Post-Grant for Practitioners: Post-Grant Appeals

November 5, 2020
Overview

- **Topics**
  - Important decisions
  - Developments
  - Practice tips
- **Housekeeping**
  - CLE
  - Questions
  - Materials
Agenda

• Introduction and Overview
• Best Practices
• Important Recent Case Developments
• Outstanding Issues
Appeals Filed in Major Origins

Graph from http://www.cafc.uscourts.gov/the-court/statistics as of September 2020

Notes: Includes reinstated, cross-, and consolidated appeals.
2020 Cases by Origin

Graph from http://www.cafc.uscourts.gov/the-court/statistics as of September 2020
Breaking it Down Further

Federal Circuit Opinions and Rule 36 Affirmances in Appeals Arising from the USPTO (2010-2020 YTD)

Data from The Federal Circuit Data Project at https://empirical.law.uiowa.edu/compendium-federal-circuit-decisions as of November 2020
Historical Caseload - Overall

United States Court of Appeals for the Federal Circuit
Historical Caseload

Graph from http://www.cafc.uscourts.gov/the-court/statistics as of September 2020

Note: Includes reinstated, cross- and consolidated appeals.
# Mean Time to Disposition

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Mean Time to Disposition

Dispositions of CAFC Post-Grant Appeals

- **Affirmed**, 75%
- **Mixed**, 7%
- **Reversed/Vacated**, 12%
- **Other**, 6%

Source: LegalMetric, data current as of October 2020
Federal Circuit Summary Affirmance Percentage

Rule 36 % at Federal Circuit

Federal Circuit Summary Affirmance Percentage

Rule 36% at Federal Circuit

Source: LegalMetric, data current as of March 2020
Best Practices
Before the Federal Circuit

• Issue Selection
• Standard of Review
• Issue Framing
• Clarity
Before the Board – Prepare for Appeal

- An appeal will likely happen – they are cost-efficient
- Think about issues that might be appealed
  - Highlight appealable issues in briefing before the Board preemptively
  - Consider case-specific strategy as to whether you want to propose explicit claim constructions
    - Creates a legal issue to appeal, which may or may not be good
  - Look for opportunities to create “legal” issues
    - Procedural Issues
    - Anticipation / Obviousness
    - Identifying Prior Art
  - Think about the decision you want the Board to write, and how you want to win
- Have your expert provide some technology background you can cite on appeal
Case Law Developments: Standing
Standing to Appeal

• The Board is not a court—standing is not required to file a Post-Grant petition

• Anyone but the patent owner can file an IPR or PGR
  – 35 U.S.C. § 311(a) (“[A] person who is not the owner of a patent may file with the Office a petition to institute an *inter partes* review of the patent.”)
  – 35 U.S.C. § 321(a) (“[A] person who is not the owner of a patent may file with the Office a petition to institute a post-grant review of the patent.”)

• But a party appealing a Final Written Decision must have Article III standing
  – Injury-in-fact (Concrete, imminent, particularized)
  – Causation
  – Redressability
Argentum: Partner’s Plans to Submit ANDA Not Enough
Argentum: Partner’s Plans to Submit ANDA Not Enough

- **Argentum Pharm. LLC v. Novartis Pharm. Corp.,** 956 F.3d 1374, 1377 (Fed. Cir. 2020)
  - Apotex petitioned for IPR of Novartis’ patent
  - The PTAB instituted and joined Argentum, among others
  - PTAB found petitioners did not demonstrate unpatentability and petitioners appealed but all except Argentum settled out

- **The Court:**
  - Argentum did not show it had standing on its own
  - No ANDA filed yet and any infringement suit would be directed at the ANDA filer - Argentum’s manufacturing/marketing partner
  - Insufficient evidence to show economic harm through renovating manufacturing space
  - Reiterated that estoppel under 35 USC 315(e) is not enough for standing
What is enough for specific threat of infringement?

- **Adidas AG v. Nike, Inc., 963 F.3d 1355, 1357 (Fed. Cir. 2020)**
  - Petitioner previously sued by patent owner (and direct competitor) on different patent has standing, where patent owner refused to grant CNS and asserted patent-in-suit against similar third-party product

- **Grit Energy Sols., LLC v. Oren Techs., LLC, 957 F.3d 1309, 1319 (Fed. Cir. 2020)**
  - IPR petitioner who was previously sued by patent owner on same patent has standing, where that case was dismissed without prejudice

Joined Party Has Full Appeal Rights

- **Fitbit, Inc. v. Valencell, Inc., 964 F.3d 1112, 1114 (Fed. Cir. 2020)**
  - Joined petitioner has standing to appeal FWD finding patentable only the claims the joined party did not challenge
Case Law Developments: 
*Arthrex* (legality of PTAB judges)
Issues on Appeal

#1. Whether, for purposes of the Appointments Clause, U.S. Const. Art. II, § 2, Cl. 2, administrative patent judges of the U.S. Patent and Trademark Office are principal officers who must be appointed by the President with the Senate’s advice and consent, or “inferior Officers” whose appointment Congress has permissibly vested in a department head.

