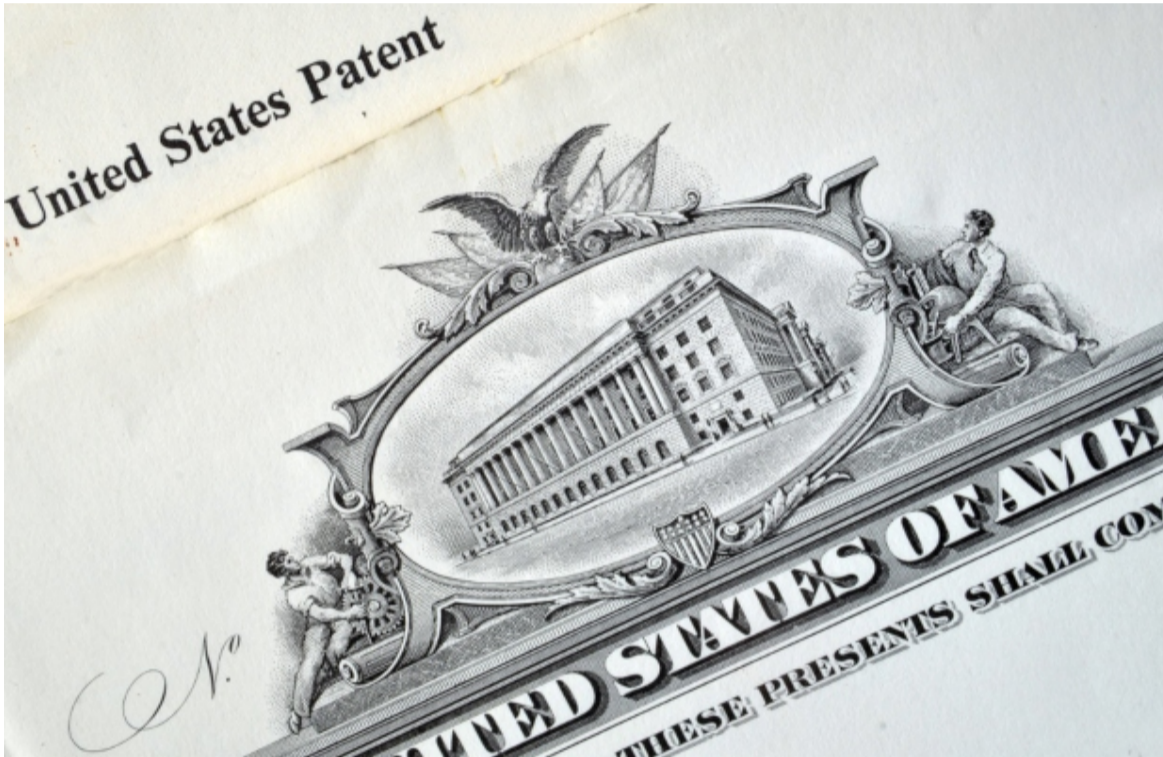


A slow year for PTAB precedential decisions

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Rick Bisenius



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The board designated no precedential opinions last year—will 2022 play out any different, asks Rick Bisenius of Fish & Richardson.

After a relatively busy 2020 in which the Patent Trial and Appeal Board (PTAB) designated over a dozen opinions as either precedential (11) or informative (4), the PTAB did not designate a single opinion as precedential or informative during the 2021 calendar year.

Many of the precedential and informative decisions from 2020 touched on the then-new concept that the status and anticipated trial date of a related district court or International Trade Commission (ITC) proceeding should weigh into the board's decision to discretionarily deny an *inter partes* review (IPR) or post-grant review (PGR) petition under § 314(a).

Although the concept that the status of a related district court proceeding should weigh in favour of denying institution under the board's discretion was first raised in 2018 in *NHK Spring v Intri-Plex Techs*, (IPR2018-00752), the six-factor test for application of discretionary denial based on a related proceeding was formalised in *Apple v Fintiv* (IPR2020-00019), which saw the paper authorising supplemental briefing to address the factors related to a co-pending parallel proceeding designated precedential in May 2020, followed by the Final Written Decision designated informative in July 2020.

Fintiv was followed by a series of other precedential and informative cases that provided guidance on how the six-factor test should be applied and how petitioners could fight back through the use of stipulations indicating prior art or invalidity grounds that would be given up in the related proceeding if the IPR were instituted.

Most notably, *Sotera Wireless v Masimo Corporation* (IPR2020-01019, Paper 12 (Dec 1, 2020) (designated precedential Dec 17, 2020)) and *Sand Revolution II v Continental Intermodal Group – Trucking LLC* (IPR2019-01393, Paper 24 (June 16, 2020) (designated informative July 13, 2020) together provided a comparison of how much weight should be afforded to stipulations having differing breadth.

