





INTELLECTUAL PROPERTY

PTAB Monitor: Developments in Inter Partes Review Practice

KAYE | SCHOLER

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Foreword

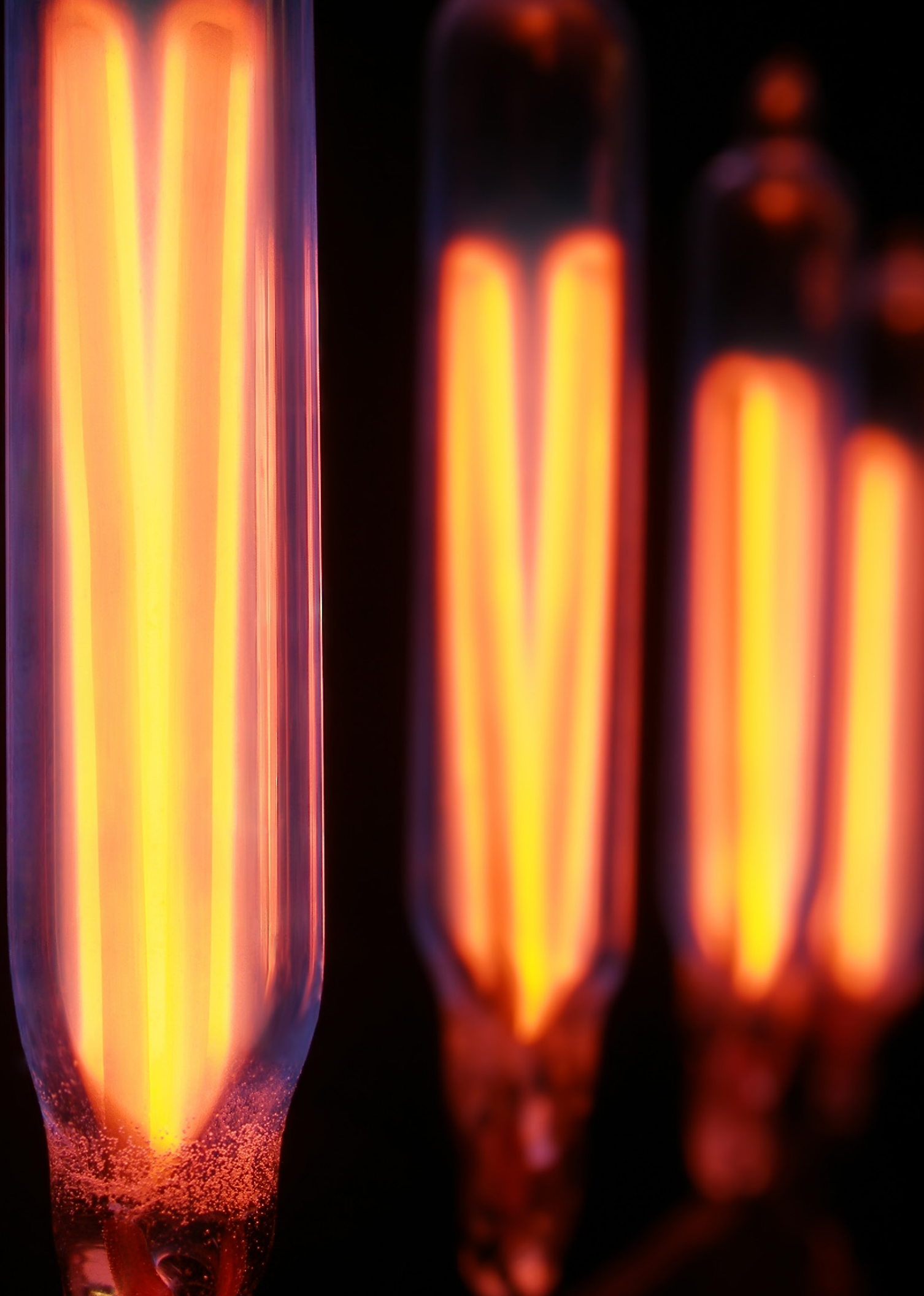
This second issue of the *PTAB Monitor* provides timely insight into two still-evolving practice areas before the PTAB—the Board’s claim amendment practice and the rise of Post Grant Review (PGR) proceedings. The Federal Circuit is quickly nearing its en banc hearing in *Aqua Products*, which could drastically alter the burden facing a patent owner seeking to amend claims during a PTAB proceeding. The Federal Circuit’s decision in this case is certain to garner much attention, whether it substantially alters amendment practice or confirms the Board’s often-criticized amendment procedure. Similarly, PGR proceedings have begun to draw attention, with the PTAB issuing its first Final Written Decisions in PGRs this year. However, it remains to be seen whether PGR proceedings will become widely used, or whether the risk of a broad estoppel will undermine their value for would-be petitioners.

This issue of the *PTAB Monitor* also includes “Case Snapshots,” summaries of the most notable recent decisions affecting PTAB practice. Lastly, “AIA Reviews: New Rule Packages Illustrate the PTO’s

Evolutionary Approach to Rulemaking” discusses the Board’s ever-evolving rules of practice and provides an analysis of how the most recent round of rule changes have impacted practice before the Board.

Kaye Scholer is a leader in PTAB practice, and our expected January 1, 2017 combination with Arnold & Porter to form Arnold & Porter Kaye Scholer LLP will further enhance that position. Building upon Kaye Scholer’s early success in PTAB proceedings and appeals of those matters to the Federal Circuit, the attorneys of the combined firm will have been involved in over 100 PTAB proceedings. This depth of experience, combined with our continued attention to developments in PTAB litigation, will maintain our place at the leading edge of PTAB practice.

We hope that this issue of the *PTAB Monitor* provides you with timely and thoughtful analysis of critical issues regarding PTAB proceedings. As always, we welcome the opportunity to continue our discussion of these issues in person, and we look forward to working with you in the future.



Federal Circuit's En Banc Review in Aqua Products Could Upend PTAB Amendment Practice

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On December 9, 2016, the en banc Federal Circuit will hear argument in *In re Aqua Products, Inc.* on an issue that has long been troubling patent owners involved in inter partes reviews (IPR)—the difficulty of amending patent claims before the Patent Trial and Appeal Board (PTAB).

During an IPR, a patent owner has the statutory right to file a motion to amend challenged claims so long as the amendment does “not enlarge the scope of the claims” or “introduce new matter.”¹ Despite these straightforward requirements, motions to amend before the PTAB have an abysmal success rate. As of April 30, 2016, the PTAB had decided 118 motions on the merits and only granted two.² Patent Trade Office (PTO) regulations broadly place the burden for any motion in an IPR on the movant.³ Because of this, the PTAB has interpreted the regulations to likewise place the burden of proving patentability of a proposed amendment on the patentee.⁴ Many patent owners attribute the low rate of successful motions to amend to this requirement.

