prior art in asserted grounds;⁶⁶ an unusually large patent having an unusually large number of claims;⁶⁷ and reliance upon a new

reference having a "highly relevant and significant teaching."⁶⁸

IX.B. Rejection of Redundant Grounds in Petitions

The PTAB also applies a redundancy policy to reject plural grounds against the same claim that appear to be redundant. Under this policy, the PTAB rejects redundant grounds, unless the petition shows that the different grounds have relative strengths and weaknesses. This policy applies to multiple references applied in the alternative (what the PTAB called horizontal redundancy).⁶⁹ This policy applies when a petition includes a ground based upon some references is applied against a claim, and another ground including the same references and an additional reference applied against the same claims (what the PTAB called vertical redundancy).⁷⁰

IX.C. Claim-by-Claim Institution Decisions

The scope of relief available in IPR, PGR, and CBM petitions is for cancellation of "1 or more claims of a patent." 35 USC 311(b); 321(b); AIA 18(a)(1)(C). The statute states that the PTO Director may not institute trial unless the Director determines that the petition, in view of any preliminary patent owner response, met the applicable burden for "at least 1 of the claims challenged in the petition." 35 USC 314(a); 318(a); AIA 18(a)(1). That language does not limit the trial to any particular set of claims. However, the PTAB has consistently determined whether to institute trial on a claim-by-claim basis. That is, the PTAB decisions do not necessarily institute trial for all claims of a patent or all claims associated in the petition with a particular ground. Instead, the PTAB determines whether the petition in view of the patent owner's preliminary response meets the applicable burden for institution for any particular claim on a particular ground specified in the petition.

In at least one case, the PTAB instituted trial on grounds that were not specified in a petition, applying a reference under 35 USC 103 against a claim that the petition only applied under 35 USC 102 against the claim.⁷¹

IX.D. CAFC Review of Institution Decisions

In Synopsys, Inc. v. Mentor Graphics Corporation, (Fed. Cir. 2/10/2016), a divided panel of the Court indicated that the PTAB's claim-by-claim trial institution practice was proper, and stated that PTAB lacked statutory authority to do otherwise, but there was a strong dissent.⁷² If the Supreme Court reverses on *Cuozzo*, question 2, the CAFC may review the PTAB's claim-by-claim institution decision approach.

In several cases, the CAFC has held that it has no authority, on appeal, to review PTAB institution decisions (on their merits and whether a petition was time barred).⁷³ However, the CAFC has held that whether the PTAB has a statutory grant of authority to review a particular patent, is reviewable on appeal.⁷⁴

Consequent to the CAFC's conclusion that institution decisions are not reviewable on their merits, the CAFC has also held that the propriety of PTAB instituting trial on grounds that are not specified in a petition is also not reviewable, on appeal.⁷⁵

In *Merck & Co. v. Gnosis S.P.A.*, (Fed. Cir. 4/26/2016), the CAFC rejected a request for rehearing whether the substantial evidence standard of review is appropriate. A concurring opinion pointed out, that while precedent required application of substantial evidence to PTAB fact findings, that standard "makes little sense in the context of an appeal from an IPR proceeding."⁷⁶

X. Patent Owner Response and Petitioner Reply

The patent owner response is considered to be an opposition to the petition. The petitioner's reply is considered to be a reply to an opposition. The general rule for PTAB proceedings has always been that a reply is limited to addressing arguments raised in the opposition and cannot bolster the original petition.⁷⁷ 37 CFR 42.23(b) memorializes that rule of law, stating that:

All arguments for the relief requested in a motion must be made in the motion. A reply may only respond to arguments raised in the corresponding opposition or patent owner response.

An issue arising in PTAB AIA proceedings is whether a reply violates this rule. Another issue is how to procedurally handle disputes regarding replies that do not respond to arguments raised in the patent owner's response. Regarding evidence first presented in support of a reply, the PTAB indicates that "The proper way to challenge 'new' evidence in a reply" is to bring the issue to the Board's attention in a conference call or during oral argument, and not through a motion to exclude.⁷⁸

The CAFC held that "Evidence admitted in rebuttal to respond to the patent owner's criticisms will commonly confirm the *prima facie* case" but is not part of the *prima facie* case. Belden Inc. v. Berk-Tek LLC, (Fed. Cir. 11/5/2015). The Court indicates in Belden that this kind of reply evidence does not violate 42.23(b). In Dell Inc. v. Acceleron, LLC, (Fed. Cir. 3/15/2016), the Court found that Dell made a key factual assertion, for the first time, at oral argument. On that basis it vacated and remanded, in relevant part. However, the Court determined that the Board had concluded that the key factual assertion was made for the first time, in the petitioner's reply. Commenting on the Board's conclusion, the Court stated "We need not address under what circumstances a cancellation may rely on a key factual assertion made for the first time in a petitioner's reply." A significant issue respecting this statement is that a petitioner's reply is not part of an institution decision, and therefore not part of the process that the CAFC has, so far, indicated it lacks authority to review. So the Court may in the future "address under what circumstances a cancellation may rely on a key factual assertion made for the first time in a petitioner's reply."

In one case, the PTAB concluded that replacement test data submitted with a reply was beyond the scope of a proper reply because it was not responsive to the patent owner's response.⁷⁹ Regarding, whether a reply violates rule 42.23(b), the PTAB has held that reply evidence is improper (and was excluded in the cited cases) when it: interpreted the petition's prior art reference;⁸⁰ was for further developing arguments in the petition;⁸¹ or was expert testimony providing analysis of claim construction.⁸² The PTAB has also held replies improper when they changed the unpatentability rationale posed in the petition and relied upon new evidence to support the new rationale.⁸³

XI. Relief - Certificate Canceling Claims, and Estoppel

Relief provided by an IPR, PGR, or CBM proceeding is a certificate, which is issued after the time for appeal has expired or any appeal has terminated, canceling claims found to be unpatentable and confirming claims found to be patentable. 35 USC 318(b) and 328(b).

However, estoppel against the petitioner (and its RPI and privies) is triggered by the PTAB rendering a final written decision. 35 USC 315(e) and 325(e).

The scope of estoppel in the PTO also refers to "a claim in a patent ... with respect to that claim..." 35 USC 315(e)(1); 325(e)(1). The scope of estoppel in a civil action or ITC proceeding also refers to "a claim [of the patent]... that the claim..." 35 USC 315(e)(1); 325(e)(1); and AIA 18(a)(1)(D).

In the PTO, estoppel against the petitioner, its RPI and privies precludes "request[ing] or maintain[ing] a proceeding... with respect to that claim", and the scope of estoppel applies to "any ground that the petitioner ... *reasonably* could have raised" during the proceeding. 35 USC 315(e)(1) and 325(e)(1); 37 CFR 42.73(d). Outside the PTO, the scope of estoppel against the petitioner, its RPI and privies is the same "*reasonably* could have raised" scope for IPRs and PGRs, but limited to "any ground that the petitioner raised" for CBM proceedings. AIA 18(a)(1)(A); and (D).

In Shaw Industries Group v. Automated Creel Systems, (Fed. Cir. 3/23/2016), the Court concluded that grounds raised in a petition for which the PTAB denied institution are grounds the petitioner "could ...[not] have reasonably raised" and therefore were grounds to which estoppel did not apply.⁸⁴ In a decision, now precedential, the PTAB also concluded that estoppel applied on a claim-by-claim basis, and it also rejected the argument that estoppel applied to claims for which trial had not been instituted.⁸⁵ In another case, the PTAB held a petitioner estopped in related proceedings nearing final hearing, based upon final written decisions on claims in other proceedings. Specifically, the PTAB estopped the petitioner from presenting arguments at the upcoming final hearing with respect to any claim for which estoppel applied, and dismissed the party from the other proceeding in which the petitioner was estopped on all instituted claims.⁸⁶ However, the PTAB made clear that its authority to reach a decision in the proceedings was unencumbered by party estoppel.⁸⁷

The first important take away from these cases is that raising a ground in a petition against a claim avoids the potential of estoppel for failing to raise that ground.

The second take away is that, when a petitioner has multiple petitions challenging the same claim that are not on the same schedule, estoppel attaches when the earliest final written decision on that claim is rendered. 315(e)(1) applies regardless whether the final written decision finds the claim patentable or unpatentable. This immediacy of estoppel provides strong incentives for a petitioner to have petition proceedings challenging the same claim either joined or on the same schedule, and for a patent owner to have same-petitioner proceedings on separate schedules and not joined.

XII. Joinder

Joinder is applicable to IPR, PGR, and CBM proceedings, and is discretionary with the PTO Director. 35 USC 315(c); 325(c); AIA 18(a)(1). Rules 37 CFR 41.122(b) and 41.222(b) require any motion for joinder by a party to be filed within 1 month of institution of the trial to which joinder is requested. These rules limit joinder of an IPR to another IPR, and joinder of a PGR or CBM to another PGR or CBM. There are several unsettled issues regarding joinder. The unsettled issues are compounded by the fact that the CAFC has concluded that it lacks jurisdiction to review the PTAB's institution decisions, including whether 315(b) bars institution. The PTAB currently has the last word on whether 315(b) bars institution when the late filed

petition requests joinder to an instituted PTAB trial.

Second, the PTAB is divided on the scope of its authority regarding joinder. Specifically, the APJs are divided on whether the statute allows joining proceedings on two petitions filed by the same petitioner; whether the statute allows joining proceedings in which the later petition raises new issues; and whether a petition filed after the 315(b) bar date can be instituted, if joined to a non time barred trial. The Director has, at least twice, expanded a panel to rehear an original panel decision denying joinder and not instituting trial, on time barred petitions that raised new issues that in each case were filed by the same petitioner as the earlier petition. The expanded panel decisions reversed the decisions of the original panels.⁸⁸ Since expanded panel decisions are not precedential to the Board, future panels are free to fall on either side of these issues, making outcomes uncertain. Whether the Director will expand panels in all instances to attempt to achieve a uniform result is also uncertain.

In any case, the PTAB has indicated that joinder motions should: (1) set forth the reasons why joinder is appropriate; (2) identify any new grounds of unpatentability asserted in the petition; (3) explain what impact (if any) joinder would have on the trial schedule for the existing review; and (4) specifically address how briefing and discovery may be simplified.⁸⁹

Joinder motions for petitions that merely copy the grounds and arguments of an earlier petition, so that the petitioner is involved in the proceeding, are normally granted. Joinder can also moot a potential privity based petition bar issues.⁹⁰ Joinder of petitions that introduce new evidence, argument, grounds, or claims, are less likely to be granted.⁹¹

Joinder has been employed in relation to patent infringement litigation involving multiple defendants. If defendant A files a petition which is subsequently instituted, then defendant B can copy the petition and request joinder.⁹² Defendant B joining in the instituted proceeding is an insurance policy against defendant A and the patent owner settling and terminating the PTAB proceeding, leaving defendant B out in the cold. While estoppel would apply against defendant B if the instituted proceeding results in a final written decision in which claims are not found unpatentable, the PTAB ultimately finds most claims for which the PTAB institutes trial to be unpatentable.

In at least one instance, a patent owner defeated joinder of an otherwise time barred petition challenging additional claims relative to an instituted trial on an earlier filed petition, by requesting entry of adverse judgement on all claims in the earlier trial. Judgement was entered depriving the second petition on the additional claims of the potential for joinder, resulting in the second petition being denied.⁹³

XIII. Discovery

35 USC 316(a)(5) and 326(a)(5) authorize the PTO Director to set forth standards and procedures for discovery of relevant evidence. For IPRs, 316(a)(5) limits the Director's authority to grant discovery to providing for depositions of witnesses and otherwise "in the interest of justice". For PGRs, 326(a)(5) limits the Director's authority to grant discovery that is "directly related to factual assertions advanced by either party." The PTO promulgated 37 CFR 42.51 which regulates discovery in PTAB AIA proceedings. 42.51(b) authorizes cross-examination of witnesses on their declarations. 42.51(b) also requires service of any information "inconsistent with a position advanced by the party during the proceeding concurrent with the filing of the documents or things that contains the inconsistency." 42.51(b)'s duty to submit inconsistent

information attaches specifically when filing the thing containing the inconsistency, and not afterwards. However, 42.11 imposes a duty of candor and good faith to individuals involved in the proceeding having no such timing limitation.

Most PTAB motions require pre-authorization to file, per rule. That is, one has to have an oral hearing, normally via telephone, in order to be allowed to file a motion. That procedure applies to motions for additional discovery. In Garmin International, Inc. v. Cuozzo Speed Technologies LLC, IPR2012-00001, paper 26 (PTAB 3/5/2013; marked as a PTAB informative opinion) (Decision by APJ Lee, for a panel consisting of APJs Lee, Tierney, and Cocks) ("Garmin"), the PTAB has identified the criteria it evaluates in determining whether to grant a motion for additional discovery. For IPRs, these criteria are: (1) the possession of evidence tending to show beyond speculation that the requested discovery will result in something useful; (2) the requested discovery cannot be for litigation positions and underlying basis for those positions; (3) inability of the requesting party from independently obtaining the requested information; (4) the degree to which the discovery instructions are easily understandable; and (5) the burden associated with the requested discovery.⁹⁴ In order to grant a motion for additional discovery in a PGR proceeding, the PTAB requires only a showing of "good cause." 37 CFR 42.224(a). The PTAB has indicated that it evaluates substantially the same criteria (1) to (5) for PGR motions for additional discovery, with an exception that criterion (1) is relaxed to merely requiring presentation of "a specific factual reason for expecting reasonably that the discovery will be 'useful.'"⁹⁵ Examples of discovery categories of evidence are: evidence of unnamed RPI and privies; evidence of secondary considerations; information inconsistent with other produced information. Examples of the Garmin factor 1 are: evidence produced in related litigation and representations of relevance of that information by patent owner's counsel in the district court litigation; and publicly available documents. Examples of requested information are: secondary indicia evidence and indemnification agreements.⁹⁶

XIV. Amendments to Claims of the Patent

The statute authorizes the patent owner to file one motion to substitute a reasonable number of claims for patented claims, during a PTAB trial. 35 USC 316(d); 326(d). The PTAB rules require any motion to amend: be filed by the date the patent owner response is due; respond to a ground of unpatentability in the trial; not enlarge the scope of the claims; not introduce new matter; and be limited to a one-for-one substitution of patent claims. 37 CFR 42.121; 42.221.

In Microsoft Corp. v. Proxyconn, Inc., (Fed. Cir. 6/16/2015), the court reviewed a PTAB decision denying a motion to amend. Therein, the court generally approved of the Director's amendment regulations, and noted that the PTAB could deny a motion to amend for reasons not expressly stated in the amendment regulations.⁹⁷

In Idle Free Systems, Inc. v. Bergstrom, Inc., IPR2012-00027, paper 26 (PTAB 6/11/2013) ("Idle Free"), the PTAB indicated that a motion to amend must show patentable distinction over the prior art of record, and over prior art known to the patentee. In Masterimage 3d, Inc. v. Reald Inc., IPR2015-00040, paper 42 (PTAB 7/15/2015) (Order by APJ Lee, for an expanded panel consisting of Deputy CAPJ Kelley, Vice-Chief APJ Boalick, and APJs Lee, Arpin, Gerstenblith, and Mitchell) ("Masterimage"), the PTAB subsequently modified Idle Free; clarifying that prior art known to the patentee meant "no more than the material prior art that Patent Owner makes of record in the current proceeding pursuant to its duty of candor and good

faith to the Office under 37 C.F.R. § 42.11, in light of a Motion to Amend."⁹⁸ However, motions to amend are, still, rarely granted.⁹⁹ Docket Alarm indicates that, out of 935 final written decisions, only 218 referred to motions to amend; and of these only four granted an amendment (as opposed to cancellation) of any claim.¹⁰⁰ Motions to amend are not terribly popular because of the perceived low chance of success and because amendment of a challenged claim surrenders past damages on that claim.

There are alternatives to motions to amend in a PTAB trial. Alternatives to motions to amend are reissue applications and *ex parte* reexamination proceedings. These applications and proceedings are often stayed during the pendency of a PTAB proceeding on the same patent. Reexaminations are substantially faster to completion, than reissue applications. However, a request for reexamination must present a "new" question of patentability. A reexamination request based upon a substantial question of patentability that was raised in a PTAB proceeding may be deemed to be not a "new" question, and therefore not a basis for reexamination.¹⁰¹ Both reexamination proceedings and reissues applications prosecuted after a PTAB adverse judgement will be subject to estoppel as to claims that are not patentably distinct from claims against which judgement was entered, pursuant to 37 CFR 42.73(d)(3). Resolution of reissue and reexaminations which are stayed during the PTAB proceeding, may be too late in time to affect the corresponding civil litigation.

XV. Issues Relating to Parallel District Court Patent Infringement Actions

The issues relating to parallel district court patent infringement actions include protective orders and patent prosecution bars; coordination of actions in both proceedings; stays of the patent infringement action, and willful infringement factors.

