

JPO Judicial Symposium

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UNITED STATES
PATENT AND TRADEMARK OFFICE ®

PTAB Hearings in the “New Normal”

Hearings during the pandemic

- Over the past two years, PTAB has held over 2,300 virtual hearings:
 - ~1,300 appeals
 - ~1,000 trials
- PTAB provided the public with remote access to over 600 hearings. Nearly 98% of requests were approved.

Benefits of virtual hearings

- Saves time and money
- Positive environmental impact
- Easier to share demonstratives
- Consistent APJ appearance
- Easier access for interested parties who are not giving an oral argument

Hearing options for parties

- Virtual hearings will continue for appeals and AIA trials
 - No in-person hearings unless requested by both parties
- In-person hearings are available if both parties request
 - Arguing counsel may appear in person from any location with an APJ present
 - Most in-person hearings will still likely have one or more judges attending the hearing virtually
 - Non-arguing personnel are encouraged to attend remotely

Selecting a hearing option

- How to express a preference for virtual or in-person
 - Parties can request virtual or in-person hearing at initial conference, in a separate filing with the Board, or in their request for oral argument
 - If parties don't express a preference for virtual or in-person, the Board will email parties to determine preferences

Hearing access information for the public

- Remote access will continue for PTAB hearings, either by video or audio. This is the primary means for public access.
- Subject to availability of space, in-person public access may also be granted.
 - Includes the designated hearing location as well as alternate sites
- Public access is not available for hearings with confidential information.

Post-Arthrex

Interim process for Director review

Director review

- Arthrex provided the Director authority to review a PTAB final decision in an inter partes review by rehearing
- The Office implemented an interim process for Director review, consistent with the Arthrex decision
 - The interim process furthers the USPTO's goal of promoting innovation through consistent and transparent decision-making and the issuance and maintenance of strong patents
 - The interim process complements three other PTAB procedures the USPTO has in place to promote the same goals: panel rehearing; internal review; and the Precedential Opinion Panel (POP)

Director review

- In this interim process, such a review may be initiated sua sponte by the Director or requested by a party to an AIA proceeding in relation to a final written decision
- If initiated sua sponte by the Director, the parties to the proceeding will be given notice and may be given an opportunity for briefing
- The Director's review may address any issue, including issues of fact and issues of law, and will be de novo

Director review – webpages

- Updated USPTO interim process for Director review webpage
 - www.uspto.gov/patents/patent-trial-and-appeal-board/interim-process-director-review
 - Details on the interim Director review process
- New USPTO status of Director review requests webpage
 - www.uspto.gov/patents/patent-trial-and-appeal-board/status-director-review-requests
 - Director review requests spreadsheet, updated monthly
 - Director review granted proceedings list



Director review – procedure

- A party may request Director review of a final written decision in an inter partes review or a post-grant review by concurrently:
 - filing a request for rehearing by the Director of a PTAB decision, and
 - submitting a notification of that request by email to Director_PTABDecision_Review@uspto.gov, and copying counsel for the parties
- Only a party to a case may submit a request for Director review
Third party requests for Director review are not permitted
- During implementation of the interim procedure, the USPTO will not charge a fee



Director review – procedure

- After a panel issues a final written decision in an inter partes review or a post-grant review, a party may request either Director review or rehearing by the original PTAB panel, **but may not request both**
 - If a party requests panel rehearing, and the panel grants rehearing, a party may subsequently request Director review of that decision
 - If a party requests both Director review and panel rehearing (either together, or in the alternative), the Office will treat such a request as a request for Director review

Director review – procedure

- Parties are strongly encouraged to provide a priority-ranked list of issues being raised
- Issues that may warrant review by the Director include:
 - Issues that involve an intervening change in the law or USPTO procedures or guidance
 - Material errors of fact or law in the Patent Trial and Appeal Board (PTAB) decision
 - Matters that the PTAB misapprehended or overlooked
 - Novel issues of law or policy
 - Issues on which PTAB panel decisions are split
 - Issues of particular importance to the Office or patent community
 - Inconsistencies with Office procedures, guidance, or decisions
- Party should indicate in email requesting Director review if issue is one of first impression