Aqua Products, Inc. (Aqua), as a patent owner, faced this familiar problem. Following institution of an IPR against its patent on automated swimming pool cleaners, Aqua moved to substitute new claims that effectively amended some of the challenged claims by adding several limitations. Aqua only argued in its motion that one of these new limitations—requiring a downward force vector—was patentable over two prior art references at issue in the IPR, but failed to argue that the other new claim limitations would have rendered the claim non-obvious.⁵ The PTAB denied Aqua’s motion to amend, reasoning that the new downward force vector limitation would have been obvious in light of the prior art before the PTAB. The PTAB did not address whether the amended claims were patentable in light of the other limitations Aqua had proposed but not argued.

On appeal to the Federal Circuit, Aqua asserted that the PTAB’s burden-shifting interpretation of the relevant PTO regulations was impermissible and “unsupported by statute.”⁶ In a panel decision issued on May 25, 2016, the Federal Circuit, bound by its own precedent affirming the

Aqua’s supplemental rehearing briefing relies on the plain, broad language of § 316(e) to argue that the PTAB may not place the burden of proving patentability of amended claims on the patentee.

allocation of the burden of showing patentability of amendments to the patent owner, rejected this argument.⁷ The Federal Circuit further found no abuse of discretion by the PTAB when it considered only the proposed claim limitation that Aqua had affirmatively argued before it, and not the other proposed claim limitations.⁸

Subsequently, on August 12, 2016, the Federal Circuit granted a petition for rehearing en banc to consider whether the burden of persuasion allocated to the patentee by the PTAB for motions to amend is permissible under the statutory scheme.⁹ Notably, the Federal Circuit’s rehearing order specifically identifies 35 U.S.C. § 316(e), which provides that in an IPR “the petitioner,” not the patent owner, “shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.” The Federal Circuit also will consider whether the PTAB can raise *sua sponte* challenges to patentability, much the way an examiner would, if the IPR petitioner fails to do so.¹⁰

Aqua’s supplemental rehearing briefing relies on the plain, broad language of § 316(e) to argue that the PTAB may not place the burden of proving patentability of amended claims on the patentee. Given the unambiguous language, Aqua argues, the PTAB is entitled to no deference in its interpretation.¹¹ Central to Aqua’s argument is its contention that “unpatentability” in the statute is a term applicable to both issued and newly proposed claims, whereas “invalidity” would be a narrower term that “typically refers to already-issued claims.”¹² Amici Curiae who support Aqua’s position—including Pharmaceutical Research and Manufacturers of America, the American Intellectual Property Law Association and others—also point to the Supreme Court’s recent observation that

the PTAB’s application of “the broadest reasonable construction” is not unfair to patent holders precisely because of the opportunity to amend, and thus a proper interpretation makes amendments accessible to patent holders.¹³

In its supplemental briefing, the PTO relies on the explicit language in § 316(a)(9) authorizing it to set “standards and procedures for allowing the patent owner to move to amend.” According to the PTO, the more general language of § 316(e) does not detract from this explicit grant of regulatory authority it has exercised over motions to amend.¹⁴ In fact, it contends that this grant of authority exists precisely because Congress did not want to “carry forward” the amendment process from the prior inter partes reexaminations, where the statute directs the PTO to follow a “conventional examination approach.”¹⁵ The PTO also takes Aqua to task for failing to “grapple” with the administrative law precedent requiring deference to the PTO’s interpretation and pointing out that Aqua is attempting to substitute its own statutory interpretation for the PTO’s.¹⁶ Amici Curiae supporting the PTO—including tech companies like Dell, Intel, and Samsung—point to Congress’s goal of “improving patent quality” through IPRs and cite the “low success rate of motions to amend” as evidence that “inter partes review is operating as Congress intended: to target and cancel especially weak patent claims.”¹⁷ Amicus Curiae from the financial services industry similarly argues that a lighter burden for amending patents would undermine an IPR as a “relatively low-cost and prompt alternative” to litigation for invalidating patents.¹⁸

On the second en banc issue, Aqua argues that the PTAB does not have authority to raise patentability challenges *sua sponte* given the adversarial nature of IPRs. If an IPR petitioner does not challenge it, the PTAB should simply enter a proposed claim amendment.²⁰ This is the situation Aqua would be in if the case were remanded, as the petitioner has dropped out.²¹ The PTO disagrees, pointing out that § 318 requires the PTAB to address “patentability” of amended claims and only issue a certificate if they are “determined to be patentable.”²² Because of the PTO’s “broad authority” to set procedures for this “litigation-like proceeding,” it argues that the PTO could adopt rules allowing the PTAB to *sua sponte* raise a patentability challenge.²³

Aqua has essentially asked the Federal Circuit to overrule a number of its own prior decisions and decline to grant administrative deference to the PTAB's interpretation of the PTO's regulations governing motions to amend that conflict with § 316(e). While this is a tall order, it is worth noting that Aqua's plain meaning approach appears to be consistent with Judge Newman's previously articulated dissent in *Prolitec*.²⁴ Moreover, Aqua and *Amici Curiae* do not ask the court to unseat the PTO regulations themselves, just the PTAB's interpretation of them.

Until the Federal Circuit renders its en banc decision, it remains to be seen whether the burden of proving patentability of amendments will remain with the patent owner and, if not, whether the new approach will result in more amendments allowed. In the meantime, there is uncertainty for patent owners and petitioners alike that the low rate of successful amendments will continue.

1. 35 U.S.C. § 316(d).
2. See U.S. PATENT AND TRADEMARK OFFICE, PATENT TRIAL AND APPEAL BOARD: MOTION TO AMEND Study 6 (2016), <https://www.uspto.gov/sites/default/files/documents/2016-04-30%20PTAB%20MTA%20study.pdf>. This figure does not include motions to amend that were solely for purposes of cancelling claims. See also En Banc Brief for Amicus Curiae Houston Intellectual Property Law Association in Support of No Party at 5, *In re Aqua Products, Inc.*, No. 2015-1177 (Fed. Cir. Oct. 5, 2016).
3. 37 C.F.R. § 42.20(c) ("The moving party has the burden of proof to establish that it is entitled to the requested relief.").
4. See *Nike, Inc. v. Adidas AG*, 812 F.3d 1326, 1334 (Fed. Cir. 2016) ("[T]he Board permissibly interpreted this regulation as imposing the burden of proving patentability of a proposed substitute claim on the movant: the patent owner."); *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027, Paper 26 at 7 (PTAB June 11, 2013) ("In bringing a motion to amend claims, as the moving party, a patent owner bears the burden to show entitlement to the relief requested."). See also 37 C.F.R. § 42.121 (allowing patent owner to file "one motion to amend").
5. *In re Aqua Prod., Inc.*, 823 F.3d 1369, 1372 (Fed. Cir. 2016).
6. *Id.*
7. *Id.* at 1373. In addition to Nike, the panel cites to earlier panel decisions in *Microsoft Corp. v. Proxycorr, Inc.*, 789 F.3d 1292, 1307 (Fed. Cir. 2015) and *Prolitec, Inc. v. Scentair Techs., Inc.*, 807 F.3d 1353, 1363 (Fed. Cir. 2015).
8. *In re Aqua Prod.*, 823 F.3d at 1373.
9. *In re Aqua Prod., Inc.*, 2016 WL 4375651, at *1 (Fed. Cir. Aug. 12, 2016).
10. *Id.*
11. Supplemental Brief for Appellant Aqua Products, Inc. on Rehearing En Banc at 27, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Sept. 26, 2016) ("Aqua Brief"); Corrected Supplemental Reply Brief for Appellant Aqua Products, Inc. on Rehearing En Banc at 14-15, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Nov. 10, 2016) ("Aqua Reply").
12. Aqua Brief at 12; Aqua Reply at 4.
13. See, e.g., Brief of Amicus Curiae Pharmaceutical Research and Manufacturers of America in Support of Petitioner at 2, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Oct. 5, 2016); Brief of Amicus Curiae American Intellectual Property Law Association in Support of Neither Party at 9, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Oct. 4, 2016). See also *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2145 (2016).
14. Supplemental Brief on Rehearing En Banc for Intervenor—Director of the United States Patent and Trademark Office at 14-17, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Oct. 26, 2016) ("PTO Brief").
15. *Id.* at 21 & n.11.
16. *Id.* at 9.
17. En Banc Brief of the Internet Association, the Computer & Communications Industry Association, Dell, Garmin, Intel, Red Hat, Samsung, SAP America, SAS Institute, the Software & Information Industry Association, Symmetry, and Vizio as *Amici Curiae* in Support of Intervenor, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Nov. 3, 2016) at 4, 14.
18. Brief of Askeladden, LLC as *Amicus Curiae* in Support of Intervenor Director of the United States Patent and Trademark Office, *In re Aqua Prod., Inc.*, No. 2015-1177 (Fed. Cir. Nov. 2, 2016) at 6.
19. Aqua Brief at 45-46.
20. See *id.* at 38.
21. See *In re Aqua Prod.*, 2016 WL 4375651, at *1 n.1.
22. PTO Brief at 27-28.
23. *Id.* at 35.
24. See *Prolitec*, 807 F.3d at 1365-67.