XV.A. Protective Orders, Production, and Patent Prosecution Bars

Protective orders are common in patent infringement litigation to protect proprietary information. Counsel in parallel PTO proceedings may desire to submit in the PTO proceeding information produced in the district court litigation by an opposing party and subject to the Court's protective order. In a PTAB proceeding, counsel may do so by requesting a motion for discovery requiring the opposing party in the district court litigation to produce the information for the PTAB proceeding. Alternatively, district court counsel party may request that the court authorize submission of the protected information in the PTAB proceeding. In any case, counsel in the PTAB proceeding may submit in the PTAB proceeding a motion to seal to protect the confidentiality of information.

The term "patent prosecution bar" is a misnomer for bars relating both PTO *ex parte* and *inter partes* proceedings. A protective order may include a "patent prosecution bar." A "patent prosecution bar" refers to a bar to anyone having access to the protected information from certain involvement in PTO proceedings, as defined in the applicable protective order. The CAFC addressed patent prosecution bars, in In re Deutsche Bank Trust Co. Americas, 605 F.3d 1373 (Fed. Cir. 2010), stating:

We therefore hold that a party seeking imposition of a patent prosecution bar must show that the information designated to trigger the bar, the scope of activities prohibited by the bar, the duration of the bar, and the subject matter covered by the bar reasonably reflect the risk presented by the disclosure of

proprietary competitive information. We further hold that the party seeking an exemption from a patent prosecution bar must show on a counsel-by-counsel basis: (1) that counsel's representation of the client in matters before the PTO does not and is not likely to implicate competitive decision making related to the subject matter of the litigation so as to give rise to a risk of inadvertent use of confidential information learned in litigation, and (2) that the potential injury to the moving party from restrictions imposed on its choice of litigation and prosecution counsel outweighs the potential injury to the opposing party caused by such inadvertent use.

A patent prosecution bar requires the moving party to show good cause for the bar. *Id.* Such bars complicate coordinating coherent and consistent positions across court and PTAB proceedings, and should be addressed in negotiating a protective order.¹⁰² Examples of elements contained in patent prosecution bars include: precluding district court litigation counsel (1) from assisting in any crafting or amendment of patent claims;¹⁰³ (2) from drafting, amending, or advising on the scope or maintenance of patent claims or potential claim amendments; (3) from drafting expert declarations relating to amended or added claims and responses relating to amended or added claims; and allowing district court litigation counsel (1) to prepare PTAB proceeding declarants for depositions; (2) take PTAB proceeding depositions; (3) to discuss discovery with PTAB counsel; (4) to draft PTAB pleadings and declarations; and (5) to discuss with PTAB counsel responses to arguments.¹⁰⁴

One rationale supporting precluding patent owner's district court litigation counsel participating in a PTAB proceeding is the right, however, unlikely, of amending claims in PTAB proceeding based upon production by an opponent of the opponent's proprietary information. A patent owner that agrees to not attempt to amend claims in corresponding PTAB proceedings has a greater chance to avoid a patent prosecution bar applying against its district court litigation counsel.

XV.B. Coordinating Actions in Parallel Court and PTAB Proceedings

Several aspects need to be coordinated between PTAB and parallel proceedings (in a District Court or the ITC). The most obvious issues for coordination are discovery, claim construction, and potential amendments to the claims of the patent. As noted above, the relatively broad district court discovery has been useful to obtain corresponding discovery in PTAB proceedings. At least one court relied upon the PTAB's claim construction in parallel the PTAB's proceeding, to modify its own claim construction.¹⁰⁵ Counsel should coordinate the impact of any potential claim amendments and claim constructions on the prospect for proving infringement, to the extent permitted by any patent prosecution bar, as well as potential for overcoming grounds of rejection in the PTAB proceeding. For each party, their claim constructions are frequently in tension between their goals in the PTAB proceeding and in the parallel patent infringement action, requiring coordination.

XV.C. PTAB Proceedings as a Basis To Stay a District Court Patent Infringement Litigation

An important issue is the possibility of staying a civil action for patent infringement in view of the existence of PTAB proceedings on patents asserted in the civil action. This is

because PTAB proceedings cost substantially less than district court infringement actions and PTAB proceedings may moot or reduce the issues in the parallel district court action. There exists some CAFC case law specific to stays on CBM patents, and this CBM specific case law is a guide for stays based upon IPR and PGR proceedings. There also exists district court case law for stays based upon PTAB proceedings. The following sub-sections summarize this law.

XV.D. The Basis To Stay a District Court Patent Infringement Litigation Based Upon a CBM Proceeding is Specified in the AIA

AIA 18(b)(1) specifies the basis upon which a Court shall consider a stay of a civil action alleging infringement of a patent in view of the existence of corresponding CBM proceedings for that patent. AIA 18(b)(1) specifies these four factors a court must consider in a stay request based upon a CBM proceeding:

- (A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;
- (B) whether discovery is complete and whether a trial date has been set;
- (C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and
- (D) whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and on the court.

AIA 18(b)(2) provides a right of immediate interlocutory appeal to the CAFC from a district's stay decision pursuant to AIA 18(b)(1). Immediate interlocutory appeals in such cases have led to the following CAFC case law.

The CAFC held that it lacks jurisdiction under AIA 18(b)(2) to review a district court stay decision that was based upon the filing of a CBM petition. In Intellectual Ventures II LLC v. JP Morgan Chase & Co., 781 F. 3d 1372 (Fed. Cir. 4/1/2015), the Court considered an interlocutory appeal of a district court's denial of a stay in view of the filing of a CBM petition involving a patent asserted in the district court. The defendant moved for the stay after filing CBM petitions, but prior to any decision by the PTAB to institute a trial pursuant to the petition. The Court held that it lacked jurisdiction to hear the interlocutory appeal under AIA 18(b)(2). The Court reasoned that AIA 18(b)(1) was limited to stays "relating to a transitional proceeding for that patent," and the Court concluded that "proceeding" meant instituted PTAB trials.¹⁰⁶ This decision implies that a district court is not bound by AIA 18(b)(1) until and unless the PTAB institutes trial on a CBM petition for a patent involved in the district court's litigation.

XV.E. Stays Relating to CBM, PGR, and IPR Proceedings

Although there may be variations, district courts have included the following factors when considering whether to stay a patent infringement action based upon PTAB AIA proceedings: (1) whether discovery in the case is complete and whether a trial date has been set; (2) whether a stay would simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party.¹⁰⁷

The basis specified in AIA 18(b)(1) and the factors district courts have considered in reviewing stay motions relating to PTAB AIA proceedings are similar.

The CAFC has made the following comments on AIA 18(b)(1) factors A to D, for CBM stay decisions.¹⁰⁸

For factor A (simplify and streamline the trial), the district court cannot consider the propriety of a PTAB determination that claims are "more likely than not invalid in the posture of a ruling on a motion to stay."¹⁰⁹ The PTAB granting CBM review on all asserted claims of the sole patent asserted in the litigation "weighs heavily" in favor of a stay.¹¹⁰ The defendant not asserting certain prior art in the CBM proceeding (saving a defense for the district court case), does not weigh against a stay when the PTAB has instituted trial on all asserted claims of the sole patent asserted in the litigation.¹¹¹

For factor B (timing), relevant factual issues are the timing of anticipated PTAB decision relative to the trial date and "how much more remains to be done in litigation before reaching the trial date."¹¹²

For factor C (prejudice and tactical advantage), the defendant's reserving certain prior art in the CBM proceeding (which allows the defendant to assert that prior art as a defense in the district court trial because of the limitation on estoppel in CBM proceedings), is a tactical advantage, and therefore weighs against a stay.¹¹³

For factor D (the burden of litigation), the district court can look only prospectively to what more needs to be done and cannot look at the amount of work completed in district court action.¹¹⁴

Factors identified in district court decisions regarding stays relating to PTAB AIA proceedings relating to factors (1) -(3), above, include: overlap of claims subject to PTAB trial and identified in infringement contentions; agreements amongst the defendants regarding PTAB decision estoppel; commercial relationship of the parties (for example as direct competitors); whether delay in filing PTAB petitions was because the defendants were waiting for identification of infringement contentions, claims and theories; time required to prepare PTAB petitions; and delay from time of PTAB institution decisions to motion for stay.¹¹⁵

XV.F. PTAB Proceedings as Evidence in Civil Actions

Some district courts have determined that PTAB decision denying institution should not be presented to a jury considering the issue of patent validity.¹¹⁶ Factors noted by these courts are lack of a full PTAB record; lack of a full PTAB adversarial proceeding; marginal relevance; time and effort to provide suitable jury instructions; unfair prejudice; and jury confusion. Other courts have decided to allow the evidence of the PTAB denying the petition to be presented to the jury, noting that potential jury confusion could be addressed by appropriate jury instructions.¹¹⁷

A different issue arises in relation to charges of willful infringement. Under Seagate, showing willful infringement requires meeting both objective and subjective criteria.¹¹⁸ At least one court has considered PTAB decisions as evidence relevant to the Seagate test. This court reasoned that because of the PTAB's heightened threshold for institution (relative to reexaminations), PTAB institution decisions should be entitled to more weight, but that the weight was not conclusive, in the objective prong of the analysis.¹¹⁹ The same court reasoned that PTAB's decisions were also evidence admissible to a jury on the subjective prong of Seagate.¹²⁰

XVI. Considerations Along a Time of Events from Pre Petition and Pre Litigation

XVI.A. Prior to any Patent Infringement Civil Action

Long prior to any patent dispute, potential patent owners should consider claims and

specification drafting issues, and then prosecution issues.

There is a negligible rate of the grant of motions to substitute narrower claims in PTAB trials. This fact suggests maintaining a continuation application pending.

According to Docket Navigator, 742 AIA petitions contain either "disclosure admits" or "patent admits". What this means is that many PTAB petition rely upon admissions in the patent as a basis for unpatentability. Admissions may be of the teaching of references; that a problem was known in the art; or a motivation for modification of prior art. This information suggests (or reinforces the existing practice of) avoiding discussions of prior art in patent disclosures.

Petitions are space limited, which imposes a limit on the number of claims that can be reliably challenged, in each petition. And petitions have a substantial expense and require time and effort to draft in view of the consequence under 325(d) and estoppel, for an inadequate petition. Patents are generally not space or claim limited. A relatively larger patent specification can introduce more potential claim limitations and result in a larger diversity of claim limitation and numbers of claims. These facts suggest a benefit to drafting larger patent specifications and to prosecuting relatively large numbers of claims with diverse limitations in one patent application. For the same reasons, these facts suggest drafting claims sets that are resistant to restriction and election of species requirements, and aggressively traversing any such requirements. For the same reasons, these facts suggest considering whether to file a 111(a) or a PCT application to take advantage of distinction between national law pursuant to 35 USC 121 and the Unity of Invention criteria under the PCT.¹²¹

During prosecution, a prosecution history disavowal may be useful. However, prosecution history disavowals should be specific, and limited to the extent required for patentability.¹²²

Assume there comes a time when you become aware of possible infringement of a patent. To date, most PTAB petitions have been filed after commencement of patent infringement litigation asserting the subject patent.¹²³ However, an accused infringer that waits to be sued concedes certain advantages to the patent owner, and these advantages may be outcome determinative.

One significant advantage is venue. Prof. Lemley's statistical study shows a dramatic difference between outcome on patent infringement actions as a function of district court. For example, claimant win rates at trial varied between about 12 and 50 percent, and times to trial varied by years, between district courts.¹²⁴ The Federal courts web site provides Caseload Statistics Data Tables which are also useful for identifying fast and slow district court.¹²⁵ Table C-1 for example shows year to year changes in pending civil cases for each district court, which is an indicator of change in case pendency for that court. Table T-3 provides median time from filing to trial in civil cases, by district. The median ranges from over sixty six months in the western district of New York districts to ten months in the eastern district of Virginia. (Table T-3 median times in months for other courts: Delaware, 30.8; eastern district of Texas, 22.9; Northern District of Texas, 22.8; Middle District of Florida, 16.6; District of Nevada, 35.8; District of Oregon, 24.4; northern district of California, 28.)

35 USC 315(a) and 325(a) allow a potential infringer that files first, to effectively move the patent validity challenge to the PTO and concurrently lock in a district court venue for the potential patent infringement claims. The potential infringer can do that by concurrently filing

both a (or several) PTAB petitions and a DJ action asserting invalidity of the patent in their preferred district court. The general rule in patent cases is that the forum of the first-filed law suit is where the case should be heard, and that applies to declaratory judgements in patent cases.¹²⁶ Because the DJ action is automatically stayed when filed, the patent owner may not be able to effectively challenge jurisdiction or venue, absent raising an infringement claim. While Supreme Court guidance exists on venue transfer motions, regional circuit and district court law governs application of consideration of transfer motion factors.¹²⁷

If the patent owner subsequently sues the potential infringer for patent infringement in a different district court, the stay of the patent owner's DJ action for invalidity is automatically lifted. Therefore, any motion by the patent owner to transfer to the patent owner's preferred district court would have to overcome the applicable burden on a movant, in view of the first to file rule. And the patent owner's filing of infringement claims would confirm the existence of DJ subject matter jurisdiction.

The cost to a potential infringer to select venue by filing a DJ action for invalidity that is automatically stayed, upon filing, compared to the cost for preparing and filing a PTAB petition, is *de minimis*.

The combined filings of a PTAB petition and a DJ action for invalidity also increase the likelihood of a stay of any subsequent civil action claiming infringement of the subject patent. Likewise, the combined filings of PTAB petitions on some patents and a DJ action for invalidity for those patents and additional related patents increases the likelihood of a stay of the DJ action for invalidity on the related patents.¹²⁸

The benefits of a potential infringer locking in venue, coupled with the filing of PTAB petitions challenging validity of patents, are substantial. Those benefits are incentives for potential infringers to be more pro-active in identifying problematic patents, fleshing out invalidity arguments, lining up counsel, and determining preferred venue, and beating the patent owner to the courthouse. Yet, this tactic appears to only very rarely have been used.¹²⁹

The same venue/stay related factors should also motivate patentees to expedite filing their civil actions for patent infringement in their own preferred venue.

Petitioners should consider the scope of estoppel in the district court resulting from an adverse final written decision in the PTAB, when contemplating PTAB petition type, scope, and number of such petitions to file. While the scope of estoppel depends upon whether the petition is an IPR, PGR, and CBM, estoppel for all such PTAB proceedings is currently limited to only the claims identified in the PTAB's final written decision. Currently, the PTAB limits the claims identified in a final written decision to only the claims for which the PTAB instituted trial. Therefore, the scope of estoppel applicable to a DJ action challenging validity of the patent, in case of an adverse PTAB final written decision, can be limited, by limiting the claims challenged in the PTAB petition.

Prior to initiating a civil action for patent infringement, patent owners should consider the impact of notice to the potential infringer that might prompt the potential infringer to file preemptively in the PTAB and district court. That is, the availability existence of PTAB petitions provide a new reason for patent owners to file suit without engaging in prior negotiations with the potential infringer.

Patent owners filing a civil action for patent infringement benefit from a fast court. A fast

court can result in a verdict before the accused infringer's original or subsequent PTAB petitions reach a final written decision. While follow on petitions have 325(d) hurdles to overcome, a significant fraction of follow on petitions filed substantially after the original petition are granted. A fast court could substantially reduce the impact of such petitions.

Upon instituting a civil action for patent infringement, the patent owner should promptly file with the court the return of service or proof of service of summons and complaint. That prompt action limits time window for an accused infringer's IPR petition filings.

XVI.B. Deciding Which Type of and How Many Petitions To File

RPIs, privies, petitions, patents, type of patents, asserted claims, and potential grounds for invalidity match up in various ways that impact a course of conduct. However, there are some guiding principles apparent from the foregoing review of the law.

XVI.C. Matching Petitions to Claims

Observe that institution decisions are currently made on a claim by claim basis (that means limitation of institution to only those claims for which the petition carries its burden on at least one ground); final written decisions are limited to the claims for which trial was instituted; and estoppel is limited to claims identified in the final written decision. Further, the number of arguments and completeness and clarity of those arguments that can be made in a petition are limited due to the size limits of the petition.

One conclusion based upon these observations is that a CBM, PGR, or IPR petition should only challenge claims for which complete and clear arguments in support of grounds can be presented within the size limit of the petition.

For IPRs and PGRs, estoppel precludes raising grounds that reasonably could have been raised, even if not expressly raised. Shaw Industries Group, tells us that estoppel does not apply against a ground raised in a petition for which the PTAB denied institution. Accordingly, for IPRs and PGRs, the petitions should include all feasible grounds applicable to any challenged claim, if for no other reason than to immunize non-instituted grounds from estoppel.

Given the foregoing, there is benefit in filing multiple petitions, each challenging only a limited in number of claims, each challenging distinct claims from the other petitions, and each petition generally unlimited in the applicable grounds for each challenged claim. These benefits extend to CBM petitions, notwithstanding limitations on estoppel, because the chances of having a claim canceled before the PTAB are higher than before a district court.

XVI.D. Matching Petitions to Applicability Provisions And Time Limits

There are various limitations to the various petitions types cataloged herein above. However, it is not always certain that a particular petition type is applicable for a given patent. For example, it is unclear in some cases whether a patent is or is not a FITF patent. Such lack of clarity would suggest filing both a PGR (if the patent is newly issued), and an IPR petition, for the same claims if the grounds for unpatentability include prior art. Based upon the FITF determination, one or the other of the petitions will be applicable to the patent. 35USC 311(c)(1); 321(c).

