



Post-Grant for Practitioners: 2020 Year in Review

January 14, 2021

FISH.
FISH & RICHARDSON

Meet The Speakers



Karl Renner
Principal & Post-Grant
Practice Co-Chair



Dorothy Whelan
Senior Principal &
Post-Grant Practice Co-Chair

Overview

- **Topics**
 - Important decisions
 - Developments
 - Practice tips
- **Housekeeping**
 - CLE
 - Questions
 - Materials
 - <http://fishpostgrant.com/webinars/>



FISH.
FISH & RICHARDSON

+ Live Webinar

Post-Grant for Practitioners
Post-Grant: 2020 Year in Review

SIGN ME UP

 **DATE**
Thursday
January 14, 2021

 **TIME**
1:30 PM ET/
10:30 AM PT

Post-Grant for Practitioners Webinar |
Post-Grant: 2020 Year in Review

Post-grant proceedings continue to have a significant impact on IP litigation and strategy in 2020. Despite a global pandemic and the closure of the USPTO offices, IPR filings continued at a brisk pace, reaching a total of 1,429 petitions in FY 2020, compared to 1,394 in FY 2019. The courts were also busy, with decisions touching on discretionary denials, standing, and appellate review of PTAB decisions, as well as the looming constitutional challenge to the appointment of PTAB judges that is on the Supreme Court's docket.

Complimentary Webinar
Thursday, January 14, 2021
1:30 - 2:30 PM ET

REGISTER

On Thursday, January 14, 2021, join Fish attorneys and Post-Grant Practice Co-Chairs [Karl Renner](#) and [Dorothy Whelan](#) as they discuss the most important post-grant developments of 2020, including:

- Discretionary denials in light of *FinTV*, the evolution of 314 jurisprudence, and challenges to the NHR-FinTV rule
- Appeals from institution decisions in light of *Thryv* and *Cisco Systems*
- Appeals from Final Written Decisions in light of *Argentum*
- Appeals to the Supreme Court, including SCOTUS' decision to hear *Arthrex* and what it could mean for the future of the PTAB
- The PTAB's nimble response to the COVID-19 crisis

Agenda

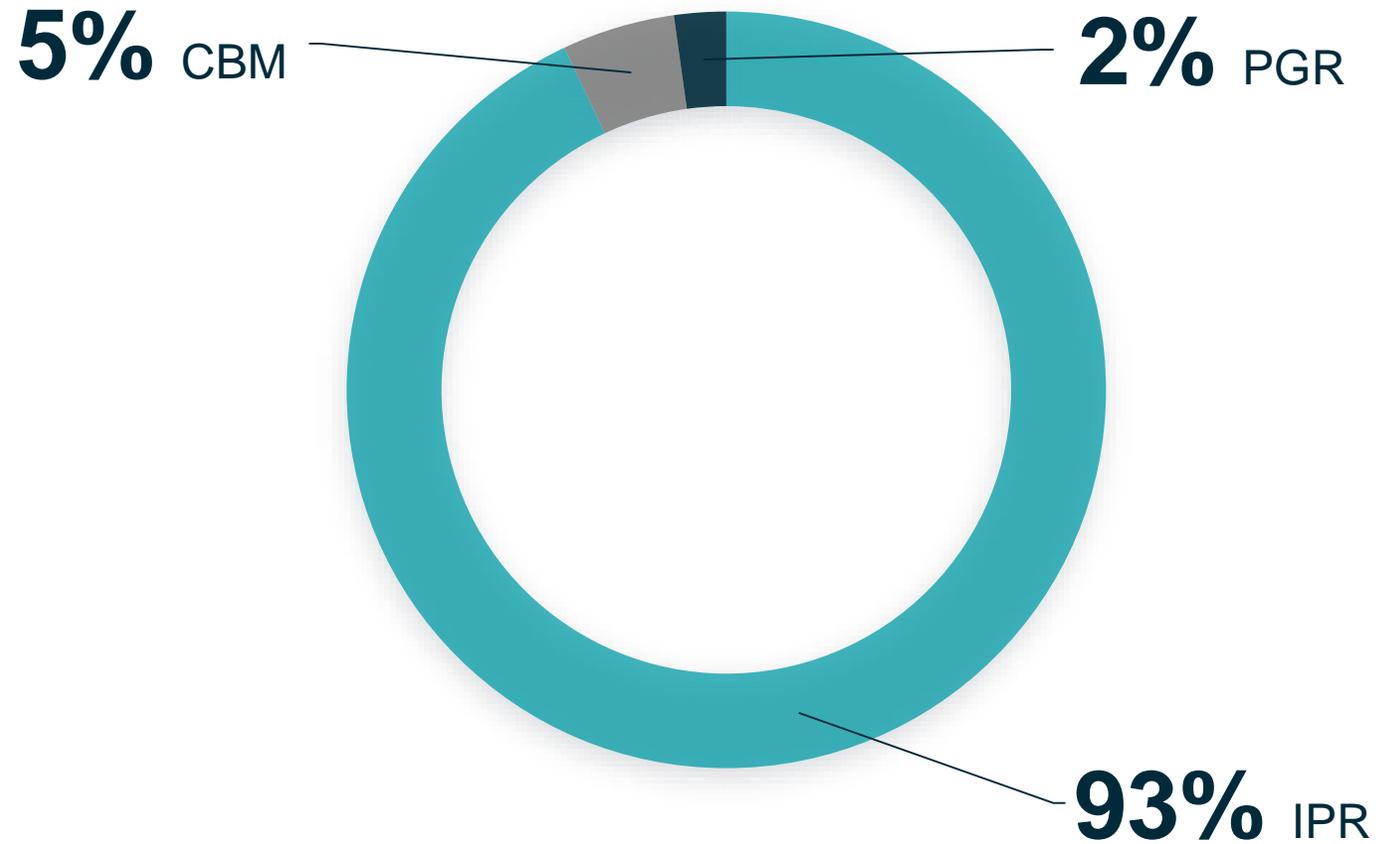
- **Statistics**
- **Important Federal Circuit and Supreme Court Decisions**
- **Discretionary Denials**
- **PTAB's Precedential Opinion Panel**
- **Motion to Amend Practice**
- **What to Watch for in 2021**