Post-Grant Review: A Promising New Tool for Invalidating Patents?

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The America Invents Act established post-grant review (PGR) as a new tool for challenging the validity of granted patents. A PGR petition can be filed up to nine months after issuance of a PGR-eligible patent. During that nine-month period, PGR is the only adversarial proceeding available to challenge validity within the USPTO, as Covered Business Method (CBM) and inter partes review (IPR) petitions cannot be filed until nine months after issuance. Much like CBM reviews, petitioners can challenge the validity of the patent on the basis of §§ 101, 102, 103, and 112 in a PGR review.¹ In contrast, PGR proceedings provide more statutory grounds for challenging patents than the popular IPR process. However, unlike CBMs and IPRs, PGRs are only available for first-inventor-to-file patents (i.e. patents with an effective filing date on or after March 16, 2013).² For this reason and others, PGRs have not seen wide use. As of November 17, 2016, only 41 PGR petitions have been filed. Of those, the Patent Trial and Appeal Board (PTAB) has granted institution for 15 petitions, denied institution for seven petitions, and issued four Final Written Decisions.³

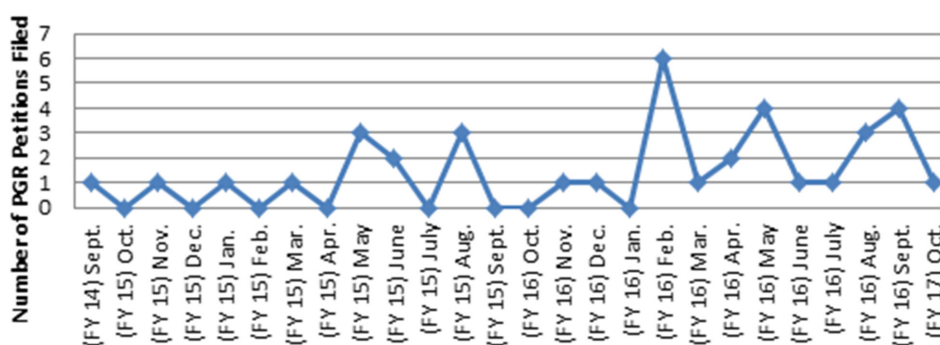
While Congress intended the PGR process to be similar to European opposition proceedings,⁴ to date, PGR has not been nearly as popular. In contrast to the small number of PGR filings, the European Patent Office (EPO) reports that the opposition rate in 2015 for granted European patents was 4.4 percent, and in that same year, the EPO issued 3,713 opposition decisions.⁵ Given the paucity of PGR petitions filed to date, Congress obviously miscalculated, at least in the near term. Time will tell if the number of PGR petitions catch up to their European counterparts. Some practitioners predict PGR reviews will increase in popularity as more patents issue that are PGR-eligible. As

shown in Figure 1, this prediction seems to have at least some merit, since the number of PGR petitions filed has edged up ever so slightly.

This article provides an overview of PGR proceedings

and highlights important practice tips drawn from the recent Final Written Decisions. The article also discusses the risk of estoppel, an extremely important issue with PGR proceedings, one which may explain PGR's lack of popularity.

Figure 1: Number of PGR Petitions Filed by Month⁶



More Grounds Are Available for Challenging a Patent’s Validity

One of the main advantages of PGR over IPR is the availability of a broader range of grounds for challenging a patent’s validity. As discussed, PGR petitions can challenge the validity of patent claims on the basis of subject matter ineligibility (35 U.S.C. § 101), anticipation (35 U.S.C. § 102) and obviousness (35 U.S.C. § 103), as well as indefiniteness, lack of enablement, or failure to meet the written description requirement (35 U.S.C. § 112). IPR petitions are limited to anticipation or obviousness challenges under Sections 102 and 103. Moreover, such challenges in an IPR can only be based on prior art patents and printed publications.⁷ PGR petitions can rely on an expanded universe of prior art, since

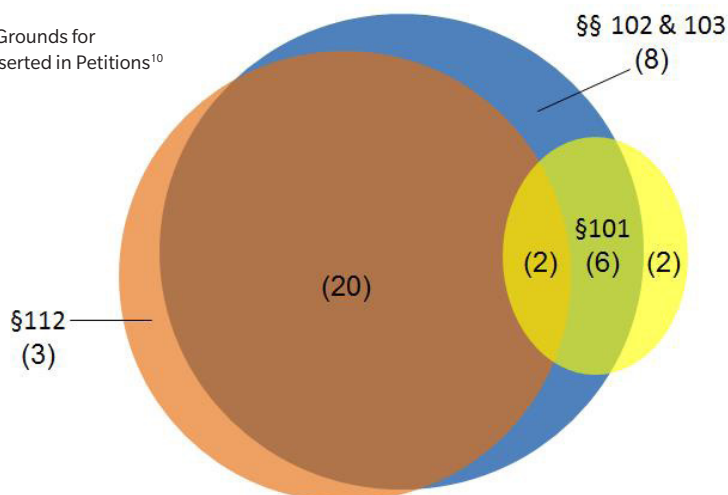
they can also challenge claims as being anticipated and rendered obvious based on prior art public uses, on-sale activities, and other public disclosures in addition to patents and printed publications.