Likewise, it is unclear if certain patents are CBM patents. Whether a patent is a CBM patent is fact dependant and the petitioner has the burden to show the patent is a CBM patent. Failure to make that showing results in rejection of the CBM petition. However, CBM petitions are preferably relative to PGR and IPR petitions due to the limited estoppel, compared to PGR

and IPRs, and the generally greater applicable statutory basis for challenge compared to IPRs. Given the risk that CBM petition will fail to show that the patent is a CBM patent, another petition applicable to the patent should be filed. For example, assume: a suit for patent infringement is ongoing; the complaint was served less than a year prior; the petitioner has a prior art basis to challenge the patent; and the patent is not a FITF patent issued within the previous nine months. A CBM petition would allow 101 and 112 grounds to be raised in addition to prior art grounds, but only if the petition shows that the patent is in fact a CBM patent. An IPR petition would allow at least the prior art grounds to be presented. So there are reasons under these facts to file both a CBM and an IPR petition. Moreover, if the patent is not a FITF patent, and the prior art grounds are not based upon pre-AIA 102(a) or (b) (such as if the prior art grounds are based upon 102(e)), then those ground should in any case be presented in an IPR petition because grounds other than pre-AIA 102(a) or (b) grounds, may be inapplicable in a CBM petition.

XVI.E. Prompt Filing of Petitions

Thus, generally applicable good practice for PTAB petitions is to present in a petition all arguments and applicable grounds against any challenged claim, and to file the petition relatively early in order to increase the impact on the overall patent dispute.

Promptly filed PTAB IPR or PGR petitions that present all grounds relevant to a limited number of claims have an additional procedural advantage. The PTAB renders an institution decision within six months of date of petition filing. The institution decision contains the PTAB's construction of essential claim limitations and analysis and reasoning in response to the grounds in the petition. The institution decision can provide a roadmap for unpatentability grounds that can be presented in additional petitions against other claims in the same or related patents.

If the PTAB IPR or PGR petition is filed by a petitioner promptly after being sued for patent infringement, then the PTAB's initial decision and the patent owners infringement contentions should be available early enough in time for the patent owner to file subsequent petitions relying upon the guidance of the PTAB's claim construction, patentability analysis, and claims identified in the infringement contentions (or amended complaint), to file subsequent PTAB petitions.

Coupling the filing of a PTAB petition with a pre-infringement suit DJ action for invalidity in the petitioner's preferred district court may dissuade the patent owner from suing for patent infringement. If the PTAB petition is successful, that may entirely avoid court litigation. My review of petitions and corresponding civil actions indicate that this tactic is not being used. Instead, PTAB petitions are normally filed against a patent after the petitioner has been sued for patent infringement.

The timing of follow-on petitions by the same petitioner is important for the reasons noted above. The following statistics are based upon data and from Docket Alarm and private communications with its founder.¹³⁰ Over half of all PTAB petitions have been filed against a patent against which more than one petition was filed. As of October 2015, there had been over 700 patents each of which was the subject of multiple petitions, and 2037 petitions filed against those patents. About half of the second filed petitions challenging a patent were filed by the same petitioner that filed the first petition. Of second petitions filed by the same petitioner, about

75% were filed within six weeks of the same petitioner's earlier filed petition. Of course, not all second petitions are filed by the same petitioner, and nearly half of the second petitions filed against a patent were filed more than six weeks after the filing of the first petition.

XVI.F. Later Filed Petitions, and Timing Issues

There are significant risks to the petitioner for a later filed petitions against a patent that the petitioner previously challenged by filing a petition. Such petitions can be refused at the discretion of the PTAB panel under 325(d). The statutory criteria for rejection under 325(d) are "the same or substantially the same prior art or arguments previously were presented to the Office." What the PTAB panels have considered as constituting factors in making this determination vary. At this time, I see no clear and consistent list of factors to rely upon for determining when a particular panel will apply 325(d) to reject a petition.¹³¹ Accordingly, any later filed petition for the same patent has some chance to be rejected under 325(d).

Moreover, a later filed petition by a petitioner challenging a claim (on a new ground) challenged by the petitioner (or its RPI or privy) in an any earlier filed IPR, PGR, or CBM petition (on some earlier ground) runs the risk of estoppel due to n early final written decision in a trial on the earlier filed petition precluding the petition from proceeding on the new ground in the later filed petition. A final written decision in the earlier proceeding on a claim will kick the petitioner out of the later proceeding on that claim. Unlike in a civil action, by rule (37 CFR 42.73(d)(1)), the scope of estoppel within the PTO for CBMs is the same "reasonably could have raised" applicable to IPR and PGRs, and therefore all later filed petitions raising a new ground against a claim challenged by the same petitioner in an earlier petition run a substantial risk of never being decided.

There are two forms of procedural relief that a petitioner can request to attempt to avoid being estopped by a final written decision of a claim. First, the petitioner can request the PTAB to coordinate the schedules of two trials, so they proceed in lock step.

The other form of relief is joinder of the proceedings for a later filed petition and an earlier filed petition, so that only one proceeding challenging a particular claims contains all grounds challenging that claim. The joinder rules allow for a party to request joinder within one month of the date of institution of a proceeding with which joinder is requested. An ongoing concern with joinder is that different APJs view the statute differently. Some APJs believing the PTAB is empowered to join issues, any party, and to do so after a 315(b) bar date, Other APJs believe the PTAB is precluded by statute from joining petitions filed by the same petitioner (or their RPI), joining new issues, or joining after a 315(b) bar date. It is currently uncertain whether or when the PTAB, the CAFC, or the Supreme Court will take action clarifying the scope of joinder.

Petitioners benefit from joinder, because joinder avoids estoppel that would preclude consideration of petitioner's belated unpatentability grounds raised in a later filed petition. However, petitioner's should not rely upon joinder to spread out their ground for unpatentability over time in sequentially filed petitions. Depending how the law develops, joinder after a 315(b) bar, involving new issues, or the same party as an earlier petition, may disappear.

Petitioners should consider schedule coordination and joinder as fallback positions when they belatedly identify new grounds of invalidity against a relevant claim.

On the flip side, patent owners should consider the benefit of increasing the discrepancy

between the schedules in petition proceedings on a patent. Patent owners have the ability to influence the speed of a PTAB proceeding, for example by promptly filing their preliminary patent owner's response, and by requesting an expedited schedule. Expediting a proceeding may be useful when the petition is perceived to be weak on some key claim, and the patent owner wishes to reduce the chance that the petitioner will be able to join a subsequently filed stronger petition.

I conducted a quick survey of the average time to decision on appeal for PTAB and district court patent infringement cases. This quick survey indicated a statistically insignificant difference in time from judgment below to decision on appeal to the CAFC for the most recent CAFC decisions. Both were in the 14-15 month range. Lack of any significant difference in time to an appellate decision confirms the significance of timing of IPR and court proceedings noted above.

XVII. Conclusions

This paper summarizes relevant law relating to PTAB petitions. It also identifies some generally applicable guiding principles and actions to consider in specific situations in view of the availability of PTAB petitions.

1. I thank Bruce Margulies, John Pike, and Robert Mihail, for comments on drafts of this paper. I also thank Steven Nonkes and Andrew Heinisch for useful discussions regarding aspects of this paper.

2. I determined the number of petitions by querying the Patent Review Processing System (PRPS) and the DocketNavigator search engine.

3. DER petitions are filed in applications. This paper is generally directed to patents. The fraction of patents issuing that are FITF patents is based upon a review of the following sequence of 20 patents issued March 8, 2016 shown below:

| Patent | AIA 100(n) date |
|-----------|-----------------|
| 9,282,686 | 5/31/2013 |
| 9,282,685 | 1/7/2013 |
| 9,282,684 | 8/28/2012 |
| 9,282,683 | 6/1/2010 |
| 9,282,682 | 6/30/2011 |
| 9,282,681 | 1/21/2014 |
| 9,282,680 | 3/12/2013 |
| 9,282,679 | 3/31/2014 |
| 9,282,678 | 10/21/2013 |
| 9,282,677 | 11/5/2013 |
| 9,282,676 | 11/25/2014 |
| 9,282,675 | 10/12/2011 |
| 9,282,674 | 9/17/2013 |
| 9,282,673 | 5/28/2014 |
| 9,282,672 | 4/8/2014 |
| 9,282,671 | 11/17/2009 |
| 9,282,670 | 6/13/2013 |
| 9,282,669 | 3/15/2013 |
| 9,282,668 | 9/28/2012 |
| 9,282,667 | 8/27/2013 |

4. Queries of the Interference web portal on March 11, 2016 show that interferences are being declared at a rate of under one per month.

5. Statistics are values derived from data in the USPTO presentation titled "Patent Trial and Appeal Board Statistics 10/31/2015" currently available at URL:

<http://www.uspto.gov/sites/default/files/documents/2015-10-31%20PTAB.pdf>

6. Reported in the AIPLA 2015 Report of the Economic Survey, page I-139.

7. The average time to a final decision is an average for data taken from the 20 IPRs starting with "IPR2014" that had the earliest petition filing dates. I chose the IPR2014 sequence because IPR2014 sequence contains more recent cases than the IPR2013 sequence, and the IPR2014 sequence is the most recent sequence for which the 20 IPRs having the earliest filing dates in the sequence are all no longer pending. These IPRs and my determination of relevant dates appear below. They show an average time from the filing of a POPR to decision on institution to be 80 days; the average time from the filing of a petition to a decision on institution to be 149 days; and the average time from the filing of a petition to a final written decision to be 523 days. Blank cells in the table indicate lack of a POPR; lack of a decision regarding institution; or lack of a final decision for the corresponding IPR.

| Case Number | Filing Date | Days from POPR to Decision on Institution | Days from filing date to decision regarding institution | Days from petition to final decision |
|-------------------------------|-------------|---|---|--------------------------------------|
| IPR2014-00001 | 9/30/2013 | 89 | 120 | 470.00 |
| IPR2014-00002 | 10/1/2013 | 90 | 120 | 469.00 |
| IPR2014-00003 | 10/1/2013 | 82 | 173 | 538.00 |
| IPR2014-00008 | 10/4/2013 | | 88 | |
| IPR2014-00011 | 10/4/2013 | | 88 | |
| IPR2014-00012 | 10/4/2013 | | 88 | |
| IPR2014-00013 | 10/4/2013 | | 88 | |
| IPR2014-00014 | 10/4/2013 | | | |
| IPR2014-00015 | 10/4/2013 | | 180 | |
| IPR2014-00018 | 10/5/2013 | 65 | 158 | |
| IPR2014-00023 | 10/7/2013 | 89 | 169 | 511.00 |
| IPR2014-00024 | 10/7/2013 | 71 | 169 | 511.00 |
| IPR2014-00025 | 10/7/2013 | 71 | 169 | 511.00 |
| IPR2014-00027 | 10/8/2013 | | 180 | 565.00 |
| IPR2014-00029 | 10/8/2013 | | 180 | 545.00 |

| | | | | |
|-------------------------------|-----------|-----|------|---------|
| IPR2014-00030 | 10/7/2013 | | | |
| IPR2014-00031 | 10/7/2013 | | 178 | 546.00 |
| IPR2014-00033 | 10/7/2013 | | 182 | 546.00 |
| IPR2014-00034 | 10/8/2013 | 83 | 180 | 542.00 |
| IPR2014-00035 | 10/8/2013 | 83 | 180 | |
| Column Totals | | 723 | 2690 | 5754.00 |
| Column Averages | | 80 | 149 | 523.00 |

8. The Supreme Court is captioned Cuozzo Speed Technologies v. Lee, herein after Cuozzo.

9. See "Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board; Proposed Rules," 80 FR 50720 (2015), at 50725:

The Office proposes amending the rules to allow the patent owner to file new testimonial evidence with its preliminary response. In order to be able to meet the three-month statutory deadline for issuing a decision on institution, the rules will provide expressly that no right of cross examination of a declarant exists before institution. Because the time frame for the preliminary phase of an AIA proceeding does not allow for such cross-examination as of right, nor for the petitioner to file a reply brief as of right, the Office proposes amending the rules to provide that any factual dispute that is material to the institution decision will be resolved in favor of the petitioner solely for purposes of making a determination about whether to institute. This is proposed, among other reasons, to preserve petitioner's right to challenge statements made by the patent owner's declarant.

10. 35 USC 315(a) reads:

(a) INFRINGER'S CIVIL ACTION.—

(1) INTER PARTES REVIEW BARRED BY CIVIL ACTION.—An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

(2) STAY OF CIVIL ACTION.—If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed until either— (A) the patent owner moves the court to lift the stay; (B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the

patent; or (C) the petitioner or real party in interest moves the court to dismiss the civil action.

(3) TREATMENT OF COUNTERCLAIM.—A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

11. See the analysis in Ariosa Diagnostics. v. Isis Innovation Limited, IPR2012-00022, paper 20 (PTAB 2/12/2013) (Decision by APJ Green, for a panel consisting of Lead APJ Tierney and APJs Green and Robertson), leading to the PTAB's conclusion that, "as made clear by Senator Kyl, section 315(a) was amended to allow a petitioner to file an inter partes review, and still have their choice of venue [sic; in which to be sued for infringement of the patent] by allowing the petitioner to file a declaratory judgment action that same day."

12. In Butamaxtm Advanced Biofuels LLC v. Gevo, Inc., IPR2013-00539, paper 9 (PTAB 3/4/2014) (Decision by APJ Begley, for a panel consisting of APJs Elluru, Crumbley, and Begley), the PTAB held that:

First, we agree with Butamax that its challenge to the validity of claims of the '565 patent in the First District Court Action does not prohibit institution of *inter partes* review under 35 U.S.C. § 315(a)(1), because Butamax voluntarily dismissed its invalidity claim without prejudice. *** We have held that actions dismissed without prejudice "do[] not trigger th[is] statutory bar." *Cyanotech Corp. v. Bd. of Trs. of the Univ. of Ill.*, IPR2013-00401, slip op. at 11-12 (PTAB Dec. 19, 2013) (Paper 17); see *Invue Sec. Prods., Inc. v. Merchandising Techs., Inc.*, IPR2013-00122, slip op. at 8-10 (PTAB June 27, 2013) (Paper 17). Our interpretation of § 315(a) is guided by precedent from the Federal Circuit and the reasoning of other federal courts treating an action dismissed without prejudice as a nullity that leaves the parties as if the action never had been brought.

13. In Callidus Software Inc. v. Versata Software, Inc., CBM2013-00053, paper 22 (PTAB 4/9/2014) (Decision by APJ Blankenship, for a panel consisting of APJs Blankenship, Medley, and Turner), the PTAB rejected the Patent Owner's argument that the petition was barred due to a civil action challenging the validity of the patent, which action was dismissed without prejudice prior to the filing of the petition, stating:

Patent Owner argues that the language of the statute cannot be clearer, detailing that "post-grant review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner . . . filed a civil action challenging the validity of a claim of the patent." Req. 3 (citing 35 U.S.C. § 325(a)(1), with emphasis). Patent Owner emphasizes that the filing of a civil action controls the determination, and that the inquiry should have ended there. *Id.* We do not agree. *** In the instant case, the court dismissed Petitioner's declaratory judgment action without prejudice; the action, therefore, is a nullity. In the context of § 325(a)(1), the action never existed. When a court permits the

challenger to dismiss the declaratory judgment action voluntarily and without prejudice, the petitioner effectively unmakes that choice, because the action is considered never to have existed. As such, we consider the filing to not have occurred, such that the absence of a filing ends the inquiry.

14. In Ariosa Diagnostics. v. Isis Innovation Limited, IPR2012-00022, paper 20 (PTAB 2/12/2013) (Decision by APJ Green, for a panel consisting of Lead APJ Tierney and APJs Green and Robertson), the PTAB stated that:

As discussed supra, the statute clearly defines which civil actions, when filed, bar a party from filing an inter partes review - civil actions challenging the validity of a patent. A civil action for a declaratory judgment of non-infringement is not a civil action challenging the validity of a patent. Moreover, as discussed above, asserting an affirmative defense of invalidity is treated differently than a counterclaim for invalidity, and thus for the purposes of 315(a)(1) cannot be considered a filing of a civil action for invalidity. And as also discussed above, that interpretation of section 315(a)(1) does not conflict with the explicit exclusion in 315(a)(3) of filing a counterclaim for invalidity.

In Alcon Research, Ltd v. Dr. Joseph Neev, IPR2014-00217, paper 21 (PTAB 5/9/2014) (Decision by APJ Petravick, for a panel consisting of APJs Petravik, Bisk, and Arpin), the PTAB held that:

Finally, Patent Owner argues that the petition is barred under 35 U.S.C. §315(a)(1) because, prior to filing the petition, real party-in-interest Alcon LenSx, Inc. filed the Alcon LenSx Arbitration, challenging the validity of the patent. ... As the Alcon LenSx Arbitration is an arbitration proceeding and not a civil action, we are not persuaded by Patent Owner's argument that the petition is barred under 35 U.S.C. § 315(a)(1).