Director review - procedure

- Director review requests are routed to and considered by an **Advisory Committee** that the Director has established to assist with the process
 - Advisory committee has 11 members and includes representatives from various USPTO business units who serve at the discretion of the Director
 - For each Director review request, the Advisory Committee presents the Director with the associated arguments and evidence and makes an advisory recommendation to the Director
- Decision to grant or deny a request:
 - Director review grants will be posted on the [Status of Director review requests](#) webpage
 - Director review denials can be found on the Director review status spreadsheet on the status webpage
- Director review decisions may be issued as precedential, informative, or routine decisions

Director review – requirements

- A request for rehearing by the Director must satisfy the **timing requirements** of 37 C.F.R. 42.71(d)
 - Must be filed within 30 days of the entry of a final written decision or a decision on rehearing by a PTAB panel
- A timely request for rehearing by the Director will be considered a request for rehearing under 37 C.F.R. 90.3(b) and will reset the time for appeal or civil action as set forth in that rule

Director review – statistics

(through October 5, 2022)

- 210 requests received (119 requests from limited remands; 77 requests from recent FWDs)
 - 205 completed
 - 5 granted
 - 185 denied
 - 1 withdrawn
 - 14 dismissed
 - 5 pending
- Director Review Grants
 - 15 total grants
 - 5 from requests
 - 10 sua sponte

**Interim procedure for discretionary denials
in AIA proceedings with parallel district
court litigation**

35 U.S.C. § 314(a) Institution Discretion

- Designed to reduce system costs and inefficiencies and avoid harassment by preventing unnecessary repetitious proceedings, taking into account:
 - Serial Petitions (multiple PTAB petitions filed at different times)
 - Parallel Petitions (multiple PTAB petitions filed around the same time)
 - Parallel Proceedings (in both PTAB and district court) (*Fintiv*)
 - *Fintiv* denials have decreased (peaked in FY21 Q1-Q2, down by Q4)
 - Only 3 *Fintiv* denials total in last two months of FY21 (Aug + Sept)

Interim guidance for denials under Fintiv

- Director Vidal issued interim guidance on June 21, 2022
 - [www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621 .pdf](https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf)
- The interim guidance:
 - Is based on the comments received from stakeholders, including individuals
 - Reflects the Director's consideration of feedback received from all forums, e.g., Congress, academics, small and individual inventors
 - Solidifies and provides further clarifications regarding current practices
 - Makes clear how some of the factors will be applied so that parties have certainty and avoid wasting resources



Interim guidance for denials under Fintiv

- The interim guidance addresses:
 - Applicability of Fintiv factors 1-6 to ITC proceedings
 - Fintiv factor 4: Sotera stipulation
 - Fintiv factor 6: compelling merits
 - Fintiv factor 2: trial date
- The interim guidance became effective on June 21, 2022
- The Office is exploring potential rulemaking on proposed approaches through an Advanced Notice of Proposed Rulemaking

***Fintiv* factors**

1. Whether the **court** granted a stay or evidence exists that one may be granted if a proceeding is instituted
2. ***Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision***
3. Investment in the parallel proceeding by the **court** and the parties
4. ***Overlap between issues raised in the petition and in the parallel proceeding***
5. Whether the petitioner and the defendant in the parallel proceeding are the same party
6. ***Other circumstances that impact the Board's exercise of discretion, including the merits.***

Applicability of *Fintiv* to ITC proceedings

- The PTAB will no longer discretionarily deny petitions based on applying *Fintiv* to a parallel U.S. International Trade Commission (ITC) proceeding
- Reasons:
 - Each of the *Fintiv* factors is directed to district court litigation, not to ITC proceedings
 - The ITC lacks authority to invalidate a patent and its invalidity rulings are not binding on either the Office or a district court
 - An ITC determination cannot conclusively resolve an assertion of patent invalidity
 - Denying institution because of a parallel ITC investigation does not minimize potential conflicts between PTAB proceedings and district court litigation

Sotera stipulation (*Fintiv* factor 4)

- PTAB will not discretionarily deny institution of an IPR or PGR where there is a stipulation not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition
 - *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020)
- Reasons:
 - Mitigates concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB
 - The grounds before the PTAB will differ from those in the district court and will not be resolved in the district court litigation



Compelling merits (*Fintiv* factor 6)