Many of the PGR petitions filed thus far are still pending before the Board. However, a review of the institution decisions issued to date reveals that challenges based on obviousness have been the most common and also the most likely to lead to trial institution. As of November 17, 2016, the Board granted institution in 60 percent of the cases where the petitioner challenged a claim as being obvious. The least successful challenges have been those based on anticipation and indefiniteness, where the Board has only granted institution in one-third of cases.⁸ Complete data is shown below in Figure 2. The number and types of challenges are illustrated in Figure 3.

Figure 2: Grounds for Instituting Review⁹

Basis for Unpatentability	Number of Times Asserted	Number of Times Asserted in Cases with Institution Decision	Number of Times Board Granted Institution	Success Rate
Unpatentable Subject Matter	10	8	3	37.50%
Obviousness	35	20	12	60%
Anticipation	20	12	4	33.33%
Indefiniteness	16	6	2	33.33%
Enablement	15	6	3	50%
Written Description	16	6	3	50%

Figure 3: Multiple Grounds for Unpatentability Asserted in Petitions¹⁰



Practice Tips Learned From the First Final Written Decisions

PGR Proceedings Provide a Favorable Forum for § 101 Challenges

The first three PGR Final Written Decisions invalidated the challenged claims under 35 U.S.C. § 101, illustrating the continuing power of *Alice*. Applying the two-step framework described in *Alice*, the Board “first determine[d] whether the claim is ‘directed to’ a patent-ineligible abstract idea.”¹¹ Second, the Board searched for “an ‘inventive concept’—an element or combination of elements sufficient to ensure that the claim amounts to ‘significantly more’ than the abstract idea itself.”¹²

The first two PGR Final Written Decisions, the *American Simmental Association v. Leachman Cattle of Colorado, LLC* cases, involved patents related to determining the relative market value of livestock based on genetic quality.¹³ The Board determined that the patents were directed to the fundamental concept of “determining an animal’s relative economic value based on its genetic and physical traits,”¹⁴ and agreed with the petitioner’s argument that the claims were “directed largely to applications of mathematical formulas and algorithms in the field of animal valuation.”¹⁵ The Board stated that this fundamental concept was “long prevalent in our system of commerce,” as shown by the numerous examples in the “Description of Related Art.”¹⁶ The Board also found that “all computer recitations in the challenged claims are recitations to generic computer hardware used in a conventional manner, which are insufficient to impart patentability under *Alice*.”¹⁷

In its third PGR Final Written Decision, the Board conducted a similar analysis. In *Netsirv v. Boxbee, Inc.*, the challenged patent related to storage container tracking and delivery in the physical storage field,¹⁸ which the Board characterized as relating to a “bailment scheme,” which the Board found was “a long-prevalent economic practice, and constitute[s] an abstract idea.”¹⁹ After reviewing the three concepts that the patent owner argued rendered the claims significantly more than the abstract idea, the Board concluded that the claims recited “no more than the steps required to perform the abstract idea using boxes, in conjunction with routine computer application and the associated data.”²⁰

Petitions Must Contain All Evidence Needed To Prevail and Must Advance Fully Developed Arguments

While the Board’s decisions in the *American Simmental* cases invalidated all of the challenged claims under § 101, the decisions also demonstrate the importance of providing sufficient corroboration that the prior art relied upon actually qualify as prior art for challenges based on § 103.²¹ In the *American Simmental* cases, the petitioner’s obviousness argument relied on a purportedly prior art system referred to as “the Angus system.” To corroborate the prior art status of the Angus system, the petitioner submitted declarations from witnesses purported to have relevant knowledge of the system as well as two website printouts allegedly showing the Angus system. The Board did not find this evidence sufficient, holding that it was weak corroborative evidence for a number of reasons. For example, one of the website printouts was generated and thus dated after the priority date, which the Board held corroborated nothing. In contrast, the Board found that the second website printout included a revision date that was before the priority date and thus offered some corroborative evidence. However, to explain the discrepancy in dates, one of the declarants had to consult with a corporate information systems department, which the Board held contradicted the declarant’s testimony that she was personally aware that the Angus system was publicly available before the priority date. Furthermore, the Board noted that the website underwent changes at various times, and there was no definitive evidence showing the nature and timing of such changes. As a result, the Board found that the petitioner didn’t meet its burden to show that the Angus system was prior art.²²

The Board’s determination that the petitioner did not meet its burden to corroborate its purported prior art was not fatal to the petitioner in *American Simmental II* since the petitioner’s § 103 arguments did not rely exclusively on the Angus system.²³ Instead, the Board performed an obviousness analysis for the claims where the petitioner provided an alternative reference, and ultimately concluded that some of the claims were obvious in view of the alternative reference. The same was not true, however, in *American Simmental I*, where the Board held that the petitioner did not sufficiently explain how its alternative reference met each limitation of the challenged claim. Consequently, the Board rejected the petitioner’s obviousness challenge in *American Simmental I*. We stress that the Board was aware that the alternative

reference could have rendered the claim obvious, but that regardless, the Board emphasized that the burden was on the petitioner to prove unpatentability.²⁴ In other words, the Board refused to do the petitioner's job.

The Board's fourth PGR Final Written Decision provides yet another example demonstrating the importance of providing all the evidence necessary to win at trial in the originally-filed petition. In *Altaire Pharmaceuticals, Inc. v. Paragon Biotech, Inc.*, the Board found the petitioner's evidence filed with its petition lacking in several respects. First, the Board held that the petitioner failed to provide sufficient foundation to establish that its declarant qualified as an expert. Moreover, the Board held that the petitioner's attempt to cure this defect after it was raised in the patent owner's response was improper. In *Altaire*, the petitioner's reply to the patent owner's response included another declaration from the petitioner's declarant describing the declarant's experience in the industry and including the declarant's curriculum vitae. The Board rejected the petitioner's attempt to cure the defects of the original declaration, holding that proper reply evidence is limited to positions asserted in the originally-filed petition.²⁵

In addition, the Board found the petition contained insufficient support for data that petitioner relied upon to show that the prior art met certain limitations of the challenged claims. The Board held that the petitioner failed to explain both how the test that generated the data was performed as well as how the data was generated. The Board also held that the petitioner's attempt to cure these deficiencies in its reply was improper. The Board refused to consider this late-filed evidence and ultimately gave no weight to the data petitioner submitted due to the lack of credible evidence.²⁶ Consequently, the Board concluded that the petitioner failed to show that the challenged claims were obvious over the prior art, marking the first time the Board has upheld a patent in a PGR Final Written Decision.²⁷

The lessons in both the *American Simmental* cases and *Altaire* are applicable to all post-grant proceedings before the PTAB. First, petitioners must include all necessary evidence and provide thorough arguments showing that the challenged claims are invalid. Second, petitioners should not expect to be able to overcome any deficiencies in their originally-filed petition with their reply brief. And third, petitioners who offer multiple grounds of invalidity

based on alternative references should prioritize the quality over the quantity of references and ensure that each reference is thoroughly analyzed.