15. Microsoft Corp. v. Proxyconn, Inc., (Fed. Cir. 6/16/2015)("The PTO should also consult the patent's prosecution history in proceedings in which the patent has been brought back to the agency for a second review").

16. See for example Ford Motor Company v. TMC Fuel Injection Systems, LLC, IPR2014-00272, paper 15 (PTAB 6/22/2015) (Decision by APJ Worth, for a panel consisting of APJs McNamara, Hulse, and Worth). The PTAB found the claims not unpatentable as a result of a prosecution history disclaimer. However, in the related district court patent infringement litigation, the judge found the claims asserted in litigation did not infringe, in reliance upon the scope of the PTAB's finding of a prosecution history disclaimer.

17. The PTAB rejected the doctrines of assignor estoppel and contractual estoppel as barring an assignor or counter party from petitioning for IPR review. Redline Detection, LLC v. Star Envirotech, Inc., IPR2013-00106, paper 31 (PTAB 8/27/2013)(Opinion by APJ Medley, for a

panel consisting of APJs Medley, Bisk, and Arpin); Manukamed Ltd. and Manuka Medical Ltd. v. Apimed Medical Honey Ltd., IPR2013-00234, paper 16 (PTAB 9/25/2013)(Opinion by APJ Crumbley, for a panel consisting of APJs Green, Bisk, and Crumbley) (as to assignor estoppel); and Dot Hill Systems Corp. v. Crossroads Systems, Inc., IPR2015-00822, paper 18 (PTAB 9/17/2015)(Decision by APJ Cherry, for an expanded panel consisting of APJs Powell, Kalan, Lee, and Cherry) (as to contractual estoppel).

18. In Achates Reference Publishing v. Apple Inc., (Fed. Cir. 9/30/2015), the Court stated that:

We thus hold that 35 U.S.C. § 314(d) prohibits this court from reviewing the Board's determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b), even if such assessment is reconsidered during the merits phase of proceedings and restated as part of the Board's final written decision.

19. In TRW Automotive Us LLC v. Magna Electronics, Inc., IPR2014-00293, paper 18 (PTAB 6/27/2014) (Opinion by APJ Bunting, for an expanded panel consisting of APJs Arbes, Grossman, Berstenblith, Bunting, and Ippolito), the PTAB stated:

“We do not believe that the Congress intended to have the [one-year] time period start before a petitioner is officially a defendant in a law suit.” Motorola Mobility LLC v. Arnouse, Case IPR2013-00010, slip op. at 5 (PTAB Jan. 30, 2013) (Paper 20). Moreover, as stated by the Supreme Court as “a bedrock principle,” an “entity named as a defendant is not obliged to engage in litigation unless notified of the action, and brought under a court's authority, by formal process.” Murphy Bros. v. Michetti Pipe Stringing, 526 U.S. 344, 347 (1999). Here, by virtue of the filing of the Motion for Leave on December 20, 2012, Petitioner was not “brought under a court's authority, by formal process,” i.e., was not officially a defendant, in relation to the '689 and '552 patents. *Id.* Patent Owner's request for the court's leave did not obligate Petitioner to engage in litigation in relation to those two patents until granted by the court.

20. In Motorola Mobility LLC v. Michael Arnouse, IPR2013-00010, notice 20 (PTAB 1/30/2013) (Opinion by Administrative Patent Judge (APJ) Chang, for a panel consisting of Lead APJ Tierney and APJs Chang and Bisk), the PTAB held that "served with a complaint alleging infringement of the patent" in 315(b) refers to the date of service of both the complaint and summons, and if service is waived, then the date the waiver is filed with the Court.

In Macauto U.S.A. v. Bos GMBH & KG, IPR2012-00004, notice 18 (PTAB 1/24/2013)(Opinion by APJ Giannetti, for a panel consisting of APJs Blankenship, Giannetti, and McNamara), the PTAB concluded that service within the meaning of 315(b) did not occur because a waiver of service was not filed with the Court.

In Samsung Electronics Co. Ltd v. Fractus, S.A., IPR2014-00008, paper 19 (PTAB 1/2/2014)(Opinion by APJ Perry, for a panel consisting of APJs Perry, Bisk, and Boucher) and other cases, the PTAB concluded that the date of enactment of the AIA is not relevant to 315(b), and that 315(b) bars IPR petitions resulting from complaints served long prior to the enactment

of the AIA.

21. In LG Electronics, Inc. v. Mondis Technology Ltd., IPR2015-00937, paper 8 (PTAB 9/17/2015) (Precedential decision by APJ Zecher, for a panel consisting of APJs Zecher, Scanlon, and Chung), the PTAB held that the earliest-in-time complaint starts the 315(b) clock and that a dismissal with some prejudice does not void the 315(b) bar based upon a complaint.

In St. Jude Medical, Cardiology Division, Inc. v. Volcano Corporation, IPR2013-00258, paper 29 (PTAB 10/16/2013)(Opinion by APJ Kamholz for an expanded panel consisting of APJs Lee, Green, Chang, Cocks, and Kamholz), the PTAB held that counterclaims alleging infringement of the patent start the 315(b) clock.

In Biodelivery Sciences International, Inc. v. Monosol Rx, LLC, IPR2013-00315, paper 31 (PTAB 11/13/2013)(Opinion by APJ Kamholz, for a panel consisting of APJs Bonilla, Kamholz, and Crumbley), the PTAB held that the 315(b) from the date of complaint, even if the petitions challenges claims later amended by a reexamination certificate.

22. In General Electric Company v. Transdata, Inc., IPR2014-01559, paper 23 (PTAB 4/15/2015) (Decision by APJ Kaiser, for a panel consisting fo APJs Pettigrew, Ippolito, and Kaiser), the PTAB stated that:

“Privity is essentially a shorthand statement that collateral estoppel is to be applied in a given case. . . . The concept refers to a relationship between the party to be estopped and the unsuccessful party in the prior litigation which is sufficiently close so as to justify application of the doctrine of collateral estoppel.” Office Trial Practice Guide, 77 Fed. Reg. 48,756, 48,759 (Aug. 14, 2012) (quoting 154 Cong. Rec. S9987 (daily ed. Sep. 27, 2008) (statement of Sen. Kyl)). Thus, privity exists between Petitioner and OG&E with respect to the Oklahoma lawsuit if collateral estoppel could be applied to Petitioner with respect to the Oklahoma lawsuit. The issue is whether Petitioner could be bound by the judgment in the Oklahoma lawsuit as a matter of collateral estoppel. [General Electric Company v. Transdata, Inc., IPR2014-01559, paper 23 (PTAB 4/15/2015) (Decision by APJ Kaiser, for a panel consisting fo APJs Pettigrew, Ippolito, and Kaiser)].

23. In Synopsys, Inc. v. Mentor Graphics Corporation, IPR2012-00042, paper 60 (PTAB 2/19/2014)(Opinion by APJ Bisk, for a panel consisting of APJs Blankenship, Medley, and Bisk), the PTAB held that privity arising after a petition is filed does not support a 315(b) bar.

24. In Wavemarket Inc. d/b/a Location Labs, v. Locationet Systems Ltd., IPR2014-00920, paper 23 (PTAB 1/22/2015) (Decision by APJ Droesch, for a panel consisting of APJs Droesch, Perry, and Snedden), the PTAB reiterated that "control over a party's participation in proceedings is an important consideration in determining whether a non-named party is a privity to that proceeding."

In General Electric Company v. Transdata, Inc., IPR2014-01559, paper 23 (PTAB 4/15/2015) (Decision by APJ Kaiser, for a panel consisting fo APJs Pettigrew, Ippolito, and Kaiser), the PTAB held that "actual control is not required; the opportunity to exert the

appropriate level of control is sufficient."

In Zoll Lifecor Corporation v. Philips Electronics North America Corp., IPR2013-00609, paper 15 (PTAB 3/20/2014) (Decision by APJ Clements, for a panel consisting of APJs Medley, Quinn, and Clements), the PTAB found privity existed between the petitioner and Zoll Medical, based upon findings that "ZOLL Medical making public financial disclosures concerning its ownership and participation in all aspects of Petitioner's operation, from sales to regulatory approval. ... ZOLL Medical must approve all of Petitioner's plans and budget, and that both companies receive legal counsel from the same legal representative."

25. In Macauto U.S.A. v. Bos GMBH & KG, IPR2012-00004, notice 18 (PTAB 1/24/2013)(Opinion by APJ Giannetti, for a panel consisting of APJs Blankenship, Giannetti, and McNamara), the PTAB held that an FRCP 41(a) dismissal without prejudice nullifies 315(b).

In Microsoft Corporation v. Virnetx Inc., IPR2014-00558, paper 13 (PTAB 7/23/2014) (Decision by APJ Siu, for a panel consisting of APJs Tierney, Easthom, and Siu), the PTAB held that, to nullify 315(b), a dismissal without prejudice must be without prejudice as to "a complaint alleging infringement of the patent", and not merely a dismissal with respect to affirmative defenses and counterclaims.

In Apple Inc. v. Rensselaer Polytechnic Institute, IPR2014-00319, paper 12 (PTAB 6/12/2014) (Decision by APJ Moore, for a panel consisting of APJs Cock, Moore, and Quinn), the PTAB held that district court dismissal for case consolidation is not equivalent to a dismissal without prejudice for purposes of 315(b).

26. In Yamaha Corporation of America v. Black Hills Media, LLC, IPR2014-00766, paper 16 (PTAB 2/23/2015) (Decision by APJ Chen, for a panel consisting of APJs McNamara, McKone, and Chen), the PTAB held that service of a complaint by a Patent Owner that lacked standing to sue and which complaint was consequently dismissed does not start the 315(b) clock.

In Amneal Pharmaceuticals, LLC, v. Endo Pharmaceuticals Inc., IPR2014-00360 (PTAB 6/27/2014) (Decision by APJ Bonilla, for a panel consisting of APJs Scheiner, Prats, and Bonilla), the PTAB held that service of a motion to amend a complaint containing a proposed amended complaint does not meet 315(b)'s requirement of "served with a complaint."

In Alcon Research, Ltd v. Dr. Joseph Neev, IPR2014-00217, paper 21 (PTAB 5/9/2014) (Decision by APJ Petravick, for a panel consisting of APJs Petravik, Bisk, and Arpin), the PTAB held that the 315(b) bar does not apply to arbitration proceedings, and only applies to civil actions brought under 35 USC 271 and 281 (civil actions for patent infringement).

27. 37 CFR 42.122(b), last sentence, indicates that the 315(b) 1 year bar on filing a petition does not apply when the petition is accompanied by a request for joinder. However, 37 CFR 42.122(b) was challenged in a mandamus petition, as being beyond statutory authority in In re Vernetx, Inc., Docket No: 2016-119 (Fed. Cir. 2016). The CAFC temporarily stayed the underlying PTAB trials. On March 18, 2016, after expedited briefing, the CAFC dismissed the petition, without prejudice. Hence, the issue of whether a petition filed after the 315(b) bar date that includes a request for joinder can be granted, and whether the CAFC has jurisdiction to review the issue, remain open legal questions.

There is a decision posted on the PTAB's "Representative Decisions" web page in which

a joinder motion was granted after a 315(b) bar date had passed. That is Microsoft Corp. v. Proxyconn, Inc., IPR2013-00109, paper 15 (PTAB 2/25/2013) (Decision by APJ Giannetti, for a panel consisting of APJs Medley, Boalick, and Giannetti). However, representative decisions are not binding on the APJs.

28. AIA 6(f)(2) makes PGR applicable to patents described in AIA 3(n)(1). AIA 3(n)(1), 125 STAT. 293, states:

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time— (A) a claim to a claimed invention that has an effective filing date as defined in section 100(I) of title 35, United States Code, that is on or after the effective date described in this paragraph; or (B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

Section 100(i) of title 35, United States Code reads:

(i)(1) The term "effective filing date" for a claimed invention in a patent or application for patent means— (A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or (B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), 365(b), 386(a), or 386(b) or to the benefit of an earlier filing date under section 120, 121, 365(c), or 386(c). (2) The effective filing date for a claimed invention in an application for reissue or reissued patent shall be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

29. In Front Row Technologies, LLC v. MLB Advanced Media, L.P., PGR2015-00023, paper 8 (PTAB 2/22/2016) (Decision by APJ DeFranco, for a panel consisting of APJs Rice, Daniels, and DeFranco), the PTAB denied institution on the basis that the subject patent was inapplicable for PGR. The PTAB concluded that the effective filing date for purposes of determining applicability of PGR cannot be based upon the filing date of amended claims. In US Endodontics, LLC v. Gold Standard Instruments, LLC, PGR2015-00019, paper 17 (PTAB 1/29/2016) (Decision by APJ Goodson, for a panel consisting of APJs Cocks, Jung, and Goodson), the PTAB determined that the patent was eligible for PGR because the pre-AIA benefit applications lacked enablement of patented claims 12-16. In Inguran, LLC d/b/a Sexing Technologies v. Premium Genetics (UK) LTD., PGR2015-00017, paper 8 (PTAB 12/22/2015) (Decision by APJ Drosch, for a panel consisting of APJs Barrett, Drosch, and Ward), the PTAB found the subject patent eligible for PGR because the panel was persuaded that claim 2

lacked enablement in pre-AIA non-FITF benefit applications, but not in the post AIA application, and instituted trial solely on prior art grounds.

30. In Westlake Services, LLC v. Credit Acceptance Corp., CBM2014-00176, paper 41 (PTAB 9/3/2015), the PTAB held that:

We agree with the reasoning in the Ebay case. As the Federal Circuit has explained, “the starting point for a standing determination for a litigant before an administrative agency is not Article III [of the Constitution], but is the statute that confers standing before that agency.” Ritchie v. Simpson, 170 F.3d 1092, 1095 (Fed. Cir. 1999); accord Coach Servs., Inc. v. Triumph Learning LLC, 668 F.3d 1356, 1376 (Fed. Cir. 2012) (“[F]or an agency such as the PTO, standing is conferred by statute.”). In this case, standing is conferred by AIA Section 18(a)(1)(B). This statute places a restriction on who may “file” a petition for covered business method patent review, limiting it to a person who “has been sued for infringement of the patent or has been charged with infringement under that patent.” The statute is unambiguous. By its terms, it specifies a requirement evaluated at the time a petition is filed. Patent Owner points us to no language in the statute, and we see none, imposing a requirement of a continuous infringement controversy between the parties in order to maintain a proceeding. Nor has Patent Owner cited to us authority calling into question the plain language of the statute.

In SAP America, Inc. v. Versata Development Group, Inc., CBM2012-00001, paper 36 (PTAB 1/9/2013)(Decision by APJ Medley, for a panel consisting of Lead APJ Tierney and APJs Medley and Elluru), the PTAB stated:

Versata represents that “sued for infringement” should be interpreted as requiring ongoing litigation and that while SAP was sued for infringement, there will be no further proceedings in the district court on the issue of validity. POPR, 62. Versata acknowledges, however, that it is unaware of any legislative history relating to this question. *Id.* We give § 18(a)(1)(B) its literal meaning and conclude that a party sued for infringement of a patent, and not otherwise estopped from challenging validity, may file a petition for a transitional proceeding with respect to a covered business method patent. 37 C.F.R. 42.302 (party that has been sued for infringement and not otherwise estopped may file a petition).

31. In Global Tel*link Corporation v. Securus Technologies, Inc., CBM2014-00166, Paper 17 (PTAB 2/6/2015) (Decision by APJ Arpin, for APJs Turner and Arpin), the petitioner had been sued, but it had defended, successfully, by asserting that it was licensed under the patent. The license apparently had a time limit. However, when it filed its CBM petition, license apparently was running, and it had not please in the CBM petition that it had been "charged with infringement". On these facts, the PTAB concluded that:

Because the court dismissed the previous suit, with prejudice, Petitioner no longer was or could have been “charged with infringement” absent the vacating of the court’s dismissal with prejudice. Paper 12, 2–3; Paper 14, 3; see Ex. 1021. Although the court ultimately vacated its judgment dismissing the suit with prejudice on October 23, 2014 (Ex. 1022), this later action changes neither our evaluation of Petitioner’s assertion of standing nor the sufficiency of the proof shown in the Petition. See Benitec Australia, Ltd. v. Nucleonics, Inc., 495 F.3d 1340, 1348–49 (Fed. Cir. 2007) (a party seeking to bring a declaratory judgment action must meet the Supreme Court’s immediacy and reality requirements). Moreover, the later filing of the second suit is insufficient proof of standing *nunc pro tunc* on August 4, 2014. Therefore, we determine that Petitioner’s assertion of standing based on its “[having] been charged with infringement of the patent” at the time of the filing of the Petition is not sufficiently supported by proof in the Petition.

32. AIA 18(a)(2) reads:

(2) EFFECTIVE DATE.—The regulations issued under paragraph (1) shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any covered business method patent issued before, on, or after that effective date, except that the regulations shall not apply to a patent described in section 6(f)(2)(A) of this Act during the period in which a petition for post grant review of that patent would satisfy the requirements of section 321(c) of title 35, United States Code.