Statistics

AIA Petitions

12,530
AIA Petitions
FILED SINCE 2012

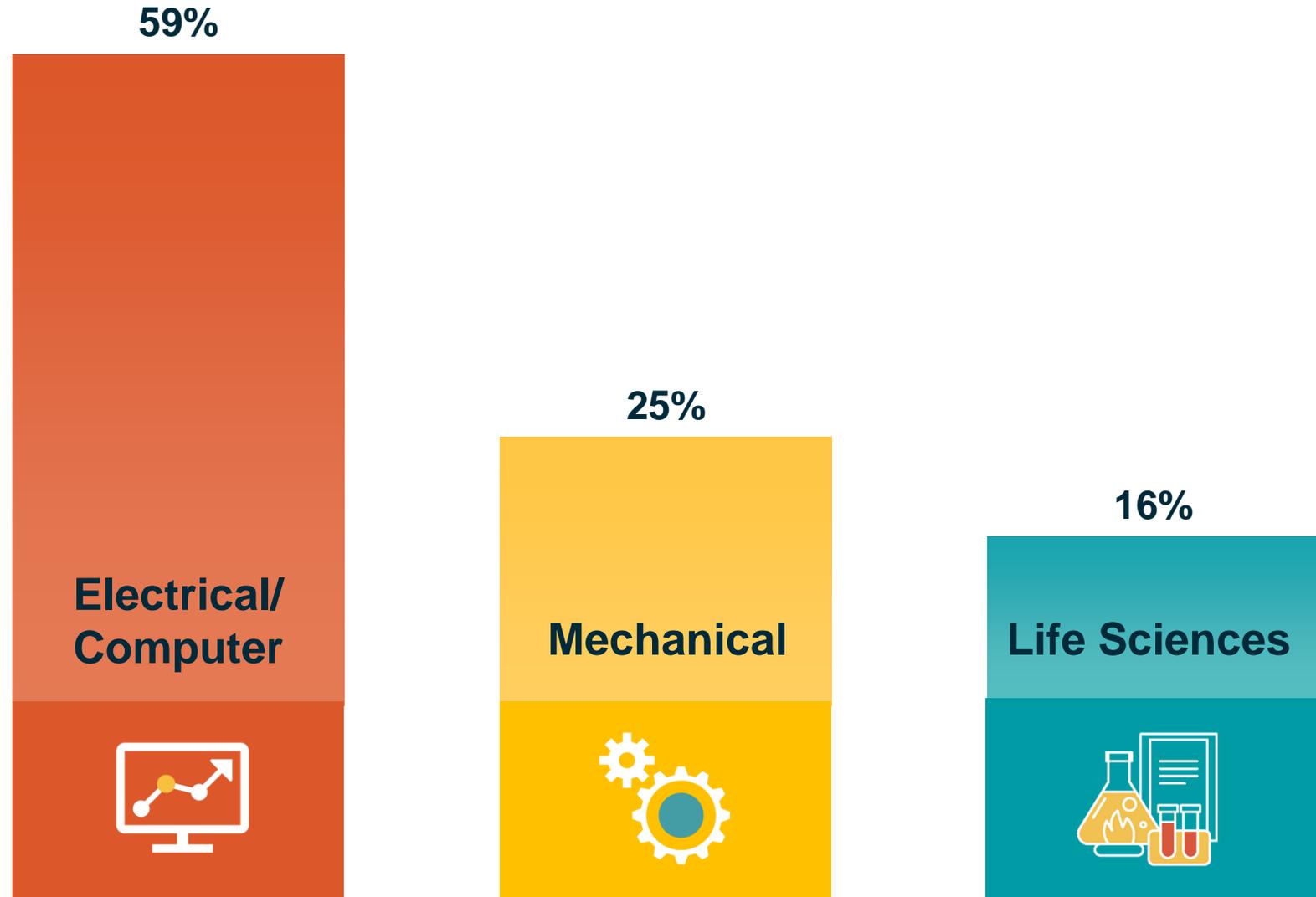


PTAB – The Most Active Forum

Most active courts by number of cases	CY2016	CY2017	CY2018	CY2019	CY2020