Motions to Amend Are Available, But Success Will Be a Challenge

Just as in CBM and IPR proceedings, patent owners may file a motion to amend the challenged claims during a PGR review.²⁸ The procedure for attempting to amend claims during a PGR is the same as during CBM and IPR reviews. To prevail on a motion to amend, the patent owner bears the burden to show that "(1) the substitute claims overcome all the grounds under which [the challenged claims] were determined to be unpatentable" and "(2) its request meets all the procedural requirements concerning motions to amend set forth in our rules."²⁹

The recent PGR Final Written Decisions suggest that patent owners will find it difficult to amend their claims during a PGR review, just as they have during CBM and IPR reviews.³⁰ The *American Simmental* cases are a good illustration of the difficulty patent owners can expect. In these cases, the Board rejected the patent owner's argument that the proposed substitute claims overcame subject matter challenges under 35 U.S.C. § 101. According to the Board, the patent owner attempted to alter the fundamental concept underlying the original claims and that regardless, the proposed claims still covered a patent-ineligible abstract idea.³¹ In addition, the Board found that the patent owner violated several procedural requirements for a motion to amend.³² Thus, the *American Simmental* cases demonstrate that overcoming subject matter eligibility challenges via claim amendments will be just as challenging in a PGR as they have been in CBM and IPR reviews. Moreover, the *American Simmental* cases serve as a valuable reminder to patent owners that they must strictly comply with the procedural requirements for motions to amend, as set forth in *Idle Free Systems, Inc. v. Bergstrom, Inc.*, Case IPR2012-00027 (PTAB June 11, 2013) (Paper 26) (informative) and *MasterImage 3D, Inc. v. RealD Inc.*, Case IPR2015-00040 (PTAB July 15, 2015) (Paper 42) (precedential).

While three of the four PGR Final Written Decisions to date have resulted in the invalidation of the challenged claims, potential PGR petitioners must consider the risk of estoppel in subsequent proceedings.

PGR Petitioners Will Likely Be Estopped From Raising Invalidity Arguments in Subsequent PTO Proceedings, Civil Actions, or ITC Proceedings

While three of the four PGR Final Written Decisions to date have resulted in the invalidation of the challenged claims, potential PGR petitioners must consider the risk of estoppel in subsequent proceedings. Title 35, Section 325(e) provides that the petitioner, the real party in interest, or privy of the petitioner may not assert in a later PTO proceeding, civil action, or ITC proceeding that any claim subject to a Final Written Decision is invalid on any grounds that the petitioner raised or *reasonably could have raised* during the PGR.³³ Estoppel is only triggered by a Final Written Decision,³⁴ meaning that if the Board denies institution or if the parties settle, the petitioner is not estopped from later pursuing challenges to the claims in subsequent proceedings. In addition, estoppel is applied on a claim-by-claim basis, so the petitioner will not be estopped from arguing in later proceedings that any previously unchallenged claims are invalid.³⁵

The risk of estoppel is significantly greater for PGRs than IPRs, and calls into question whether seeking PGR review is prudent. While the substantive language of the estoppel statute for IPRs is the same as the provision for PGRs, the scope of any estoppel in a PGR that reaches Final Written Decision will be much broader since many more challenges can be brought in a PGR compared to an IPR. As discussed, IPR petitioners are limited to challenging claims as being anticipated or rendered obvious by patents or printed publications. Any estoppel triggered by a Final Written Decision will not preclude IPR

petitioners from later challenging the claims based on grounds not available in IPR. Thus, any IPR resulting in a Final Written Decision where claims are not cancelled will not preclude a future challenge based on subject matter eligibility, indefiniteness, written description, enablement, or challenges based on prior art that is not a patent or printed publication.³⁶ By contrast, PGR petitioners who receive an adverse Final Written Decision will almost certainly be estopped from later arguing invalidity on these grounds because most of them almost certainly *reasonably could have been* raised in the petition, the only significant exception being prior art systems subject to an on-sale bar that a petitioner might only learn about during district court discovery. In short, PGR petitioners should be prepared to live with the outcome of the PGR and should expect that they will probably not be able to make any further invalidity arguments once a Final Written Decision issues.

Another factor that should be considered before seeking PGR review is that CBMs have the least restrictive estoppel provisions. Like IPRs and PGRs, CBM petitioners are estopped from asserting in a subsequent PTO proceeding that the claim is invalid on any ground that a petitioner raised or *reasonably could have raised*. However, unlike PGR and IPR proceedings, CBM petitioners are only estopped from asserting in later civil actions and ITC proceedings that the challenged claim is invalid based on grounds that a petitioner *actually* raised during the prior CBM.³⁷

Given all this, potential PGR petitioners should seriously consider whether a PGR is the best strategy for challenging validity. Because PGRs have significantly more draconian estoppel possibilities, potential petitioners should consider whether they should wait out the nine month window for filing a PGR petition and instead file either an IPR petition or, if available, a CBM petition.³⁸ For example, if you are considering challenging a patent using printed publications as your prior art but are also aware of a prior art system that affects the validity of the claims, the potential estoppel should have you seriously considering whether to wait for the nine-month PGR window to close so you can file either an IPR or CBM instead of a PGR. Should a PGR challenge based solely on the printed publication prior art result in a Final Written Decision that does not cancel all the challenged claims, a petitioner will almost certainly be estopped from challenging the claims based on the system prior art in any future proceeding.

One of the main advantages of PGR over IPR is the availability of a broader range of grounds for challenging a patent's validity.

Of course, a petitioner could also include challenges based on the system prior art in the PGR petition, but the *American Simmental* cases demonstrate the difficulties of relying on system prior art during PTAB contested proceedings. Thus, a petitioner in this situation should seriously consider waiting to file an IPR or a CBM petition.

In sum, a party filing a PGR petition is almost certainly limiting themselves to whichever challenges they raise, since if trial is instituted, any other challenge that might have been available to them in subsequent proceedings is likely going to be foreclosed by statutory estoppel.

Conclusion

As more PGR-eligible patents issue, parties who want to challenge the validity of the claims of those patents will be faced with whether to seek PGR review. While potential petitioners can challenge patents on a wide variety of grounds in a PGR, they must consider that estoppel following an unsuccessful PGR will also be very broad. Potential petitioners will have to be very confident in the challenges they bring in a PGR to overcome the very real fear of estoppel. It remains to be seen whether this fear of estoppel will undermine widespread use of PGR proceedings as more PGR-eligible patents are granted.