AIA 6(f)(2)(A) reads:

(2) APPLICABILITY.— (A) IN GENERAL.—The amendments made by subsection (d) shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and, except as provided in section 18 and in paragraph (3), shall apply only to patents described in section 3(n)(1).

35 USC 321(c) reads:

(c) FILING DEADLINE.—A petition for a post-grant review may only be filed not later than the date that is 9 months after the date of the grant of the patent or of the issuance of a reissue patent (as the case may be).

Unlike IPR petitions, CBM petitions challenging an FITF (AIA) patent can apparently be filed during the pendency of a PGR proceeding on that patent.

33. Which specifies an 8 year period from the effective date of regulations promulgating CBM proceedings. 9/16/2012 is the effective date specified by "Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions;

Final Rule" 77 FR 48612 (2012).

34. In Google Inc. v. Simpleair, Inc., CBM2015-00020, paper 11 (PTAB 5/19/2014) (Decision by APJ Arbes, for a panel consisting of APJs Calve, Arbes, and Hulse), the PTAB stated that:

A “covered business method patent” is “a patent that *claims* a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.” AIA § 18(d)(1) (emphasis added); *see* 37 C.F.R. § 42.301(a). *** With respect to claim 24, Petitioner points to the claim’s recitation that “the transmitted data blocks comprise information relating to news, sports, financial markets, weather, an online chat, or an online forum.” *See* Pet. 7. Patent Owner, however, statutorily disclaimed claim 24, along with other dependent claims reciting the same limitation, pursuant to 35 U.S.C. § 253(a) and 37 C.F.R. § 1.321(a). *See* Prelim. Resp. 26–27; Ex. 2005. Accordingly, we treat the ’154 patent as though claim 24 never existed. *See Vectra Fitness, Inc. v. TWNK Corp.*, 162 F.3d 1379, 1383 (Fed. Cir. 1998) (“This court has interpreted the term ‘considered as part of the original patent’ in section 253 to mean that the patent is treated as though the disclaimed claims never existed.”); *Guinn v. Kopf*, 96 F.3d 1419, 1422 (Fed. Cir. 1996) (“A statutory disclaimer under 35 U.S.C. § 253 has the effect of canceling the claims from the patent and the patent is viewed as though the disclaimed claims had never existed in the patent.”); *see also Genetics Inst., LLC v. Novartis Vaccines & Diagnostics, Inc.*, 655 F.3d 1291, 1299 (Fed. Cir. 2011) (holding that the Board’s interference jurisdiction under 35 U.S.C. § 291 required “the existence of an interference, and a claim that ‘never existed’ [due to a statutory disclaimer] cannot form the basis for an interference”). Petitioner’s argument regarding claim 24, therefore, is not persuasive.

However, the PTAB has also found that claims that encompass the scope of a disclaimed dependent claim that would have qualified the patent to be a CBM patent, also qualify the patent to be a CBM patent. *See J.P. Morgan Chase & Co v. Intellectual Ventures II LLC*, CBM2014-00157, paper 11 (PTAB 2/18/2015) (Decision by APJ Drosch, for a panel consisting of APJs Drosch, Parvis, and Clements), where the panel stated that:

We do not authorize Patent Owner to file a motion to terminate the trial. Even assuming that Patent Owner disclaims dependent claim 12, which recites “payment requirements,” standing for covered business method patent review remains at least because disclaimer of claim 12 does not change the scope of independent claim 1, from which it depends.

35. In Global Tel*link Corporation v. Securus Technologies, Inc., CBM2014-00166, Paper 17 (PTAB 2/6/2015) (Decision by APJ Arpin, for APJs Turner and Arpin), the PTAB found that petition failed to show sufficient proof that the patent was a CBM patent, citing the requirements

noted in Response to Comments 102 and 106 in "Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents," 77 Fed. Reg. 48680 and 48,709 (Aug. 14, 2012), to provide an explanation why the patent is a CBM patent and why the petitioner is has standing for the petition.

36. In E*trade Financial Corporation v. Droplets, Inc., CBM2014-00123, paper 15 (PTAB 10/30/2014) (Decision by APJ Gaudette, for panel consisting of APJs Gaudette, Zecher, and Daniels), the PTAB stated:

As argued by Patent Owner, the claims recite the above-described inventive features, e.g. “executable code” that allows the client device to communicate with remotely stored applications on the server, receive event messages from the executable code on the client device, execute application logic within the remotely stored application on the server, and send update messages to the client device. Prelim. Resp. 16. Although Petitioner contends Frese describes, e.g., “serving a web page including executable code that presents a user interface for a remote application to a user system,” Pet. 12 (citing Ex. 1002 ¶¶ 63–71), Petitioner has not shown by its arguments or supporting evidence (e.g., Ex. 1002) that Frese’s combination of method steps and executable code would be expected to effect the way a computer system engages in interactivity over the web in the same manner as the claimed subject matter of the ’115 patent, e.g., by enabling a previous operating state of the applications and information to be restored. Therefore, we are not persuaded Petitioner has shown that the claimed subject matter, as a whole, does not recite a technological feature that is novel and unobvious over the prior art.

In Experian Marketing Solutions, Inc. v. Rpost Communications Limited, CBM2014-00010, paper 20 (PTAB 4/22/2014). (Decision by APJ Turner, for a panel consisting of APJs Turner, Jefferson, and Arpin), the PTAB stated:

Although Petitioner argues that sending of e-mail through SMTP or ESMTP protocols was known, and use of digital signatures was known (Pet. 16-17), that does not mean, necessarily, that the use of the specific steps in independent claims 1 and 10 are not novel or unobvious. Petitioner has provided some analysis of claims 1 and 10 (*id.* at 17), but has analyzed the method steps separately, instead of examining each claim as a whole, as required. *Id.* Petitioner also has failed to demonstrate that the use of the electronic message systems, per the claimed processes, only would achieve the normal, expected, or predictable result of that combination. See Pet. 15- 17. Additionally, Petitioner has not persuaded us that such server configurations and methods, as discussed and claimed in the ’913 Patent, were known at that time.

In Motorola Mobility LLC v. Intellectual Ventures I LLC, CBM2014-00083, paper 17 (PTAB 8/6/2014) (Opinion by APJ Kokoski, for a panel consisting of APJs Lee, Kauffman, and

Kokoski), the PTAB stated that:

As to the first prong of the technological invention inquiry, we are not persuaded that Petitioner has shown that the claimed subject matter, as a whole, does not recite a technological feature that is novel and unobvious over the prior art. Petitioner's contention that the claimed method is the normal, expected, or predictable result of the combination of a computer and a network does not address the entire subject matter of the claims. See Pet. 10. Although a computer and network may be known technologies, Petitioner has not established that simply combining the two would normally result in that combination performing the specific steps claimed in the '054 patent. For example, the method recited in claim 151 includes the step of "receiving from the remote computer system over the communications network software updates indicated by the selection," where "the selection of software updates is selected at the user station as a function of the directory" of software updates available for installation on the user station. Petitioner's contention that the combination of a computer and network predictably results in receiving software is not enough to show that the combination would predictably result in this specific claimed step. Petitioner's general, conclusory statements, without more, are not sufficient to carry Petitioner's burden of showing that at least one claim in the '054 patent does not recite a technological feature that is novel and unobvious over the prior art.

37. In GSI Commerce Solutions, Inc. v. Lakshmi Arunachalam, CBM2014-00101, paper 10 (PTAB 10/7/2014) (Decision by APJ McNamara, for a panel consisting of APJs Easthom, Saindon, and McNamara), the PTAB stated that:

Petitioner addresses only part of the analysis. Even if Petitioner demonstrates that the claims recite certain known elements and have application to financial transactions, Petitioner does not address whether the claims are drawn to solving a technical problem using a technical solution. Indeed, claim 2 recites several features that are, facially, a technical solution that Petitioner does not discuss. ... The recitation in claim 2 of using an object and information entries and attributes to complete the connection at a specific layer of the OSI model appears to be a technical solution. As such, the claim is drawn to solving the technical problem of connecting to a Web merchant's service. Therefore, Petitioner has not shown that claim 2 and claims 5–19, which depend from claim 2, qualify for covered business method patent review because Petitioner has not shown that these claims do not recite a technical solution to a technical problem.

38. The PTAB has instituted PGR trials based upon 102; 103; and 112(a).

39. In Apple Inc. v. Sightsound Technologies, LLC, CBM2013-00021, paper 13 (PTAB 10/8/2013) (Decision by APJ Arbes, for a panel consisting of APJs Tierney, Arbes, and Braden; APJ Tierney concurring in the result only), the PTAB denied institution on all grounds, and

stated with respect to the asserted ground of obviousness-type double patenting, that:

Under the AIA, any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3) can be raised in a post-grant review or, with exceptions not relevant here, in a covered business method review. See AIA § 18(a)(1); 35 U.S.C. § 321(b). The grounds under 35 U.S.C. § 282(b)(2) and (3) are (emphasis added): *** Obviousness-type double patenting is a judicially created, policy based doctrine, not a statutory “ground specified in part II as a condition of patentability,” as required by 35 U.S.C. § 282(b)(2). Therefore, obviousness-type double patenting is not a permissible ground for challenging claims in a covered business method review.

40. In Hawaiian Telcom, Inc. v. Broadband iTV, Inc., CBM2014-00189, paper 11, (PTAB 4/1/2015) (Decision by APJ Osinski, for a panel consisting of APJs Arbes, Osinski, and Hulse), the panel denied institution, but in so doing analyzed the asserted ground of same invention-type double patenting, and stated that:

Petitioner contends that claim 1 of the '336 patent is unpatentable for same-invention type double patenting under 35 U.S.C. § 101 in view of claim 1 of U.S. Patent No. 7,590,997 (“the '997 patent,” Ex. 1003). [Footnote 7 omitted.] Pet. 66–79. Petitioner asserts that “[t]he AIA permits challenges under 35 U.S.C. § 101 in CBM proceedings.” *Id.* at 66 (citing *Apple Inc. v. SightSound Technologies, LLC*, Case CBM2013-00021, slip op. at 24 (PTAB Oct. 8, 2013) (Paper 13) (holding that judicially-created obviousness-type double patenting is not a permissible ground for challenging claims in a covered business method patent review)). As set forth in the *SightSound* case, any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3) can be raised in a covered business method patent review. See AIA § 18(a)(1); 35 U.S.C. § 321(b). The grounds under 35 U.S.C. § 282(b)(2) are: “Invalidity of the patent or any claim in suit on any ground specified in part II as a condition for patentability.” Title 35, Part II includes 35 U.S.C. § 101. “[S]ame invention,” or “statutory,” double patenting prevents a person from obtaining more than one patent on identical subject matter. *In re Longi*, 759 F.2d 887, 892 (Fed. Cir. 1985). This type of double patenting “finds its support in the language of 35 U.S.C. § 101,” which states that “[w]hoever invents or discovers any new and useful process . . . may obtain a patent therefor.” *Id.* (emphasis added). For purposes of this Decision, we determine that same-invention type double patenting under 35 U.S.C. § 101 is a permissible ground for challenging claims in a covered business method patent review.

41. David W. Gillman, Talon Transaction Technologies, Inc. v. Stoneeagle Services, Inc., CBM2013-00047, paper 11 (PTAB 2/18/2014) (Decision by APJ Turner, for a panel consisting of APJs Turner, Arbes, and Quinn); and Ebay, Inc. v. Advanced Auctions LLC, CBM2014-00047, paper 15 (PTAB 6/25/2014) (Opinion by APJ Kokoski, for a panel consisting

of APJs Obermann, Mitchell, and Kokoski).

42. In Estate of Lou Gerber v. Social Language Processing, Inc., DER2015-00011, paper 5 (PTAB 11/9/2015) (Decision by APJ Moore, for a panel consisting of APJs Lee, Moore, and Arbes), the PTAB dismissed the derivation because the petitioner failed to file its own application. The Board also concluded that a derivation proceeding could not be instituted based upon a single application, even if inventorship was in dispute. See paper 5.

43. However, the owner of patent may have relief by a civil action against a deriver of another patent that claims the same invention and has an earlier effective filing date that the owner's patent within 1 year from the date of issuance of the deriver's patent, without no limitation based upon date of publication of the deriver's application. 35 USC 291.

44. In Catapult Innovations Pty Ltd v. Adidas AG, DER2014-00002, paper 19 (PTAB 7/18/2014) (Decision by APJ Lee for a panel consisting of APJs Lee, Chang, and Arbes).], the PTAB incorporated the pre-existing substantive law of derivation, stating:

Although a derivation proceeding is a creation of the Leahy-Smith America Invents Act ("AIA"), Public Law No. 112-29, § 3(i),² the charge of derivation of invention as a basis for finally refusing application claims and cancelling patent claims had been adjudicated under 35 U.S.C. § 135(a) as it existed prior to the enactment of AIA. On the substantive law of derivation of invention, we apply the jurisprudence which developed in that context, including the case law of the U.S. Court of Appeals for the Federal Circuit and the U.S. Court of Customs and Patent Appeals.

In papers 19 and 21, the PTAB also clarified that proof of "possession" does not prove conception.

45. For a discussion of the earlier DER decisions, see Neifeld, "Review and Analysis of the First AIA Derivation Proceedings" Rick Neifeld, published in Intellectual Property Today, September 2014, available from <http://www.neifeld.com/advidx.html>.

46. See for example OpenTV, Inc. v. Scientific-Atlantic, Inc., IPR2013-00328, paper 5 (PTAB 6/6/2013)(Notice by Paralegal Kattula)(claim chart exhibit pages counted as petition pages); and Cisco Systems, Inc. v. C-cation Technologies, LLC, IPR2014-00454, paper 12 (PTAB 8/29/2014) (Opinion by APJ Droesch, for an expanded panel consisting of APJs Droesch, Deshpande, Benoit, Pettigrew, and Quinn)("arguments that are not made in the Petition, but are instead incorporated by reference to the cited paragraphs and claims charts of Dr. Roy's Declaration" not considered).

47. For example, in Research in Motion Corp. v. Research in Motion Corp., IPR2013-00036, paper 15 (PTAB 3/18/2013) (Opinion by APJ Lee, for a panel consisting of APJs Lee, Turner, and Change), the PTAB stated that:

The patent owner further argues that because the petition and the declaration of David R. Cuddy often cite to different portions of the '048 patent and the applied prior art, that increases "the depth of the argument without a corresponding increase in the pages of the Corrected Petition." (Prel. Resp. 23:6-16.) The argument is misplaced, as there is no requirement that a supporting declaration only cite to evidence which has already been directly cited in the petition.

48. In Ariosa Diagnostics v. Verinata Health, Inc., (Fed. Cir. 11/16/2015), the Court stated that:

The Board's language on its face supports Ariosa's interpretation of what the Board meant—that the Board was declining to consider Exhibit 1010, even as evidence of the background understanding of skilled artisans as of January 2010, simply because the brochure had not been identified at the petition stage as one of the pieces of prior art defining a combination for obviousness. If that is what the Board meant, the Board erred. Art can legitimately serve to document the knowledge that skilled artisans would bring to bear in reading the prior art identified as producing obviousness. Randall, 733 F.3d at 1362–63. Ariosa's Petitions and opening declarations invoked Exhibit 1010 in that way. *** Given those references in the Petitions and supporting declarations, Exhibit 1010 had to be considered by the Board even though it was not one of the three pieces of prior art presented as the basis for obviousness. Randall, 733 F.3d at 1362-63. Ariosa's Petitions and opening declarations invoked Exhibit 1010 in that way.

Ariosa included Exhibit 1010 in its Petitions as an exhibit to Dr. Nussbaum's expert declaration.

49. See for example Gea Process Engineering, Inc. v. Steuben Foods, Inc., IPR2014-00041, paper 135 (PTAB 12/23/2014) (Termination decision by APJ Elluru, for a panel consisting of APJs Tierney, Elluru, and Bunting)("Granting GEA a month within which to correct its incomplete Petitions is futile in this instance because, even if corrected, the earliest filing dates that could be accorded to the Petitions would not fall within the one-year period specified by the 35 U.S.C. § 315(b) statutory-bar.").

50. *Id.*

51. See for examples OpenTV, Inc. v. Scientific-Atlantic, Inc., IPR2013-00328, paper 5 (PTAB 6/6/2013) (Notice by Paralegal Kattula):

A review of the petition identified the following defect(s): - A petition must be 60 pages or less, including statements of material fact and claim charts. The claim chart, which is 12 pages, was filed as a separate exhibit. The petition is 60 pages. Therefore, the page limit was exceeded. See 37 C.F.R. § 42.24. Petitioner must correct the defect(s) within FIVE BUSINESS DAYS from this notice. Failure to correct the defect(s) may result in an order to show cause as to

why the Board should institute the trial. No substantive changes (e.g., new grounds) may be made to the petition.

and for example Mobotix Corp. v. E-watch, Inc., paper 4, IPR2013-00334 (PTAB 6/12/2013) (Notice by paralegal Wilburn):

A review of the petition identified the following defect(s): The Petition lacks claim construction and includes arguments in the claim charts. Petitioner must correct the defect(s) within FIVE BUSINESS DAYS from this notice. Failure to correct the defect(s) may result in an order to show cause as to why the Board should institute the trial. No substantive changes (e.g., new grounds) may be made to the petition.