#2. Whether, if administrative patent judges are principal officers, the court of appeals properly cured any Appointments Clause defect in the current statutory scheme prospectively by severing the application of 5 U.S.C. 7513(a) to those judges.
Possible Outcomes

Reverse – Government Wins

– PTAB judges get their civil service rights back, and it’s like nothing happened

Affirm

– Dozens of cases get a theoretical re-do

Reverse – Government Loses

– Hundreds of cases get a theoretical re-do
– Congress and the PTO need to figure out how to get some super-judges in place

There is still the issue of whether Petitioners can complain at all – the Federal Circuit held *(Ciena v. Oyster Optics, 5/5/20)* that they cannot.
Timeline

Argument in early 2021

Decision in May or June 2021
Take-Aways

Chill out

Preserve your objections

Follow along closely for the academic thrill
Case Law Developments: Estoppels
Three Directions of Estoppel

- Estoppel Into Litigation
- Estoppel Out of Litigation
- Estoppel Among IPRs
Estoppels Among IPRs

IPR-to-IPR Collateral Estoppel

  – Patentee estopped from attacking parts of the Board’s obviousness analysis that were common with its analysis in related IPRs, where the patentee had appealed from those other IPRs and then voluntarily dismissed its appeals

• *Power Integrations, Inc. v. Semiconductor Components Indus., LLC*, 926 F.3d 1306, 1313 (Fed. Cir. June 13, 2019)
  – Patentee not estopped from Section 315(b) challenge where it raised the issue before in a non-appealed IPR because lack-of-incentive-to-litigate exception applied
  – Appealed IPR has an associated infringement finding and damages award; non-appealed IPR did not
Estoppel into Litigation

“Winner” Estoppel

- **BTG Int’l Ltd. v. Amneal Pharms. LLC**, 19-1147 (Fed. Cir.)
  - Court ducked the issue advanced by the PTO: estoppel applies even if petitioner wins IPR
- **Major implications where collateral estoppel may not apply:**
  - While IPR is pending
  - In Hatch-Waxman, where the FDA approves generic only if the claims are invalidated “in district court”
  - Patentee gets new claims after IPR loss through re-exam

Effects of Joinder

- **Network-1 Techs., Inc. v. Hewlett-Packard Co.**, 976 F.3d 1301, 1312 (Fed. Cir. 2020)
  - Party that joins IPR after institution, and who thus cannot raise new grounds, is not estopped in district court from challenging claims based on other grounds in district court
Take-Aways

When fighting parallel IPR proceedings against related patents, patentees need to consider effect of estoppel in deciding which cases to appeal.

Petitioners should factor in potential estoppel if they win the IPR.

Time-barred petitioners may consider joining petitions, given the reduced estoppel impact.
Case Law Developments: Appellate Reviewability
Background

Section 314(d): “determination whether to institute … under this section [which deals with 102/103 determinations] shall be final and nonappealable.”

Sections 312/315: They set out, respectively, requirements of a petition (e.g., name the real party in interest and ID challenged claims) and the one-year time limit to file.

Question: What decisions are close enough to Section 314, and when can they be reviewed, if ever?

- **Cuozzo** (USSC): Whether a petition is sufficiently detailed (section 312) is close enough for review to be blocked, but review can be had for “shenanigans.”

- **WiFi One** (Fed Cir): Patentee can challenge a one-year bar decision (section 315) at the end of an IPR—not closely tied. Left open whether bar decision could be challenged from refusal to institute.

- **SAS** (USSC): Gorsuch dicta trying to narrow Cuozzo.

- **Thryv** (USSC): WiFi One is wrong – one-year bar decisions cannot be reviewed.

- **In re Cisco Systems** (Oct. 30, 2020): Essentially nothing is appealable or mandamus-able
Where It Matters

- Denials for one-year bar.
- Denial after petitioner kills claims, patentee uses reexam to get more, and one-year bar has expired (*Apple v. IXI*).
- Denial when petitioner is government contractor, government has been sued, and thus government is deemed a necessary but ineligible IPR party (*Microsoft v. Science Applications*).
- Denial for other real-party-in-interest issues.
- Denial where parallel litigation in rocket docket (W.D. Tex.: Albright) might make IPR duplicative (*NHK-Fintiv* test).
  - *In re Sand Revolution* (Fed. Cir. Sept. 28, 2020) (denying mandamus to require W.D. Tex. to stay in favor of IPR)
Take-Aways

As a petitioner, factor in these risks at the outset.

Consider what “shenanigans” might be, so as to support a mandamus “appeal.”

Keep an eye on the Intel/Apple/Google/Cisco lawsuit.