1. 35 U.S.C. § 321(b).
2. Section 6(f) of the AIA provides that PGR is only available to patents that are subject to the first-inventor-to-file provisions. According to Section 3(n)(1), the first-inventor-to-file provisions “shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time a claim to a claimed invention that has an effective filing date . . . that is on or after” March 16, 2013.
3. DOCKET NAVIGATOR, <https://www.docketnavigator.com/browse> (last visited Nov. 17, 2016) (searching for “Post Grant Review” under type of pleading and summarizing the results under “PTAB Institutions”).
4. See 157 CONG. REC. H4428 (daily ed. June 22, 2011) (statement of Rep. Manzullo) (“This bill would finalize the shift towards a European-style patent system through changing from a ‘first-to-invent’ to ‘first-to-file’ system; establishing a new set of ‘prior use’ rights; and adopting a third European-style ‘post-grant’ challenge.”).
5. *Annual Report 2015: Searches, Examinations, Oppositions*, EPO, <https://www.epo.org/about-us/annual-reports-statistics/annual-report/2015/statistics/searches.html#tab4> (last visited Nov. 5, 2016).
6. Patent Trial and Appeal Board Statistics, USPTO at 4 (Sept. 30, 2016), https://www.uspto.gov/sites/default/files/documents/aia_statistics_september2016A.pdf; DOCKET NAVIGATOR, <https://www.docketnavigator.com/browse> (last visited Nov. 17, 2016) (searching for “Post Grant Review” under type of pleading).
7. 35 U.S.C. § 311(b).
8. DOCKET NAVIGATOR, <https://www.docketnavigator.com/browse> (last visited Nov. 17, 2016) (searching for “Post Grant Review” under type of pleading and summarizing the results under “PTAB Institutions”).
9. *Id.* The calculations in the table take into account when claims are challenged on multiple grounds.
10. *Id.*
11. *Am. Simmental Ass’n v. Leachman Cattle of Colo., LLC*, PGR2015-00003 at 24 (PTAB June 13, 2016) (Paper No. 56) [hereinafter *Am. Simmental I*].
12. *Id.* at 25.
13. *Am. Simmental Ass’n v. Leachman Cattle of Colo., LLC*, PGR2015-00005 at 2 (PTAB June 13, 2016) (Paper No. 52) [hereinafter *Am. Simmental II*].
14. *Id.* at 17.
15. *Id.* at 15.
16. *Id.* at 17.
17. *Id.* at 18.
18. *Netsirrv v. Boxbee, Inc.*, PGR2015-00009 at 2 (PTAB Aug. 2, 2016) (Paper No. 20).
19. *Id.* at 9.
20. *Id.* at 17.
21. The holdings regarding corroboration are equally applicable to IPR and CBM proceedings.
22. *Am. Simmental II*, PGR2015-00005 at 24-25.
23. *Id.* at 26-27.
24. *Am. Simmental I*, PGR2015-00003 at 22-23.
25. *Altaire Pharms., Inc. v. Paragon Biotech, Inc.*, PGR2015-00011 at 7-9 (PTAB Nov. 14, 2016) (Paper No. 48).
26. *Id.* at 14-17.
27. *Id.* at 20.
28. 35 U.S.C. § 326(d).
29. *Am. Simmental II*, PGR2015-00005 at 42.
30. Motions to amend have rarely been successful in IPR and CBM proceedings. According to the USPTO’s recently published study of motions to amend filed since the inception of the America Invents Act, “the Board has decided the merits of a motion to amend to substitute claims in only a fraction (118 trials, or 8 percent) of the 1539 completed AIA trials.” *Patent Trial and Appeal Board Motion to Amend Study*, USPTO at 3 (Apr. 30, 2016), <https://www.uspto.gov/sites/default/files/documents/2016-04-30%20PTAB%20MTA%20study.pdf>. Of the 118 motions to amend decided on the merits, only two were granted, four were granted in part, and 112 were denied. The judges denied or denied in part the motion to amend based on a specific statutory ground for patentability in 94 of the 116 trials (81 percent), and denied the motion based solely on procedural defect in the remaining 22 of the 116 trials (19 percent). *Id.* at 4, 6.
31. *Am. Simmental II*, PGR 2015-00005 at 42-49.
32. *Am. Simmental I*, PGR 2015-00003 at 37-39.
33. 35 U.S.C. § 325(e).
34. *Id.*
35. See *Westlake Servs., LLC v. Credit Acceptance Corp.*, CBM2014-00176 at 5 (PTAB May 14, 2015) (Paper No. 28).
36. See *Star Envirotech, Inc. v. Redline Detection, LLC*, No. 8:12-cv-01861, 4-5 (C.D. Cal. Jan. 29, 2015) (order denying the plaintiff’s motion to strike the defendants’ invalidity contentions) (holding that the defendants were not estopped from relying on a reference that was a machine in the district court litigation because the reference was neither a patent or printed publication and therefore could not have been raised in the prior IPR).
37. AIA § 18(a)(1)(D).
38. Section 18(d) of the AIA defines “covered business method patent” as 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.”

PTAB Snapshots

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Precedential Standards for PTAB Decisions

Did you know? Only an opinion of the Board designated as “precedential”—of which there are only eight from IPRs or CBMs—is binding on all members of the Board. The PTAB can designate issued opinions (or portions thereof): (1) precedential; (2) informative; (3) representative; and (4) routine. Unless otherwise designated, an opinion is considered “routine.” PTAB Standard Operating Procedure 2 (rev. 9, Sept. 22, 2014).

The Federal Circuit Refused En Banc Review of the PTAB’s Practice of Partial Institution

In *SAS Institute Inc. v. ComplementSoft LLC*, Nos. 15-1346 and 16-1347, 2016 WL 6575090 (Fed. Cir. Nov. 8, 2016), the Federal Circuit denied SAS’s petition for rehearing en banc, which challenged the PTAB’s adoption of regulations that permit the institution of some, but not all, of the challenged claims in an IPR at the sole discretion of the Board.

PTAB Not Forgiving Of Late Petition Filings for Alleged Technical Difficulties

Two petitioners recently learned the hard way that the Board will not be forgiving of petitions that are filed after the one-year statutory bar because of alleged technical difficulties. *Plaid Technologies Inc. v. Yodlee Inc.*, IPR2016-00275, Paper 15 (June 9, 2016) (rejecting argument that filing system “froze” and prevented timely filing where the petitioner left no time for error and did not even attempt to serve petition on the patent owner until after deadline); *Teva Pharmaceuticals USA Inc. v. MonoSol RX LLC*, IPR2016-00281, Paper 21, (May 23, 2016) (same issue). The Board now recommends that if technical difficulties are encountered that prevent electronic filing, the petition should be emailed to the Board with a motion requesting acceptance of the submission and authorization to charge a deposit account. See PTAB E2E Frequently Asked Questions, at A2, <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/ptab-e2e-frequently-asked-questions>.

Estoppel in IPR

The “reasonably could have raised” standard for estoppel following an IPR precludes a subsequent challenge based on “prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover.” Recently, in *Praxair Distribution Inc. v. INO Therapeutics LLC*, the Board applied this standard in rejecting the petitioner’s argument that it should not be estopped from raising “recently discovered” references where the only evidence of the reasonableness of the petitioner’s prior search was an “Exemplary List of Search Results from Cardinal Intellectual Property, Inc.” that did not identify the person that did the searching, the searcher’s skill level or experience in the field, why certain keywords or keyword combinations were used to search, or state whether either of the allegedly new references was encompassed by the initial search results but not selected for the “exemplary” list. IPR2016-00781, Paper 10 at 6, 7-10 (Aug. 25, 2016).

No Appeals for Time-Bar Decisions

The Board’s decision that an IPR petition is not time-barred is not reviewable on appeal. *Wi-Fi One, LLC v. Broadcom Corp.*, No. 15-1944, D.N. 61 at 5-6 (Fed. Cir. Sept. 16, 2016) (rejecting patent owner’s argument that petitioner lacked standing because its privies had been served with an infringement complaint more than one year prior). Citing its decision in *Achates Reference Publishing v. Apple, Inc.*, 803 F.3d 652 (Fed. Cir. 2015), the Federal Circuit held that 35 U.S.C. § 314(d) prohibits appellate review of the Board’s determination to institute IPR proceedings based on a time bar because the “determination by the director whether to institute an inter partes review under this section shall be final

and nonappealable.” *Id.* at 6.