52. In ABB Inc. v. ROY-G-BIV Corp., IPR2013-00063, paper 21, (PTAB 1/16/2013)(Opinion by APJ Giannetti), the PTAB stated that:

Correctly construed, the language of the rule means that granting the motion gives the moving party the date of the erroneous filing. Accepting Patent Owner's position would make the language "[t]he grant of such a motion does not change the filing date of the petition" superfluous.

53. See Dynamic Drinkware, LLC v. National Graphics, Inc., (Fed. Cir. 9/4/2015):

In an *inter partes* review, the burden of persuasion is on the petitioner to prove "unpatentability by a preponderance of the evidence," 35 U.S.C. § 316(e), and that burden never shifts to the patentee.

54. *Id.*

A second and distinct burden, the burden of production, or the burden of going forward with evidence, is a shifting burden, "the allocation of which depends on where in the process of trial the issue arises." *Id.* (citations omitted). The burden of production may entail "producing additional evidence and presenting persuasive argument based on new evidence or evidence already of record."

55. See Zetec, Inc. v. Westinghouse Electric Company, LLC, IPR2014-00384, paper 10 (PTAB 7/23/2014) (Opinion by APJ Benoit, for an expanded panel consisting of Vice Chief APJ Boalick, and APJs Horner, Turner, Benoit, and Powell)("the Petition asserts a large number of grounds and presents underdeveloped arguments against each claim. ... the bases of the proffered constructions are not stated. ... sparse arguments ... in the Petition do not adequately tie the evidence of the references to specific claim limitations.").

56. As of April 29, 2016, a search using the DocketNavigator service identified 419 institution decisions in which 425(d) was ruled on and in 93 of those decisions the petition was denied.

57. In Unilever, Inc. dba Unilever v. the Procter & Gamble Company, IPR2014-00506, paper 17 (PTAB 7/7/2014) (Decision by APJ Obermann, for a panel consisting of APJs Green, Obermann, and Elluru) (PTAB informative decision), the PTAB stated that:

An additional rationale supports our decision. We are persuaded that arguments raised in the Petition are “substantially the same” as those “previously [] presented to the Office” in the 505 proceeding. *Id.* Unilever’s treatment of claim 13 is illustrative. Claim 13 includes all the limitations of claim 1 and, further, requires ketoconazole as the anti-dandruff particulate. In the 505 Petition, Unilever argued that Kanebo discloses each limitation of claim 13, except for the limitation requiring “ketoconazole,” arguing that Liu¹⁴ discloses that missing feature. 505 Pet. 23-25. We denied review on the ground that Unilever provided only “conclusory arguments” supporting the proposed combination of prior art. 505 Dec. on Inst.16. Unilever now repeats the same arguments as to Kanebo but, in lieu of Liu, raises two pieces of new prior art (Ramachandran and Hoeschele) for a disclosure of ketoconazole, emphasizing alleged reasons to combine. Pet. 43-45. In both petitions, Unilever advances “substantially the same” argument - namely, that claim 13 would have been obvious over Kanebo in view of other prior art disclosing ketoconazole. 35 U.S.C. § 325(d).

58. In Conopco, Inc. dba Unilever v. the Procter & Gamble Company, IPR2014-00507, paper 17 (PTAB 7/7/2014) (Decision by APJ Obermann, for a panel consisting of APJs Green, Obermann, and Elluru), the PTAB also stated that:

The instant Petition challenges each claim that was denied review in the 509 proceeding. Compare 509 Pet. 6-7 with Pet. 9-10 (both raising obviousness challenges against claims 6-10, 14, 15, and 21-23); see 509 Dec. on Inst. 18 (denying review of those claims). The instant Petition relies on eleven pieces of prior art: four that were raised in the 509 Petition (Kanebo, Cardin, Evans, and Bartolo) and seven that are new to this proceeding (Cothran, Cseh, Cosmedia, Reid, Sime, Kalla, and Bar-Shalom). Compare 509 Pet. 9-10 with Pet. 8; 509 Pet. 1, 21, 32, 37 with Pet. 8 (for Bartolo). Unilever, however, presents no argument or evidence that the seven newly cited references were not known or available to it at the time of filing of the 509 Petition. Moreover, six grounds rely on Kanebo, a reference previously presented in the 509 Petition. The two remaining grounds rely on Evans, a reference previously presented in the 509 Petition. Compare 509 Pet. 9-10 with Pet. 10. On this record, we exercise our discretion and “reject the petition” because “the same or substantially the same prior art” previously was “presented to the Office” in the 509 proceeding. 35 U.S.C. § 325(d).

59. In Conopco, Inc. dba Unilever v. the Procter & Gamble Company, IPR2014-00507, paper 17 (PTAB 7/7/2014) (Decision by APJ Obermann, for a panel consisting of APJs Green, Obermann, and Elluru), the PTAB also stated that:

For example, another factor identified in our decision is the reasonable inference that new prior art references raised in the second petition—specifically, Cosmedia, Bar-Shalom, and Uchiyama—were known to Unilever when it filed the first petition. Dec. on Inst. 11. We pointed out that a grant of review, under the particular circumstances presented here, would incentivize petitioners to hold back prior art for successive attacks, should a first petition be denied. *Id.* We were also persuaded that the sheer multiplicity of grounds asserted in each petition favors denying the second petition, in part, to protect P&G from multifarious challenges to the same patent claims. *Id.* at 12.

60. In Unilever, Inc. dba Unilever v. the Procter & Gamble Company, IPR2014-00506, paper 17 (PTAB 7/7/2014) (Decision by APJ Obermann, for a panel consisting of APJs Green, Obermann, and Elluru) (PTAB informative decision), the PTAB stated that:

We have considered all of the papers filed in both proceedings. Based on the information presented, we are persuaded that the instant Petition uses our prior Decision on Institution to bolster challenges that were advanced, unsuccessfully, in the 505 Petition. Specifically, Unilever argues that the instant Petition “obviates purported deficiencies” illuminated in our prior decision. Joinder Mot. 8. P&G, on the other hand, contends that Unilever seeks to revive and augment challenges that were rejected in the 505 proceeding, “[a]rmed with the Board’s guidance as to the flaws in the [505 Petition].” Prelim. Resp. 9. On this record, we determine that the instant Petition presents “the same or substantially the same prior art or arguments” that were advanced in the 505 Petition. 35 U.S.C. § 325(d).

61. See Netapp Inc. v. Crossroads Systems, Inc., IPR2015-00773 (PTAB 9/9/2015) (Decision by APJ Lee, for a panel consisting of APJs Powell, Kalan, Lee, and Cherry). IPR2015-00773 (correcting improper incorporation by reference to expert declaration)

62. See Valeo North America, Inc. v. Magna Electronics, Inc., IPR2015-01415, paper 10 (PTAB 12/7/2015) (Decision by APJ Tartal, for a panel consisting of APJs Rice, Tartal, and Parvis).

63. See Intelligent Bio-Systems, Inc. v. Illumina Cambridge Limited, IPR2013-00324, paper 19 (PTAB 11/21/2013) (Decision by APJ Crumbley, for a panel consisting of APJs Green, Katz, and Crumbley) (PTAB informative decision).

64. See ZTE Corp. v. ContentGuard Holdings, Inc., IPR2013-00454, paper 12 (PTAB 9/25/2013; Informative opinion) (Decision by APJ Kim, for a panel consisting of APJs Lee, Kim, and Zecher).

65. See Coalition for Affordable Drugs (Adroca) LLC v. Acorda Therapeutics, Inc., IPR2015-01857, paper 15 (PTAB 3/11/2016).

66. See Amazon.com, Inc v. AC Technologies S.A., IPR2015-01802, paper 10 (3/8/2016) (Decision by APJ Clements, for a panel consisting of APJs Clements; Chen; and Abraham).

67. See Ford Motor Company v. Paice LLC, IPR2015-00800, paper 12 (10/27/2015) (Decision by APJ Lee, for a panel consisting of APJs Lee, Medley, and DeFranco).

68. See Coalition for Affordable Drugs V LLC v. Biogen MA Inc., IPR2015-01993, paper 20 (PTAB 3/22/2016) (Decision by APJ McKelvey, for a panel consisting of APJs McKelvey, Lane, and Katz).

69. In Liberty Mutual Insurance Company v. Progressive Casualty Insurance Company, CBM2012-00003, paper 7 (PTAB 10/25/2012)(Expanded Panel decision by APJ Lee, for a panel consisting of CAPJ Smith, Vice CAPJ Moore, Lead APJ Tierney, and APJs Lee, Lane, Medley, Chang, Zecher, and McNamara)(Posted as a PTAB representative decision)("Liberty Mutual"), the PTAB stated:

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.

70. In Liberty Mutual, the PTAB stated:

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.

71. See Apple Inc. v. Sightsound Technologies, LLC, CBM2013-00020, paper 14 (PTAB 10/8/2013) (Decision by APJ Arbes, for a panel consisting of APJs Tierney, Arbes, and Braden).

72. In Synopsys, Inc. v. Mentor Graphics Corporation, (Fed. Cir. 2/10/2016), the majority affirmed the claim-by-claim institution procedure, stating that:

... At the same time, the statute is quite clear that the PTO can choose

whether to institute inter partes review on a claim-by-claim basis. In deciding when to institute IPR, the statute requires a claim-by-claim inquiry to determine whether “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (emphasis added). Unless at least one of the claims satisfies this inquiry, the Board cannot institute.

CJ Newman, writing in dissent, concluded that:

... Neither the AIA nor anything in its voluminous history suggests a legislative plan whereby the Board could decide which of the challenged claims would be decided, leaving the other challenged claims untouched.

73. In St. Jude Medical v. Volcano Corporation, (Fed. Cir. 4/24/2014), the Court held that a non-institution decision on an IPR petition was not appealable.

In GTNX, Inc. v. Intra, Inc., 789 F.3d 1309 (Fed. Cir. 6/18/2015), the Court held that a non-institution decision under 35 USC 324 (for PGRs and CBMs) was not appealable, citing its rationale in St. Jude Medical v. Volcano Corporation, (Fed. Cir. 4/24/2014), stating that:

In St. Jude Medical, Cardiology Division, Inc. v. Volcano Corp., we dismissed an appeal from a non-institution decision under chapter 31 of Title 35, which establishes a regime for "inter partes review" of issued patents that is materially the same as chapter 32 in the particular jurisdictional respects relevant here. 749 F.3d 1373 (Fed. Cir. 2014). We explained the structural contrast between a "determination... whether to institute" a proceeding, which is "final and nonappealable," 35 U.S.C. § 314(d), and the "final written decision" determining patentability, § 318(a), and we held that the appeal authorization there — § 319, incorporating § 141(c) — was limited to the final written decision on patentability. *Id.* at 1375-76. We thus relied on chapter 31's textually clear and common-sense distinction between a final Board decision that reaches the patentability merits and an earlier decision whether to institute. We concluded that 28 U.S.C. § 1295(a)(4)(A)'s grant of jurisdiction to this court to review decisions of the Board "under title 35" is limited "to the Board's decision ... on the merits of the ... review, after it 'conducts' the proceeding that the Director has 'instituted.'" *Id.* at 1376. The same conclusion applies to this case under chapter 32. The Board decision GTNX is seeking to appeal was not reached after conduct of the review and did not make a determination with respect to patentability. The decision is therefore outside 35 U.S.C. §§ 141(c), 328(a), 329 and, in turn, outside 28 U.S.C. § 1295(a)(4)(A).

In Achates Reference Publishing v. Apple Inc., (Fed. Cir. 9/30/2015), the Court held that it lacked jurisdiction to review the PTAB determination regarding a 315(b) time bar, stating that:

We thus hold that 35 U.S.C. § 314(d) prohibits this court from reviewing

the Board's determination to initiate IPR proceedings based on its assessment of the time-bar of § 315(b), even if such assessment is reconsidered during the merits phase of proceedings and restated as part of the Board's final written decision.

74. In Versata Development Group v. SAP America, Inc., 793 F. 3d 1306 (Fed. Cir. 7/9/2015), the Court held that whether a particular patent was or was not a CBM patent, determined whether the PTAB had jurisdiction. The Court stated that:

We have before us Versata's appeal from the final written decision of the PTAB invalidating Versata's patent under § 18 authority, an authority limited to CBM patents. *** It has long been the law that "[a]dministrative determinations must have a basis in law and must be within the granted authority.... An agency may not finally decide the limits of its statutory power. That is a judicial function." Soc. Sec. Bd. v. Nierotko, 327 U.S. 358, 369, 66 S.Ct. 637, 90 L.Ed. 718 (1946). *** For the foregoing reasons, we hold that we have authority to review whether the '350 patent is within the PTAB's § 18 authority.

In Sightsound Technologies, LLC v. Apple Inc., (Fed. Cir. 12/15/2015), the Court stated that:

We previously addressed our jurisdiction to review the Board's determination of whether patents are CBM patents in *Versata II*. There we held that the question of whether a patent falls within the scope of the Board's authority under AIA § 18 as a CBM patent is a limitation on the Board's authority to issue a final decision and may be reviewed on appeal from a final written decision of the Board. *Id.* at 1319. While *Versata II* is limited to our review of Board determinations of whether a patent falls within its § 18 authority as a CBM patent, that is precisely the issue here. Accordingly, *Versata II* controls, and SightSound's contention that the Board lacked jurisdiction to review the '573 and '440 patents because they are not CBM patents is not barred by § 324(e).

75. In Sightsound Technologies, LLC v. Apple Inc., (Fed. Cir. 12/15/2015), the Court addressed reviewability of the 103 ground of unpatentability imposed by the PTAB; a ground not present in the petition (but based upon the same reference that the petition asserted for the same claims under 102), and stated that:

The same is true here. SightSound argues that the Board erred in considering obviousness because Apple failed to include such argument in its petitions. As in *Cuozzo*, the statute does not limit the Board's authority at the final decision stage to grounds alleged in the CBM petitions. The reasoning of *Cuozzo* and *Achates* applies not only to § 314(d), involved in *Cuozzo* and *Achates*, but also to § 324(e), the identical provision applicable to CBM review. SightSound argues that the "under this section" language in § 324(e) only bars review of challenges to institution decisions based on the grounds specified in § 324(a) and

(b). We reject this argument. Section 324(e) bars review of any institution decision. *Cuozzo* and *Achates* control, and the challenge is therefore barred by § 324. [Footnote 4 omitted.] We also see no basis for mandamus relief on the Board's initiation decision, because "the situation here is far from satisfying the clear-and-indisputable requirement for mandamus." *Cuozzo*, 793 F.3d at 1275.

76. [*Merck & 2 Cie v. Gnosis S.P.A.*, (Fed. Cir. 4/26/2016) (Concurring opinion by Judge O'Malley with whom Judges Wallach and Stoll join, on an order denying rehearing en banc):

I agree that application of the substantial evidence standard of review is seemingly inconsistent with the purpose and content of the AIA. This court is bound by binding Supreme Court precedent—*Dickinson v. Zurko*, 527 U.S. 150 (1999)—and this court's own—*In re Gartside*, 203 F.3d 1305 (Fed. Cir. 2000)—to apply the substantial evidence standard of review to factual findings by the Board, however. Because Congress failed to expressly change the standard of review employed by this court in reviewing Board decisions when it created IPR proceedings via the AIA, we are not free to do so now. I, thus, concur in the denial of en banc rehearing in this case because there is nothing that could come of our en banc consideration of the question posed. I write separately, however, because I agree with the dissent to the extent it argues that a substantial evidence standard of review makes little sense in the context of an appeal from an IPR proceeding. But the question is one for Congress.

77. See for examples: *Gregory v. Tsui*, Interference No. 104,228 (4 January 2002) (Paper 100), *aff'd mem.*, No. 02-1345 (Fed. Cir. 2003); *Schrage v. Brown*, paper 771, page 18, note 5, Interference 105799 (PTAB 7/11/2013); *Ex parte Borden*, Docket No. 2008-004312 (BPAI 2010)(expanded panel); and *Lawson v. Enloe*, 26 USPQ2d 1594, 1596 (PTOBPAI 1992).

78. See *Corning Incorporated v. DSM IP Assets B.V.*, IPR2013-00047, paper 84, footnote 3 (PTAB 5/14/2014) (Decision by SAPJ McKelvey, for an expanded panel consisting of SAPJ McKelvey, and APJs Karaffa, Obermann, Bisk, Kamholz, and Yang).

79. See *Corning Incorporated v. DSM IP Assets B.V.*, IPR2013-00052, paper 88 (PTAB 5/1/2014) (Decision by APJ Yang, for a panel consisting of SAPJ McKelvey, and APJs Karaffa, Obermann, Bisk, Kamholz, and Yang).

80. See *Toyota Motor Corporation v. American Vehicular Sciences LLC*, IPR2013-00424, paper 50 (PTAB 1/12/2015) (Decision by APJ Lee, for a panel consisting of APJs Lee, Jefferson, and Pettigrew).