PTAB	1762	1801	1720	1322	1538
WDTX	38	85	89	289	857
DED	454	775	875	1001	741
EDTX	1665	864	504	332	397

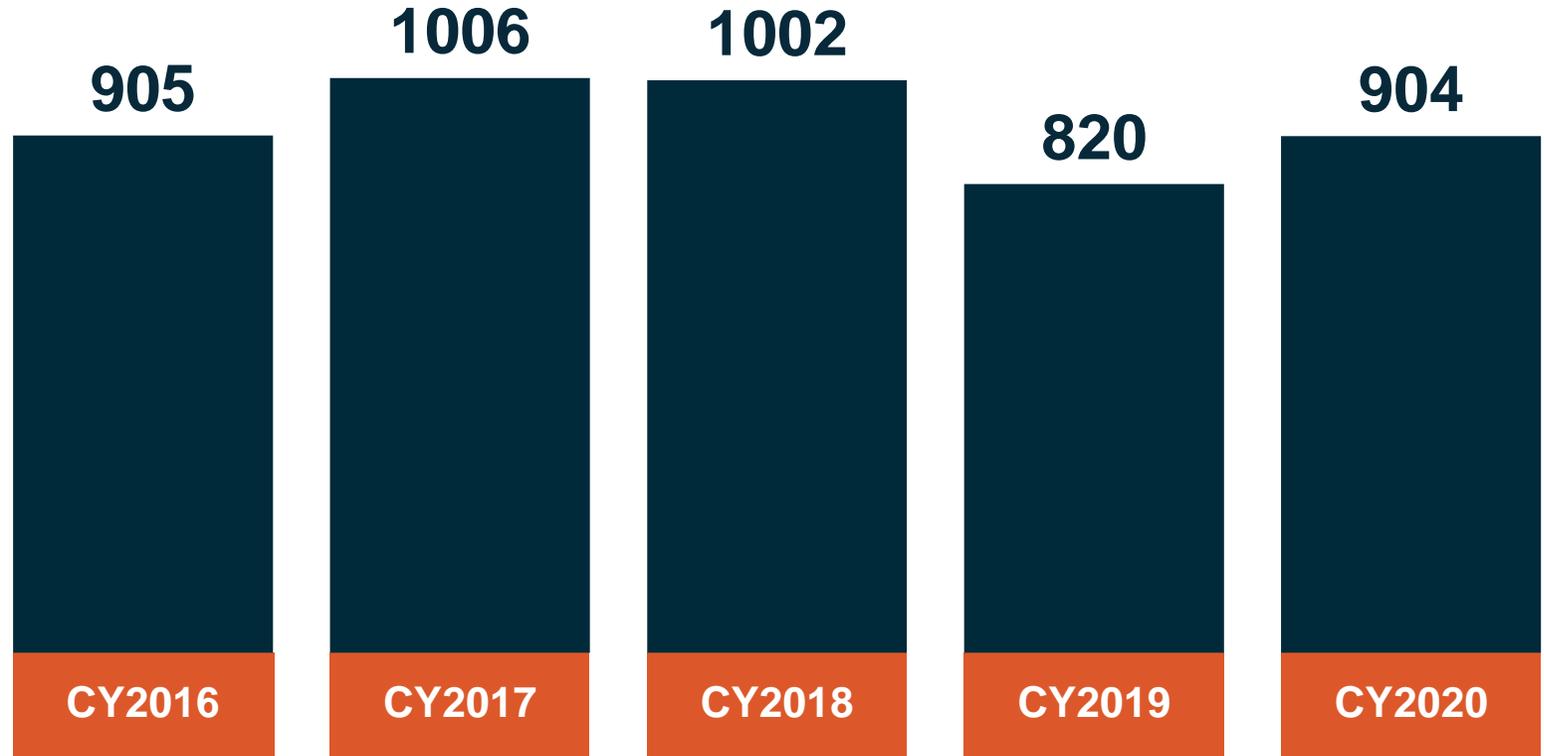
Technology Breakdown by USPTO Tech Center