- Compelling meritorious challenges will be allowed to proceed at the PTAB, even where district court litigation is proceeding in parallel
- Compelling merits:
 - Challenges in which the evidence, if unrebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence
 - The compelling evidence test affirms the PTAB's current approach of declining to deny institution under *Fintiv* where the evidence of record so far in the case would plainly lead to a conclusion that one or more claims are unpatentable.
 - More demanding than the “reasonable likelihood” and the “more likely than not” standards for institution of an IPR or PGR, respectively. See 35 U.S.C. §§ 314(a), 324 (a)

Compelling merits (*Fintiv* factor 6)

- Reasons:
 - Consistent with PTAB's current approach on institution in view of strong evidence on the merits even when other factors weigh in favor of discretionary denial
 - Need to balance competing concerns of avoiding potentially conflicting outcomes and overburdening patent owners with strengthening the patent system by eliminating weak patents
 - Consistent with the authority given by Congress to revisit issued patents
 - PTAB proceeding continues even when the parallel proceeding settles or fails to resolve the patentability question
 - The patent system and the public good benefit from instituting compelling unpatentability challenges
- PTAB may still deny institution for proceedings where abuse has been demonstrated

Trial date (*Fintiv* Factor 2)

- The proximity to trial will not alone outweigh all of the other *Fintiv* factors
- Reason: Scheduled trial dates are unreliable and often change
- PTAB will look to the most recent statistics on median time-to-trial for civil actions in the relevant district court
 - <https://www.uscourts.gov/statistics/table/na/federal-court-management-statistics/2022/03/31-1>
- PTAB will also consider:
 - The number of cases before the judge in the parallel litigation
 - The speed to trial of other cases before the judge

Summary of interim guidance

- PTAB will not deny institution of an IPR or PGR under Fintiv when
 - A request for denial under Fintiv is based on a parallel ITC proceeding
 - A petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition
 - A petition presents compelling evidence of unpatentability
- PTAB will consider the speed with which the district court case may come to trial based on recent time-to-trial statistics and other evidence
- PTAB may deny institution for other reasons under §§ 314(a), 324(a), and 325(d)

Request for Comments on Director review, Precedential Opinion Panel review, and internal circulation and review of PTAB decisions

Request for Comments

Request for Comments

- The USPTO has implemented a number of interim processes that promote the accuracy, consistency, and integrity of PTAB decision-making AIA proceedings, including:
 - The current interim Director review process
 - The Precedential Opinion Panel (POP) process
 - The current interim process for PTAB decision circulation and internal PTAB review
- The USPTO plans to formalize those processes through notice and comment rulemaking



Request for Comments

- To inform such rulemaking, and to inform any modifications to the three interim processes pending formalization, on July 20, 2022, the USPTO published a [Request for Comments](#) (RFC) seeking public input.
- Comments accepted through October 19, 2022, through the Federal eRulemaking Portal at www.regulations.gov.

PTAB Pro Bono Program

PTAB Pro Bono Program

- The program matches under-resourced inventors with volunteer patent professionals for the purpose of providing free legal assistance in proceedings before the PTAB. Currently open to *ex parte* appeals and later expanding to AIA trials.

- **Administered by the PTAB Bar Association**

- www.ptabbar.org/ptab_pro_bono.php

- **More Information**

- www.uspto.gov/PTABprobono





Legal Experience and Advancement Program (LEAP)

Legal Experience and Advancement Program (LEAP)

- Goal: to foster the advancement of the next generation of patent practitioners through skills development and oral advocacy opportunities at the PTAB
- Targeting patent agents and attorneys newer to the practice of law or to the PTAB
- www.uspto.gov/leap



LEAP eligibility

- To qualify for LEAP, a patent agent or attorney must have:
 - Three (3) or fewer substantive oral arguments in any federal tribunal, including PTAB



LEAP benefits

- Board grants additional argument time to the party, typically **up to fifteen minutes, including for appeals**
 - Remember, an *ex parte* appeals hearing is typically 20 minutes, so LEAP adds a notable amount of time!
- Additional time is for the *party*
 - Time may be allocated between counsel
 - LEAP practitioner must have a substantive role



Participation

as of October 7, 2022

- 189 LEAP requests
 - 68 AIA petitioners
 - 55 AIA patent owners
 - 66 *ex parte* appellants
- 89 firms and companies represented