81. See *BAE Systems Information and Electronic Systems Integration, Inc. v. Cheetah Omni, LLC*, IPR2013-00175, paper 45 (PTAB 1/19/2014) (Decision by APJ Elluru, for a panel consisting of APJs Siu, Arbes, and Elluru).

82. See The Scotts Company LLC v. Encap, LLC, IPR2013-00110, paper 79 (PTAB 6/24/2014) (*Per curiam*, for a panel consisting of APJs Tierney, Green, and Elluru).

83. See Intelligent Bio-systems, Inc. v. Illumina Cambridge Ltd, IPR2013-00517, paper 87 (PTAB 2/11/2015) (Opinion by APJ Prats, for a panel consisting of APJs Green, Prats, and Kamholz).

84. Progressive Casualty Insurance Co. v. Liberty Mutual Insurance Co., (Fed. Cir 8/24/2015) is a non-precedential decision regarding 325(e)(1). It noted that "325(e)(1) does not say *when* a final decision begins to have estoppel effect (on the petitioner)." It also noted that 325(e)(1) applied against a petitioner, not against the PTAB.

85. In Westlake Services, LLC, v. Credit Acceptance Corp., CBM2014-00176, paper 28 (PTAB 5/14/2015) (Precedential order by APJ McKone, for a panel consisting of APJs Arbes, McKone, and Anderson), the PTAB concluded that estoppel did not apply to claims for which no trial had been instituted. The PTAB stated (emphasis in the original):

We agree with Petitioner that estoppel is applied on a claim-by-claim basis. By its terms, estoppel is invoked under Section 325(e)(1) as to "a claim in a patent" that "results in a final written decision under" 35 U.S.C. § 328(a). The Final Written Decision in CBM-008 in fact only ruled upon the patentability of claims 1–9, 13, and 34–42. CBM-008, Paper 66, 35. Patent Owner offers no persuasive support for its position that the Final Written Decision in CBM-008 (Paper 66) incorporated portions of the underlying Decision on Institution (Paper 30) as to non-instituted claims 10–12 and 14–33. The propriety of our exclusion of claims 10–12 and 14–33 from the Final Written Decision of CBM-008 is not before us in this matter. On the record before us, claims 10–12 and 14–33 are not claims in a patent that have resulted in a final written decision under Section 328(a), and thus, under Section 325(e)(1), estoppel does not apply to those claims. *** ORDERED that Patent Owner's Motion to Terminate Pursuant to 35 U.S.C. § 325(e)(1) is *denied*.

86. In Apple Inc. v. Smartflash LLC, CBM2015-00015, paper 49 (PTAB 11/4/2015) (Order by APJ Elluru, for an expanded panel consisting of APJs Bisk, Elluru, Plenzler, and Clements), the PTAB held that Apple was estopped in two CBM proceedings as to certain claims as a consequence of final written decisions on the same claims in other CBM proceedings in which Apple was also the petitioner. The PTAB stated:

On October 9, 2015, we issued an order in CBM2015-00015 and CM2015-00016 requesting briefing by the parties regarding whether Apple is estopped from arguing the unpatentability of claim 1 of the '221 patent and claim 1 of the '458 patent pursuant to 35 U.S.C. § 101 at the November 9th hearing. *** On September 25, 2015, we issued a final written decision in CBM2014-00102, brought by Apple, concluding that claims 1, 2, and 11–14 of

the '221 patent are unpatentable pursuant to 35 U.S.C. § 103. CBM2014-00102, Paper 52, 43. On September 25, 2015, we also issued a final written decision in CBM2014-00106, brought by Apple, concluding that claim 1 of the '458 patent is unpatentable pursuant to 35 U.S.C. § 103. CBM2014-00106, Paper 52, 31. *** We determine that § 325(e)(1) is applicable to Apple with respect to claim 1 of the '221 patent and claim 1 of the '458 patent. Apple was the petitioner in CBM2014-00102, which resulted in a final written decision with respect to claim 1 of the '221 patent and in CBM2014-00106, which resulted in a final written decision with respect to claim 1 of the '458 patent. CBM2014-00102, Paper 52, 43; CBM2014-00106, Paper 52, 31. Thus, pursuant to § 325(e)(1), Apple cannot “request or maintain” a proceeding before the Office with respect to these claims “on any ground” that Apple “raised or reasonably could have raised” during CBM2014-00102 and CBM2014-00106.

Apple further argues that “maintain a proceeding” “connotes active participation in the proceeding while the evidentiary record remains open” and it cannot “maintain” a proceeding after the evidentiary record has closed. *Id.* at 4. Thus, Apple concludes that it would not be “maintain[ing]” this proceeding by “merely participating in oral argument.” *Id.* at 1. We disagree. We determine that “maintain a proceeding” includes presenting argument at the hearing with respect to the claims at issue. Thus, Apple may not present argument with respect to the patentability of claim 1 of the '2213 patent and claim 1 of the '458 patent at the November 9 hearing. We further dismiss Apple as a Petitioner from CBM2015-00015 and from CBM2015-00016 with respect to claim 1 of the '458 patent.

87. In Apple Inc. v. Smartflash LLC, CBM2015-00015, paper 49 (PTAB 11/4/2015) (Order by APJ Elluru, for an expanded panel consisting of APJs Bisk, Elluru, Plenzler, and Clements), the PTAB stated that:

Section 325(e)(1) speaks to actions that may not be undertaken by Petitioner (or its real party in interest or privy) – “[t]he *Petitioner* . . . may not request or maintain a proceeding before the Office” (emphasis added). The statutory provision, however, does not proscribe actions that we may take. *See Progressive Cas. Ins. Co. v. Liberty Mut. Ins. Co.*, No. 2014-1466, 2015 WL 5004949, at *2 (Fed. Cir. Aug. 24, 2015)(nonprecedential)) (stating that 35 U.S.C. § 325(e)(1) “by its terms does not prohibit the Board from reaching decisions. It limits only certain (requesting or maintaining) actions by a petitioner.”). Moreover, these proceedings are in the late stages of Covered Business Method patent reviews with a fully developed record. *See BlackBerry Corp. v. MobileMedia Ideas, LLC*, Case IPR2013-00016, (PTAB Dec. 11, 2013) (Paper 31) and *InterThinX Inc. v. CoreLogic Solutions, LLC*, Case CBM2012-00007 (PTAB Nov. 12, 2013) (Paper 47) (issuing final written decisions in cases in cases

[sic] in which no petitioner remained as a result of settlement under 35 U.S.C. § 317). There is a public interest in resolving the issues raised by these challenges because the record is fully developed. Moreover, we are making determinations in related cases involving similar issues and argument. Administrative resources will be conserved by resolving all the similar issues at once.

88. See Zhongshan Broad Ocean Motor Co., Ltd., v. Nidec Motor Corporation, IPR2016-00062, paper 67, (PTAB 10/5/2015) (Decision on rehearing granted by an expanded panel of 5 APJs in a 3-2 decision, majority decision by APJ Tartal, joined by APJs Medley, Arbes; APJs Boucher and Wood dissenting); and Target Corporation v. Destination Maternity Corporation, IPR2014-00508, paper 28 (PTAB 2/12/2015; Decision on rehearing by APJ Green, for an expanded panel consisting of APJs Tierney, Green, Chang, Giannetti, Bisk, Fitzpatrick, and Weatherly; dissent by APJ Fitzpatrick for APJs Fitzpatrick, Bisk, and Weatherly).

89. See Netapp, Inc. v. Personalweb Technologies, LLC, IPR2013-00319, paper 18 (PTAB 7/22/2013)(Opinion by APJ Chang, for a panel consisting of APJs Turner, Chang, and Zecher), citing Kyocera Corp. v. Softview LLC, IPR2013-00004, paper 15 (PTAB, 4/24/2013) (Decision by APJ Boalick, for a panel consisting of APJs Boalick, Giannetti, and McNamara).

90. See for example Microsoft Corporation, v. IPR Licensing, Inc., IPR2015-00074, paper 21 (PTAB 3/4/2015) (Decision by APJ Quinn, for a panel consisting of APJs Quinn, Medley, and Bunting):

In its Patent Owner Preliminary Response, IPR Licensing argues that the Petition is barred under 35 U.S.C. § 315(b) because Nokia, a privy of Microsoft, was served with a complaint alleging infringement of the '244 patent more than a year before the filing of the instant Petition. Prelim. Resp. 26–35. Because we grant Microsoft’s motion for joinder under 35 U.S.C. § 315(b), we need not address Patent Owner’s arguments suggesting that the Petition is time-barred under 35 U.S.C. § 315(b).

91. See, for example, Netapp, Inc. v. Personalweb Technologies, LLC, IPR2013-00319, paper 18 (PTAB 7/22/2013)(Opinion by APJ Chang, for a panel consisting of APJs Turner, Chang, and Zecher):

NetApp’s arguments for joinder are unavailing, as the inclusion of claim 35 would raise substantive issues that are not before the Board in IPR2013-00082. For instance, claim 35 contains claim terms (e.g., “determining whether the particular identifier is in the set of data items”) that are not recited in claims 1 and 4. (Pet. 15-16.) Through its claim construction analysis, NetApp raises substantive issues that are related to lack of enablement and written description under 35 U.S.C. 112, ¶ 1, and indefiniteness under 35 U.S.C. 112, ¶ 2. (Id.).

And for example, Toyota Motor Corporation v. American Vehicular Sciences LLC,

IPR2015-00262, paper 10 (PTAB 1/29/2015) (Lee, Jefferson, and Pettigrew):

Even if IPR2014-00647 had not been terminated, other considerations weigh in favor of denying Petitioner's Motion for Joinder. In its Motion, Petitioner asserts that the issues raised in its Petition are "substantively identical" to the issues in IPR2014-00647. Mot. 10. However, one difference between the instant Petition and the petition in IPR2014-00647 is that Petitioner's arguments rely on the declaration of Dr. Nikolaos Papanikolopoulos (Ex. 1109), who did not offer testimony in IPR2014-00647. See *id.* at 12; Pet. 6, 10–16, 23–27. Petitioner provides no justification for why another declarant would be necessary in a joined proceeding. Although Petitioner asserts that its declarant "arrives at the same conclusions for the same reasons as Mercedes'[s] expert," Mot. 11, the declaration of Dr. Papanikolopoulos nonetheless constitutes new evidence that would be introduced if this proceeding were joined with IPR2014-00647.

92. Netapp, Inc. v. Personalweb Technologies, LLC, IPR2013-00319, paper 18 (PTAB 7/22/2013), *supra*.

93. See ZTE Corp. v. ContentGuard Holdings, Inc., IPR2013-00454, paper 13 (PTAB 9/25/2013) (Decision by APJ Kim, for a panel consisting of APJs Lee, Kim, and Zecher)("Case IPR2013-00134 is no longer pending before the Board. Accordingly, it cannot serve as a base proceeding to which another proceeding may be joined."); and ZTE Corp. v. ContentGuard Holdings, Inc., IPR2013-00134, paper 34 (PTAB 8/6/2013) (Decision by APJ Lee, for a panel consisting of APJs Lee, Kim, and Zecher)("The Motion for Joinder in IPR2013-00454 does not, and should not, act as an automatic stay of this proceeding.").

94. The full criteria in Garmin read as follows:

1. More Than A Possibility And Mere Allegation -- The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.

2. Litigation Positions And Underlying Basis -- Asking for the other party's litigation positions and the underlying basis for those positions is not necessary in the interest of justice. The Board has established rules for the presentation of arguments and evidence. There is a proper time and place for each party to make its presentation. A party may not attempt to alter the Board's trial procedures under the pretext of discovery.

3. Ability To Generate Equivalent Information By Other Means -- Information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have produced by the other party. In that connection, the Board would want to know the ability of the requesting

party to generate the requested information without need of discovery.

4. Easily Understandable Instructions -- The questions should be easily understandable. For example, ten pages of complex instructions for answering questions is prima facie unclear. Such instructions are counter-productive and tend to undermine the responder's ability to answer efficiently, accurately, and confidently.

5. Requests Not Overly Burdensome To Answer -- The requests must not be overly burdensome to answer, given the expedited nature of Inter Partes Review. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of Inter Partes Review. Requests should be sensible and responsibly tailored according to a genuine need.

95. See Bloomberg Inc. v. Markets-alert Pty Ltd., CBM2013-00005,(PTAB 5/29/2013), paper 32 (Decision by APJ Chang, for a panel consisting of APJs Lee, Medley, and Chang)("For covered business method patent review, we slightly modify each of the five factors set forth in *Garmin*, for determining whether the requested discovery is necessary for good cause.").

96. See for example the following:

Authorization to file motion to depose witnesses on declarations submitted during prosecution of the application issuing into the patent, denied, IPR2015-00529, paper 33.

Authorization to file a motion denied to produce inconsistent information, denied, IPR2016-00204, paper 10.

Authorization to file a motion to produce documents related to objective indicia of non-obviousness, granted, IPR2015-01060, paper 15, motion granted, paper 20. Garmin factor 1 satisfied by "firsthand knowledge of what the documents contain as a result of discovery in the related district court litigation ... [including] admissions from Petitioner related to knowledge of Patent Owner's product design, which allegedly embodies the claimed arrangement, and use of that design in Petitioner's design process..."

Authorization to file motion to produce inconsistent information, granted, IPR2015-00596, paper 28, motion granted, paper 31. Garmin factor 1 satisfied by production in related district court litigation and movant's counsel having determined the twelve documents requested tending to show secondary indicia of patentability.

Authorization to file motion to produce evidence that unnamed party is an RPI, granted, IPR2014-01084, paper 12, motion denied, paper 15. Garmin factor 1 not satisfied by evidence of a shared employee between petitioner and unnamed third party as probative of privity or RPI.

Authorization to file motion granted to produce specific set of documents produced by Petitioner in a related district court proceeding, granted, IPR2014-00834, paper 17, no decision on the motion is publicly available.

Authorization to file motion to produce documents related to RPI, based upon existence of a publicly available agreement between Petitioner and a third party, granted, IPR2015-01269, paper 8. No decision on the motion is publicly available.

Authorization to file motion for discovery from a non party, but a party in other proceedings relating to the same district court litigation and other PTAB proceedings in which the requested documents relating to secondary considerations were produced, granted,

IPR2015-01165, paper 15. No decision on the motion.

Authorization to file motion for discovery of indemnification agreements relating to privity and 315(b) time bar, granted, IPR2014-00746, paper 9, motion granted, paper 15. Garmin factor 1 satisfied by publicly available document showing petitioner is under a contractual obligation to indemnify its customers, and exercise “sole control” over any litigation brought against Petitioner’s customers, and document showing agreement to pay claims in specific district court litigation for a party not named as an RPI in the petition.

97. In Microsoft Corp. v. Proxyconn, Inc., (Fed. Cir. 6/16/2015), the court stated that:

At the threshold, we agree with the Director that § 42.121(a)(2) is not an exhaustive list of grounds upon which the Board can deny a motion to amend. In the AIA, Congress gave the PTO authority to “prescribe regulations” “governing inter partes review” and to “set[] forth standards and procedures for allowing the patent owner to move to amend the patent.” § 316(a)(4), (a)(9). Congress also provided that, upon final decision, the Director should incorporate only those amended claims that are “determined to be patentable.” § 318(b). Given these directives, the PTO promulgated both the general regulation setting forth the patentee’s burden to establish it is entitled to its requested relief, § 42.20, as well as the more specific regulation setting forth particular requirements regarding the amendment process, § 42.121. Both regulations are plainly applicable to motions to amend filed during IPRs, and Proxyconn does not argue that the PTO acted outside its statutory authority in promulgating either one.

98. Masterimage is posted on the PTAB's "Representative Orders, Decisions, and Notices" web page.

99. See for example Neifeld, "Kill Rate of the Patent Death Squad, and the Elusory Right to Amend in Post-Grant Reviews," Intellectual Property Today, April, 2014.

100. See for example CBM2013-00027, paper 38 (PTAB 3/23/2015); IPR2013-00403, paper 33 (PTAB 12/30/2014); IPR2013-00402, paper 35 (PTAB 12/30/2014); IPR2013-00124, paper 12 (PTAB 5/20/2014).

101. See Ex parte 6174237, Reexamination Control No. 90/013,148 (Art Unit 3993 3/21/2014) (Order by Examiner Doerrler), stating that:

It is NOT agreed that Walker raises a substantial new question of patentability regarding claim 1 The analysis supplied in the current request supporting the anticipation rejection based on Walker relies entirely upon the analysis presented at the Patent Trial and Appeal Board (PTAB) in IPR2013-00289. While the examiner agrees that Walker presents a substantial question of patentability, the fact that the exact question is currently being considered by the PTAB means that the question cannot be considered new.