Remember that a petitioner still has litigation (e.g., DJ action) without estoppel.

Things are going to be okay. Maybe not today, and maybe not tomorrow, but eventually, it will all be okay.
Outstanding Issues
• **Personal Audio, LLC v. CBS Corp., No. 20-260** – Issues about IPR estoppel into litigation, and whether Petitioner waived on all that. (opposition filed 10/1/20)
• **Bozeman Financial LLC v. Federal Reserve Bank of Atlanta, No. 20-333** – Whether the Federal Reserve banks are government entities which cannot file an IPR petition? (requested response due 10/28/20)
• **Arctic Cat Inc. v. Bombardier Recreational Products Inc., No. 20-355** – Whether a defendant can put itself on “actual notice” for accrual of damages, or whether only the Patentee can put the defendant on notice? (requested response due 10/28/20)
• **Wilkins v. U.S. Dist. Ct. for the Eastern Dist. Of Calif., No. 20-364** – Pro se petitioner seems to want an order that the courts had no jurisdiction to correct inventorship in an application or patent. (pet filed 9/12/20)
• **Idenix Pharmaceuticals LLC v. Gilead Sciences, Inc., No. 20-380** – Enablement in the context of genus/species situations, and whether written description should have a separate “possession” requirement? (pet filed 9/21/20)
• **Section 101 Petitions**
  o **Whitserve LLC v. Donuts Inc., No. 20-325** – Can a patentee avoid Rule 12 dismissal under Section 101 simply by asserting that its invention is not routine and conventional (and has commercial success)? (pet filed 9/8/20)
• **The after-Arthrex/Polaris petitions by private parties (most involving forfeiture problems):**
  o **Duke University v. Biomarin Pharmaceutical Inc., No. 19-1475** – Another Arthrex forfeiture lead, with a substantive argument on whether a patentee has to exclude non-invention-related bases for commercial success and industry praise under Section 103? (reply filed 10/19/20)
  o **Comcast Cable Communications, LLC v. Promptu Systems Corp., No. 20-92** – Whether APJs are principal? (pet filed 7/24/20 (I think this one is rolled into the govt’s omnibus petition)
  o **Vilox Techs., LLC v. Iancu, No. 20-271** – Whether the remedy in Arthrex was legit. (I think this one is rolled into the govt’s omnibus petition)
  o **ThermoLife Int’l LLC v. Iancu, No. 20-150** – Primary argument claims the Fed Cir violated *Chenery* by making new findings in a PTAB appeal; back-up is the Arthrex issue (response due 11/13/20)
  o **Comcast Cable Comm’ns, LLC v. Rovi Guides, Inc., No. 20-273** – The main Arthrex issue and a waiver issue (reply filed 10/20/20)
  o **Rovi Guides, Inc. v. Comcast Cable Comm’ns, LLC, No. 20-414** – Apparently a cross-petition on the 20-273 case (pet filed 9/21/20)
  o **RPM Int’l Inc. v. Alan Stuart, Trustee, No. 20-314** – The main Arthrex issue, along with an argument that respondent waived by first raising it on appeal (response due 10/13/20, but not filed)
  o **Fredman Bros. Furniture Co. v. Bedgear, LLC, No. 20-408** – Whether APJs are principal or not? (response due 11/30/20)
• **IYM Techs. LLC v. RPX Corp., No. 20-424** – Challenges the finding that petitioner forfeited its Arthrex claim. (response due 11/2/20)
Post-Grant Resources

Fish Sites

- **Dedicated Website:** [http://fishpostgrant.com/](http://fishpostgrant.com/)
- **Mobile Application:** [http://fishpostgrant.com/app/](http://fishpostgrant.com/app/)
- **Case Studies:** [http://fishpostgrant.com/case-studies/](http://fishpostgrant.com/case-studies/)
- **Webinar Replays:** [http://fishpostgrant.com/webinars/](http://fishpostgrant.com/webinars/)
- **Post-Grant Radio:** [http://fishpostgrant.com/podcasts/](http://fishpostgrant.com/podcasts/)
- **Post-Grant Year-End Reports:** [https://fishpostgrant.com/downloads/](https://fishpostgrant.com/downloads/)

USPTO Sites

- **Dedicated Website:** [https://www.uspto.gov/patents-application-process/patenttrialandappealboard](https://www.uspto.gov/patents-application-process/patenttrialandappealboard)
- **Post-Grant Trial Practice Guide:**
- **Standard Operating Procedures:** [https://www.uspto.gov/patents-application-process/appealing-patent-decisions/procedures/standard-operating-procedures-0](https://www.uspto.gov/patents-application-process/appealing-patent-decisions/procedures/standard-operating-procedures-0)
Thank You!

Please send your NY CLE forms or questions about the webinar to Jane Lundberg at lundberg@fr.com.

A replay of the webinar will be available for viewing at http://www.fishpostgrant.com/webinars

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