In a concurring opinion, Judge Reyna urged the Federal Circuit to revisit en banc the Federal Circuit’s decision in *Achates*. *Id.* at Concurring Op. 1. While Section 314(d) bars appellate review of decisions to institute review, the patent owner was also seeking appellate review of the Board’s Final Written Decision. *Id.* at Concurring Op. 2. Further, both *Achates* and the Supreme Court’s subsequent decision in *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141-42 (2016) acknowledges that courts have recognized an implicit and narrow exception to statutes barring judicial review where an agency has exceeded the scope of its designated authority. *Id.* at Concurring Op. 3.

Scope of IPR

Two Federal Circuit decisions illustrate the tension created by the latitude given to the PTAB to interpret and apply its own rules and the typically strict application of its rules regarding the submission of new evidence and argument after institution of an IPR. In *Genzyme Therapeutic Products LP v. BioMarin Pharma. Inc.*, 825 F.3d 1360, 1366 (Fed. Cir. 2016), the Federal Circuit rejected the patent owner's arguments challenging the Board's decision to invalidate its patents based on evidence and arguments that had not been relied upon in the Board's Institution Decision: "[T]he introduction of new evidence in the course of the trial is to be expected in *inter partes* review trial proceedings and, as long

as the opposing party is given notice of the evidence and an opportunity to respond to it, the introduction of such evidence is perfectly permissible."

While it may be acceptable for the Board to allow new evidence and argument after institution, that does not necessarily mean that a petitioner should expect that such new evidence and argument will be allowed. In *Intelligent Bio-Systems Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369-70 (Fed. Cir. 2016), a case in point, the Federal Circuit affirmed the Board's decision that the claims were not unpatentable after finding that the Board had not clearly erred in refusing to consider new evidence and arguments submitted with petitioner's reply.

Supreme Court Affirmed Use of Broadest Reasonable Interpretation Standard for Claim Construction in IPR Proceedings

In *Cuozzo Speed Techs. LLC v. Lee*, the Supreme Court unanimously held that the PTAB's use of the broadest reasonable interpretation (BRI) standard during IPR proceedings was a "reasonable exercise of the rulemaking authority that Congress delegated to the Patent Office." 136 S. Ct. 2131 (2016). The basic purpose of an IPR proceeding is to reexamine an earlier agency decision, which is not quite the same as district court litigation in which the *Phillips* standard is used. *Id.* at 2143-44. Accordingly, the BRI standard—in use by the Patent Office for more than 100 years—"helps to protect the public" by ensuring precision in drafting claims and preventing a patent from tying up too much knowledge. *Id.* at 2144.

Supreme Court Refused to Review Constitutionality of PTAB Proceedings

In October 2016, the Supreme Court denied petitions for certiorari that challenged the constitutionality of PTAB proceedings on the basis of the patent owner's Seventh Amendment right to a jury trial and Article III Separation of Powers. *MCM Portfolio LLC v. Hewlett-Packard Co.*, 812 F.3d 1284, 1292 (Fed. Cir. 2015), *cert. denied*, 2016 WL 1724103 (Oct. 11, 2016) (arguing cancellation of patent claims violated Seventh Amendment right to jury trial); *Cooper v. Lee*, No. 15-955, Pet. for a writ of certiorari, 2016 WL 355184 (Jan. 21, 2016), *cert. denied*, 2016 WL 361681 (Oct. 11, 2016) (arguing violation of Separation of Powers).

PGR Jurisdiction

The Board held that it did not have jurisdiction to institute PGR of a patent that did not have an effective filing date post-March 16, 2013, even if the applicant introduced new claims after that date that arguably lacked written description support in the original specification. *Adebimpe v. Johns Hopkins Univ.*, PGR2016-00020, Paper 14 (July 25, 2016).

Identification of Real Parties in Interest is Not a Jurisdictional Requirement

In a precedential opinion, the PTAB denied a motion to terminate proceedings where, following a corporate reorganization, the petitioner failed to file an updated mandatory notice identifying new real parties in interest within 21 days as required by 37 C.F.R. § 42.8(a)(3). *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, IPR2015-00739, Paper No. 38 at 5 (March 4, 2016). Although the mandatory notice was filed, the patent owner argued that this failure to timely comply deprived the PTAB of jurisdiction to consider the petition under 35 U.S.C. § 312(a), which states that the petition "may be considered only if" the petition identifies all real parties in interest. The PTAB held that Section 312(a) was not jurisdictional because Congress had not clearly stated that it was. Accordingly, "a lapse in compliance with those requirements does not deprive the Board of jurisdiction over the proceeding, or preclude the Board from permitting such lapse to be rectified." *Lumentum Holdings*, at 5.

Claim Amendments

In May 2016, the Board designated as precedential its Final Written Decision in *MasterImage 3D Inc. v. RealD Inc.*, IPR2015-00040, Paper 42 (July 15, 2015), wherein the Board clarified its prior holding that in a motion to amend or substitute claims, the patent owner has the burden to demonstrate a patentable distinction over the "prior art of record" and also "prior art known to the patent owner." In particular, the Board specified that "prior art of record" refers to (a) any material art in the prosecution history; (b) any material art of record in the current proceeding, including grounds which were not instituted; and (c) any material art of record in any other proceeding before the USPTO involving the patent. *Id.* at 2. The "prior art known to the patent owner . . . should be understood as no more than the material prior art that the 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." *Id.* at 3.



AIA Reviews: New Rule Packages Illustrate the PTO's Evolutionary Approach to Rulemaking

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The America Invents Act (AIA) tasked the Director of the Patent Office with creating rules for implementing post-grant proceedings (e.g., covered business method, post grant, and inter partes reviews). But while the Director enacted a rule set in 2012, the Director's view was that the rules were to be *evolutionary*. In the words of Director Michelle K. Lee, "[t]he USPTO issued rules and guidance for the new AIA proceedings in 2012. Despite best efforts, we never envisioned that our rules or guidance would be perfect at the outset, but instead anticipated making refinements along the way."¹

So, in 2014, the Patent Office conducted a nationwide "listening tour" and, in response, considered and instituted a number of rule changes for post-grant proceedings. These changes are important both to clients and practitioners because post-grant challenges have become a key component in the enforcement and defense of patent rights.² Notably, the Patent Office rule changes illustrate that the rules of post-grant proceedings are not set in stone and that the Patent Office is sensitive to issues of fairness. The most important areas addressed by the Patent Office's 2016 rule changes are as follows:

Claim Construction Standard

Importantly, the Patent Office considered but ultimately **declined** to change one of its most contentious rules—that for any unexpired patent examined in a post-grant proceeding, the Patent Office will use the Broadest Reasonable Interpretation (BRI) claim construction

standard, as opposed to the *Phillips* claim construction standard used in District Court proceedings. Notably, by the time that the Patent Office issued its decision to keep the rule unchanged, the Court of Appeals for the Federal Circuit had already affirmed the Patent Office's use of the rule,³ and the Supreme Court later agreed.⁴ But the Patent Office did clarify that for patents that are set to expire within 18 months of the petition, either party can request a *Phillips*-type claim construction standard.