Other topics touched on in decisions designated as precedential or informative in 2020 included a six-factor test for exercising discretionary denial under § 325(d) (petition based on the same or substantially the same prior art or arguments), identifying real parties in interest, agreements that must be filed with a joint motion to terminate, and when the board may *sua sponte* apply new grounds of rejection to substitute claims included with a motion to amend.

After this flurry of activity in 2020, the PTAB apparently felt that these issues related to discretionary denial and other procedural issues were largely resolved, with not a single decision designated as precedential or informative in 2021. However, the PTAB Precedential Opinion Panel (POP) did grant a request for POP review for only the fifth time since the panel was established in 2018.

This request for POP review in *Toshiba America Electronic Components v Monument Peak Ventures* (Case No. IPR2021-00330) was the only request granted out of a total of 53 requests in 2021.

In *Toshiba America*, the initial panel denied institution, finding the petition to be time-barred based on the US Patent and Trademark Office not receiving the wire-transferred filing fee until a day after the one-year bar date for challenging the patent at issue. IPR2021-00330, Paper 9.

The petitioner in that case had filed a petition on December 16, 2020, one day before the December 17, 2020, bar date for the petitioner to challenge the patent at issue. The petitioner asserted that it had filed the petition, power of attorney, and all other necessary documents on December 16 and properly served the patent owner on the same day.

The petitioner also paid the required filing fees via wire transfer on that day. However, the petition was accorded a filing date of December 21, 2020, based on the wire transferred filing fee not being received by the USPTO until December 18, 2020, which led to the petition not appearing in the Trial Division's internal docketing system until December 21.

The petitioner subsequently filed a motion to correct the filing date to December 16, 2020, the date that the petition was filed and the wire transfer was initiated.

In denying institution, the majority determined that the petitioner's evidence was insufficient to show that the wire transfer had been accepted by the Treasury NYC on December 16 (the day the petition was filed), and that even if December 16 were established as the date of the initial wire transfer, the payment was still not available to the USPTO any earlier than December 18.

The majority further found that general information on the functionality of the Fedwire system failed to establish that petitioner's wire transfer was "immediate, final and irrevocable" because this evidence did "not contain any specific information regarding Petitioner's wire transfer of the fee payment for its petition.

Judge Dirba issued a rare dissent along with the denial of institution, arguing that a filing date of December 16 should have been afforded based on the petitioner initiating the wire transfer prior to 3:00pm on Dec. 16 and taking no further actions with respect to the wire transfer or petition filing after December 16.

After denial of institution, the petitioner filed a motion for rehearing and request for review by the POP in June 2021, arguing that the panel "abused its discretion by announcing a new USPTO rule for the payment of filing fees by wire transfer." *Toshiba America*, IPR2021-00330, Paper 10.

The POP subsequently granted the request for review in September on the premise that the question "Does Fedwire confirmation of payment constitute sufficient evidence of payment under 35 USC § 312(a) and 37 CFR § 42.103(a)?" warranted further review and clarification.

The parties were authorised to submit initial 15-page briefs on October 22 and responsive 15-page briefs on November 5. The POP did not schedule an oral hearing.

On January 14, 2022, the POP issued a precedential decision overturning the initial panel and granting Toshiba's request to correct the filing date to December 16, 2020. The POP found that the USPTO permits fees to be paid by wire transfer through Fedwire and that the petitioner complied with the USPTO's published instructions for wire transfers and completed the initiation of the wire transfer on December 16, 2020.

However, the POP denied institution of the petition as moot based on the Federal Circuit having affirmed a district court's decision finding all challenged claims at issue invalid under 35 USC § 101.

Although the petitioner in *Toshiba America* was ultimately successful in establishing the earlier filing date, practitioners should heed the initial panel's warning regarding the pitfalls of filing a petition at or near the one-year bar date to avoid the additional expense and time that such a POP review requires.

With this new decision from the POP, 2022 already has one more decision designated precedential than 2021. To say that the overall effect of this most recent precedential decision will be minimal is an understatement. This case relates to an extremely rare convoluted fact pattern in which a party filed an IPR petition on the eve of its one-year bar date, combined with the fact that the petitioner's counsel did not have a pre-established deposit account with the USPTO. Such a scenario is unlikely to occur again any time soon.

The broad takeaway is that the POP will continue to take on cases where, as here, the guiding law or regulation is unclear when applied to a unique fact pattern. It remains to be seen how active the PTAB will be with respect to designating precedential decisions in 2022, whether through granting of additional POP reviews or through the more traditional method of anonymous nomination of previously issued decisions.

One thing that is certain is that the creativity of PTAB practitioners (and patent practitioners in general) knows no bounds. It is therefore only a matter of time before a new issue, such as the discretionary denial issues addressed in *Fintiv*, requires the POP to once again step in and provide clarity. Whether that time will occur in 2022 is anyone's guess.

Rick Bisenius is a principal at Fish & Richardson. He can be contacted at: bisenius@fr.com