102. See for example Versata Software, Inc. v. Callidus Software, Inc., Civ. No. 12-931-SLR, Revised Order, footnote 2 (D.Del. 6/19/2014):

1. Plaintiffs shall designate one or more attorneys on their trial team who will be responsible for consulting with counsel handling any administrative review process, in order to coordinate coherent and consistent positions in various proceedings. These designated attorneys shall not be involved in reviewing the highly confidential source code of defendant, [footnote 3 omitted] nor take part in discussing highly confidential source code with co-counselor any witness in the case, nor shall they read any report from any witness in the case concerning such highly confidential source code, nor attend portions of any deposition (nor read portions of transcripts of such depositions) where highly confidential source code is mentioned or discussed. They may participate in all other aspects of the case. If it is likely that highly confidential source code will be used at trial, the parties shall discuss the operation of this limited prosecution bar at the pretrial conference. 2. Counsel listed on the docket in the above captioned case shall inform all members of their respective firms and all witnesses, experts, and other persons of the provisions of this order and of the fact that, once any such person has viewed defendant's highly confidential source code, the prosecution bar set out in this order shall apply to such persons. 3. This order shall remain in effect until one year after final termination of this litigation.

103. See for example Lifescan Scotland, Ltd. v. Shasta Technologies, LLC, (N.D. Cal. 11/4/2013); Prolitec Inc. v. Scentair Technologies, Inc., 945 F. Supp. 2d 1007 (E.D. Wis. 5/17/2013); and EPL Holdings, LLC v. Apple Inc., (N.D. Cal. 5/20/2013).

104. See for example Ariosa Diagnostics, Inc. v. Sequenom, Inc., (N.D. Cal. 2013).

105. TMC Fuel Injection System, LLC v. Ford Motor Company, 12-4971 (E.D. Pa. 4/20/2016) (Judge Shapiro):

Because Ford's accused vehicles use a pressure regulator and the court accepts the Patent Trial and Appeal Board ("PTAB") conclusion that the prosecution history of U.S. Patent No. 7,318,414 ("the '414 patent") states an express disclaimer of pressure regulators from the system, Ford's Motion for Summary Judgment of Non-Infringement will be granted. *** In its final inter partes review opinion, the PTAB held Ford failed to prove claims 38 and 40 are unpatentable over the prior art patents cited by Ford in this action.¹² Upon reviewing TMC's notes and remarks to the PTO and appeal brief to the PTAB, the PTAB also found the '414 patent's "prosecution history states an express disclaimer of pressure regulators and incremental regulation means of any type from the system." *** The court amends its construction of the claims to exclude pressure regulators of any type from the system. Ford's accused vehicles use a pressure regulator. [Footnote 18 omitted.] Because claims 38 and 40 cannot

cover systems with a pressure regulator, the claims do not cover Ford's accused vehicles. TMC's infringement claim will be dismissed.

106. In Intellectual Ventures II LLC v. JP Morgan Chase & Co., 781 F. 3d 1372 (Fed. Cir. 4/1/2015), the Court stated:

Because the language of the statutory scheme consistently defines "proceeding" as beginning when the PTAB institutes review, we adopt that interpretation. *Robinson*, 519 U.S. at 340 ("Our inquiry must cease if the statutory language is unambiguous and the 'statutory scheme is coherent and consistent.'" (quoting *United States v. Ron Pair Enters., Inc.*, 489 U.S. 235, 240 (1989))). This narrow reading of the statute, moreover, is consistent with Supreme Court precedent counseling us to interpret narrowly exceptions to the final judgment rule that expand the scope of our jurisdiction and warning against review of rulings that are never truly final. None of the nonstatutory arguments by JPMC and the amici persuade us to depart from the interpretation the statute itself dictates.

Note that the PTO has defined "proceeding" to mean "trial or preliminary proceeding" and a "preliminary proceeding" to mean what "begins with the filing of a petition for instituting a trial and ends with a written decision as to whether a trial will be instituted." 37 CFR 42.3 That is, the PTO definition of "proceeding" includes anything after the filing of the petition. That definition is not consistent with the Court's definition of "proceeding" in the corresponding sections of 35 USC.

107. See for example Cypress Semiconductor Corporation v. GSI Technology, Inc., 13-cv-02013-JST, (N.D. Cal. 10/7/2014) (J. Tigar)("whether to stay a case pending review by the PTO, courts consider the following factors: (1) whether discovery in the case is complete and whether a trial date has been set; (2) whether a stay would simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party." The same court noted and adopted the four sub-factor test for prejudice and disadvantage previously adopted by the Delaware district court: "The four factors are: (1) the timing of the petition for review; (2) the timing of the request for the stay; (3) the status of review proceedings; and (4) the relationship of the parties.")

108. For discussion of the four factors for CBM stays, see Virtual Agility Inc. v. Salesforce.com, Inc., footnote 4 (Fed. Cir. 7/10/2014) and Versata Software, Inc. v. Callidus Software, Inc. (Fed. Cir. 11/20/2014).

109. Virtual Agility Inc. v. Salesforce.com, Inc., (Fed. Cir. 7/10/2014)

110. *Id.*

111. *Id.*

112. Versata Software, Inc. v. Callidus Software, Inc., (Fed. Cir. 11/20/2014).
113. Virtual Agility Inc. v. Salesforce.com, Inc., (Fed. Cir. 7/10/2014).
114. Versata Software, Inc. v. Callidus Software, Inc., (Fed. Cir. 11/20/2014).
115. See for example Cypress Semiconductor Corporation v. GSI Technology, Inc., 13-cv-02013-JST, (N.D. Cal. 10/7/2014) (J. Tigar); Personal Audio, LLC v. Togi Entertainment, Inc., 2-13-cv-00013, document 235 (E.D. Tex. 8/1/2014)(Order by Payne, M.J.)
116. See for example Interdigital Commc'ns Inc. v. Nokia Corp., No. CV 13 - 10 - RGA, 2014 WL 8104167, at *1 (D. Del. Sept. 19, 2014) (Order by Judge Andrews); Wisconsin Alumni Research Foundation v. Apple, Inc., 3:14-cv-00062, document 468 (W.D. Ill. 9/29/2015) (Opinion by Judge Conley).
117. Universal Electronics, Inc. v. Universal Remote Control, Inc., No. SACV12-00329 AG, document 311 (C.D. Cal. 4/21/2014)(Order by Judge Guilford); StoneEagle Servs., Inc. v. Pay - Plus Solutions, Inc., 8:13-CV-2240 (M.D. Fla. 6/19/2015)(Order by judge Covington).
118. In re Seagate Tech., 497 F.3d 1360, 1371 (Fed. Cir. 2007)(en banc):

We fully recognize that "the term [reckless] is not self-defining." Farmer v. Brennan, 511 U.S. 825, 836, 114 S. Ct. 1970, 128 L. Ed. 2d 811 (1994). However, "[t]he civil law generally calls a person reckless who acts . . . in the face of an unjustifiably high risk of harm that is either known or so obvious that it should be known." Id. (citing Prosser and Keeton § 34, pp. 213-14; Restatement (Second) of Torts § 500 (1965)). Accordingly, to establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent. See Safeco, 127 S. Ct. at 2215 ("It is [a] high risk of harm, objectively assessed, that is the essence of recklessness at common law."). The state of mind of the accused infringer is not relevant to this objective inquiry. If this threshold objective standard is satisfied, the patentee must also demonstrate that this objectively-defined risk (determined by the record developed in the infringement proceeding) was either known or so obvious that it should have been known to the accused infringer.

119. Ultratec, Inc. v. Sorenson Communications, Inc., 13-cv-346-bbc, pp. 71-73 (W.D. Wis. 8/28/2014) (Order and Opinion by J. Crabb):

Defendants contend that plaintiffs cannot establish Seagate's first prong because defendants have asserted reasonable invalidity defenses to plaintiff Ultratec's patents. Although defendants have not moved for summary judgment on their invalidity claims, they contend that the record is sufficient to permit the

court to find the defenses reasonable even without deciding their ultimate merit. In particular, defendants ask this court to find, as a matter of first impression, that a grant of inter partes review by the Patent Trial and Appeal Board proves that defendants have a reasonable invalidity defense. *** I agree with defendants that in light of the heightened threshold showing necessary for the grant of inter partes review, the review proceedings should be entitled to more weight in the reasonableness analysis than was given to the prior re-examination procedure. Nonetheless, I am not persuaded that the grant of review deserves conclusive weight.

120. Ultratec, Inc. v. Sorenson Communications, Inc., 3:13-cv-346-bbc Document 579, at 5 (W.D. Wis. 10/ 8/2014 (Order by J. Crabb):

That said, defendants are free to refer to the board's findings and argue their weight when making any arguments outside the jury's presence on the objective prong of the willfulness test. In addition, should the question of subjective willfulness be presented to the jury, defendants may introduce the board's decision as evidence showing their good faith belief in invalidity. The parties agree that in the event this occurs, the jury should be given a curative instruction regarding the proper weight to be given the IPR evidence. They disagree, however, on what the instruction should say. As with other matters concerning willfulness, the court will take this matter up with the parties only if and when it becomes necessary.

121. See 37 CFR 1.499 titled "Unity of invention during the national stage" referring to unity of invention criteria specified in 1.475; compare to 37 CFR 1.142 titled "Requirement for restriction" referring to the "independent and distinct inventions" criteria of 35 USC 121.

122. See APJ McNamara's concurrence in Ford Motor Company v. TMC Fuel Injection Systems, LLC, IPR2014-00272, paper 15 (PTAB 6/22/2015):

I concur with my fellow judges on this case, but write separately to address issues raised during the oral hearing. *** Patent Owner has not identified any limitation on the statements in the prosecution history that would confine the disclaimer to precluding the use of pressure regulators just "between the pump and the rail" as Patent Owner argued during the hearing. The prosecution history indicates just the opposite. As the panel decision indicates, in response to a final rejection, Patent Owner submitted an Appendix12 written by the inventor that specifically states, "The Application *does not use* pressure regulator or pressure relief valve." Ex. 1008, 287 (emphasis added).

Note that the disclaimer during prosecution could have been limited to precluding, only, the use of pressure regulators just "between the pump and the rail." Such a more limited disclaimer would have been sufficient for patentability. Such a more limited disclaimer would

have precluded the district court from relying upon the PTAB's finding of a broad disclaimer to conclude there was no infringement. See TMC Fuel Injection System, LLC v. Ford Motor Company, 12-4971 (E.D. Pa. 4/20/2016) (Judge Shapiro), *supra*.

123. I reviewed the twenty most recently filed IPR petitions identified using PRPS on 3/8/2016. Eighteen of these petitions were filed by a party previously subject to service of a complaint alleging infringement of the subject patent. One of these eighteen petitions was filed after a patent infringement law suit involving the petitioner and patent had been dismissed without prejudice. The petitioner in one of the two IPR petitions lacking a corresponding patent infringement law suit against that petitioner was filed along with a motion of joinder to a IPR proceeding for the same patent filed by another party that had been sued for infringement of the subject patent. The petitioner in the other one of the two IPR petitions lacking a corresponding patent infringement law suit against the petitioner, was an entity whose web site states that it is "a membership organization created to help companies counter the costs and risks of NPE activity in key technologies or industries" in which the organization "retains sole and absolute discretion regarding all aspects of an IPR," and the patent that was the subject of this entity's petition is the subject of several law suits filed in 2014 and 2015 against several large corporate entities. Thus, all 20 of these IPR petitions were already involved in patent infringement litigation. These petitions, patents, and their filing dates are:

| Case Number | Patent Number | IPR Filing Date |
|---------------|---------------|-----------------|
| IPR2016-00720 | 8402580 | 3/7/2016 |
| IPR2016-00716 | 8566982 | 3/7/2016 |
| IPR2016-00721 | 8566982 | 3/7/2016 |
| IPR2016-00719 | 9109309 | 3/7/2016 |
| IPR2016-00722 | 9109309 | 3/7/2016 |
| IPR2016-00715 | 8402580 | 3/6/2016 |
| IPR2016-00717 | 8874677 | 3/6/2016 |
| IPR2016-00718 | 8874677 | 3/6/2016 |
| IPR2016-00713 | 6551327 | 3/4/2016 |
| IPR2016-00714 | 8446275 | 3/4/2016 |
| IPR2016-00680 | 9095348 | 3/4/2016 |
| IPR2016-00685 | 9095348 | 3/4/2016 |
| IPR2016-00710 | 6331415 | 3/3/2016 |
| IPR2016-00703 | 8791581 | 3/3/2016 |
| IPR2016-00706 | 8791581 | 3/3/2016 |
| IPR2016-00711 | 8848556 | 3/3/2016 |
| IPR2016-00602 | 8887308 | 3/3/2016 |
| IPR2016-00573 | 9019838 | 3/3/2016 |
| IPR2016-00663 | 7215752 | 3/2/2016 |
| IPR2016-00669 | 7844041 | 3/2/2016 |

124. See Lemly, "Where to File Your Patent Case," 38 AIPLA Q. J. (2010). Prof. Lemly notes, for example, the claimant trial win rates and times to trial of: 11.5 percent and 3.1 years in N.D. Ga; 30.4 percent and 0.96 years in E.D. Va ; and 55.1% in 2.26 years in N.D. Tex.

125. Statistical data tables are available from URL: <http://www.uscourts.gov/statistics-reports>.

126. Genentech, Inc. v. Eli Lilly and Company, 998 F.2d 931, 937 (Fed. Cir. 1993)("The question of whether a properly brought declaratory action to determine patent rights should yield to a later-filed suit for patent infringement raises the issue of national uniformity in patent cases, and invokes the special obligation of the Federal Circuit to avoid creating opportunities for dispositive differences among the regional circuits" and "We prefer to apply in patent cases the general rule whereby the forum of the first-filed case is favored, unless considerations of judicial and litigant economy, and the just and effective disposition of disputes, require otherwise."); see also Electronics for Imaging, Inc. v. Coyle, 394 F. 3d 1341, 1348 (Fed. Cir. 2005)("We apply the general rule favoring the forum of the first-filed case, 'unless considerations of judicial and litigant economy, and the just and effective disposition of disputes, requires otherwise.'" quoting Genentech, Inc.); and Koster v. (Am.) Lumbermens Mut. Cas. Co., 330 U.S. 518, 524 (1947) ("there is good reason why it should be tried in the plaintiff's home forum if that has been his choice").

127. See Gulf Oil Corp. v. Gilbert, 330 U. S. 501, 508 (1947) and Sinochem Intern. v. Malaysia Intern. Shipping, 127 S. Ct. 1184 (2007) as to public and private factors and burden on the movant. For the Third Circuit, see Jumara v. State Farm Ins. Co., 55 F.3d 873 (3d Cir.1995); for the Fourth Circuit see Trustees of the Plumbers v. Plumbing Services, 791 F. 3d 436 (4th Cir. 2002); for the Fifth Circuit see In re Volkswagen of America, Inc., 545 F. 3d 304 (5th Cir. 2008); and for the Eastern District of Virginia see Samsung Electronics Co., Ltd. v. Rambus, Inc., 386 F.Supp. 2d 708 (E.D. Va. 9/14/2005).

128. See Plantronics, Inc. v. Callpod, Inc., 3:14-cv-04639, document 39 (N.D. Cal. 1/21/2015) ("Plaintiff Plantronics Inc. filed this declaratory judgment suit on October 17, 2014. The complaint seeks a declaration of noninfringement and invalidity of five patents owned by defendant Callpod Inc. According to Callpod, the five patents are closely related and cover "mobile conferencing" technology. *** On October 16, 2014, Plantronics filed petitions at the United States Patent & Trademark Office for inter partes review of each claim in the '250, '758, '445, and '624 patents. *** Prior to filing this suit, Plantronics filed petitions for inter partes review with respect to each claim in the '250, '758, '445, and '624 patents. As a result, this case must be stayed at least with respect to those four patents. 35 U.S.C. § 315(a)(2) ("If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed ."). The parties agree, and this Court concurs, that it is in the interest of judicial economy to stay this case in its entirety, including with respect to the '611 patent-in-suit, because the five patents are closely related and similarly directed to mobile conferencing technology.")

129. I found only one district court decision relying upon 35 USC 315(a)(2) to stay a proceeding, which is the Plantronics, Inc. v. Callpod, Inc. case noted in the prior footnote. Ironically, in that case, it was the patentee that moving for a stay of the DJ action based upon the Plaintiff having previously filed IPR petitions against four of the five patents for which the Plaintiff requested a

judgement of invalidity.

130. Docket Alarm was founded by Michael Sander whose email address is: michael.sander@docketalarm.com. Docket Alarm is a commercial service providing legal research services including PTAB Analytics.

131. See for example Coalition for Affordable Drugs V LLC v. Biogen Ma Inc., IPR2015-01993, paper 20 (PTAB 3/22/2016) (Decision by APJ McKelvey, for a panel consisting of APJs McKelvey, Lane, and Katz), in which APJ McKelvey stated that:

According to Patent Owner, “[t]he Board’s practice is to prevent petitioners from using failed institution attempts as ‘how-to guide(s)’ in preparing later challenges.” Paper 11, page 15. We are unaware of any established per se rule of this Board declining to institute based on so-called “how-to guide(s).” While it may be true that some cases determined that it was inappropriate to institute based on a second petition, § 325(d) gives the Director discretion to consider the merits of a second petition, apart from any refusal to institute on the basis of a first petition. As noted earlier, because the prior art here is significantly different from that in IPR2015-01136, we find that it is appropriate to institute an inter partes review in this proceeding.