The Patent Owner Can Submit New Testimonial Evidence with a Preliminary Response

One of the most important changes to the PTAB practice is the new ability of Patent Owners to submit testimonial evidence in support of their preliminary Patent Owner statements (submitted prior to an Institution Decision). Before May 2, 2016, a petitioner was able to submit a petition challenging the validity of a patent along with supporting testimonial evidence (e.g., an expert declaration), but the patent owner was only able to argue against institution *and could not submit any supporting testimonial evidence*. The Patent Office changed its rule to correct the apparent asymmetry by "allow[ing] a patent owner to submit new testimonial evidence with its preliminary response."⁵ In the six months since this rule change, roughly 31 percent of Patent Owners preliminary responses filed have included such declarations. However, notably, in the four decisions on institution that have resulted therefrom, the Board instituted trial in all four cases

The Patent Office rule changes illustrate that the rules of post-grant proceedings are not set in stone and that the Patent Office is sensitive to issues of fairness.

despite the Patent Owner having submitted a declaration with its preliminary response. See *Amneal Pharms. LLC. v. Purdue Pharma L.P. et al.*, IPR2016-01028, Paper 12 at 36-37 and IPR2016-01027, Paper 13 at 29 (instituting trial even though the patent owner submitted a declaration with regards to secondary considerations of nonobviousness); see also *AM General LLC v. UUSI LLC*, IPR2016-01050, Paper 17 at 25-26 (instituting trial even though the patent owner submitted a declaration attempting to distinguish the prior art).

It may well be the case that this rule change does not bring a substantial shift in institution decisions because “any factual dispute created by [the patent owner’s] testimonial evidence that is material to the institution decision will be resolved in favor of the petitioner solely for purposes of determining whether to institute a trial.”⁶ The Patent Office still has only three months after receiving the preliminary response to decide whether to institute review, which is not enough time to “allow generally for cross-examination of a” patent owner’s declarant or to resolve factual disputes. Therefore, declarations that only raise a battle between experts will not be enough to avoid institution. For example, in *Akamai Techs. v. Limelight Networks, Inc.*, the Patent Office received expert declarations from both the petitioner and patent owner regarding the construction of a claim term and ultimately determined that since they created a “genuine issue of material fact” the Patent Office credited the petitioner’s declaration and instituted trial. IPR2016-01011, Paper 8 at 13.

Similarly, while the Patent Office does not allow “the petitioner to file a reply brief as of right,” the Patent Office may allow a petitioner to file a reply upon a showing of good cause. In the six months since the rule changes, petitioners have filed roughly 30 such motions, half of which were granted. Notably, in the *Akamai* proceeding discussed above the petitioner filed a preliminary reply and the patent owner a surreply (on the issue of standing) and the Patent Office still instituted trial.

But we have yet to see whether this rule change will affect the course and outcome of a PTAB trial, where the Patent Office fairly weighs the strength of the experts against each other without any petitioner tie-breaker. Moreover, while a preliminary Patent Owner declaration may not be enough to dispose of trial altogether, the patent owner can use the opportunity to, through an expert, raise issues of credibility and recast facts **before** institution, refine those positions throughout trial and ultimately achieve success in a Final Written Decision.

Sanctions

The Patent Office also provided a mechanism to assure a level of good faith dealings by practitioners and parties during post-grant proceedings, by implying certifications with papers submitted in post-grant reviews and exposing practitioners and parties to sanctions if they don’t comply, akin to Rule 11 certification in district court practice. The Patent Office amended 37 C.F.R. 42.11 to specify that when a party makes a submission in a post-grant proceeding, the party impliedly certifies, to the best of their knowledge, that: (1) the paper is not being filed for an improper purpose; (2) all legal positions taken therein are warranted by either existing law or a non-frivolous argument to change the law; (3) all factual allegations made therein have (or will likely have) evidentiary support; and (4) all denials of factual contentions are true and have evidentiary support or are reasonably based on a lack of information or belief.⁷ Sanctions are available against any attorney, registered practitioner or party that violates this rule is or responsible for such a violation.

In the six months since this rule was implemented, there has been only one request for authorization to file a motion for sanctions under the new rule. The request was filed in six separate proceedings. See *Hilti, Inc. and Snap-On Inc. v. Milwaukee Electric Tool Corp.*, IPR2015-01164,

We expect to see an increased use of illustrations or graphics to explain technology and convey arguments in light of the PTO's rule changes.

IPR2015-01165, IPR2015-01166, Paper 70; *Snap-On Inc. v. Milwaukee Electric Tool Corp.*, IPR2015-01242, IPR2015-01243, IPR2015-01244, Paper 70. The patent owner alleged that the petitioner paid its declarant for his *testimony* and to “dig up” confidential documents from a third party. The Patent Office denied the request because the patent owner did not suggest that the rate paid the declarant was unreasonable for the time spent or why any breach of the patent owner’s confidentiality by the third party should be attributable to the declarant and Petitioner. While there has only been one ruling thus far under the revised rule, based on the tenor of the Board’s decision to date, we can fairly assume that the PTAB will use its sanctions power sparingly.

In addition to the substantive changes discussed above, the Patent Office’s 2016 rule changes also touched procedural aspects of PTAB proceedings, namely page limits:

Relaxing Page Limits

Previously, parties to post-grant proceedings were highly constrained by many of the Patent Office’s strict page

limits. So in rule changes on April 1 and May 2, 2016 the Patent Office changed the page limits on party submission to *word* limits. While this change may seem small, it allows parties dealing with complicated technologies to effectively use graphics to illustrate complex technological nuances without worrying about page constraints. The Patent Office also expanded the limits for certain submissions for which parties felt especially constrained (i.e., motion to amend, opposition to motion to amend, and petitioner’s reply). We expect to see an increased use of illustrations or graphics to explain technology and convey arguments in light of the PTO’s rule changes.

Conclusion

It is too soon to know what kind of impact the Patent Office’s new rules will have on post-grant proceeding outcomes. But it is clear that the Patent Office cares about the public’s perception of post-grant proceedings and is willing to listen to criticisms and take measured rule-changing action in response.

1. http://www.uspto.gov/blog/director/entry/ptab_s_quick_fixes_for
2. <http://www.uspto.gov/sites/default/files/documents/2016-07-31%20PTAB.pdf> at 6.
3. *In re Cuozzo Speed Techs., LLC*, 793 F.3d 1268, 1278 (Fed. Cir. July 8, 2015).
4. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 195 L. Ed. 2d 423 (2016)
5. <http://www.uspto.gov/sites/default/files/documents/81%20FR%2018750.pdf> at 18755; 37 C.F.R. 42.107(a).
6. <http://www.uspto.gov/sites/default/files/documents/81%20FR%2018750.pdf> at 18755; 37 C.F.R. 42.108(c).
7. See 37 C.F.R. 11.18(b)(2).

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