2012 - Present



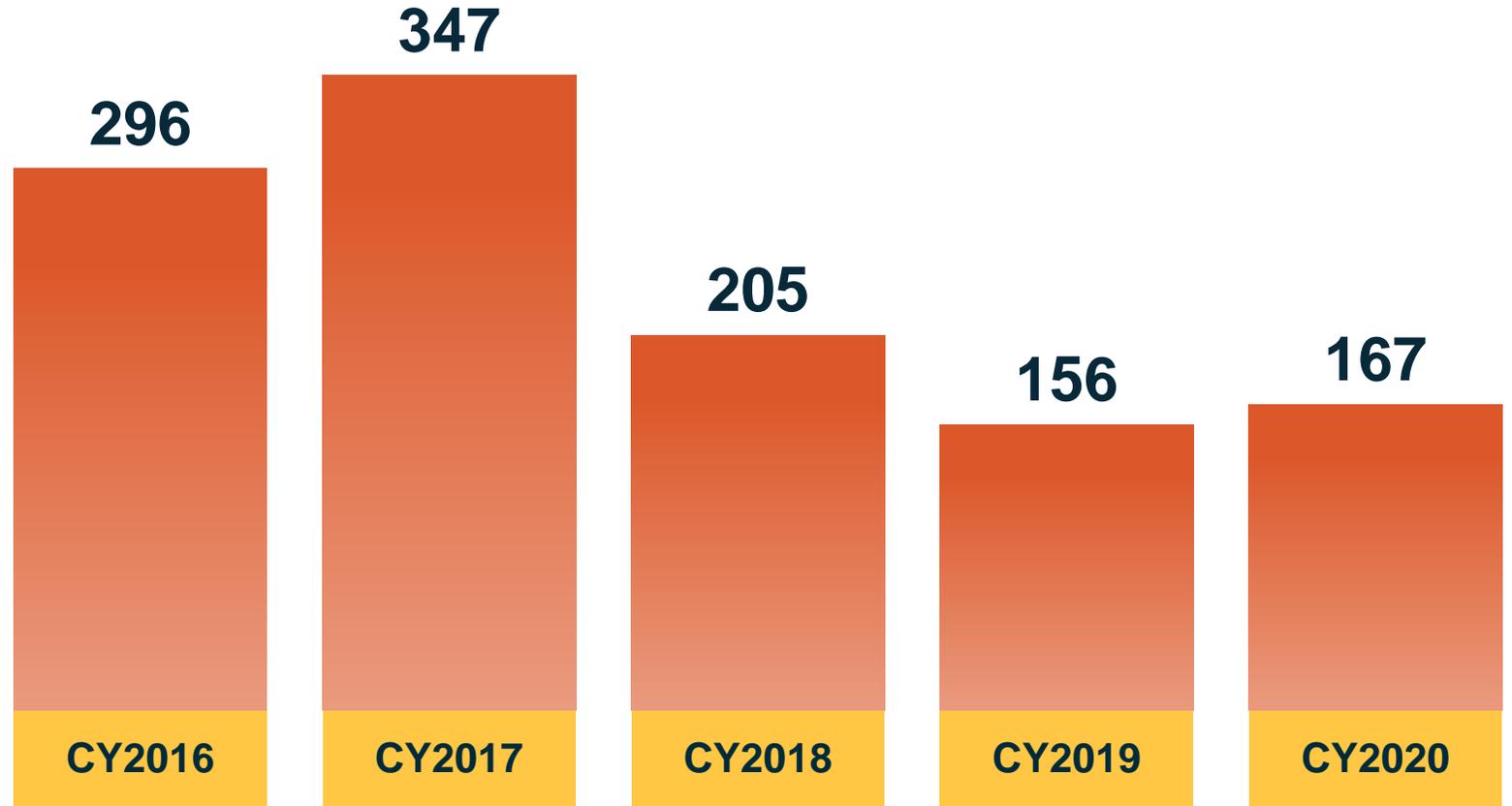
Electrical/Computer IPR Filings

**IPRS Filed in
Technology Center's
2100, 2400, 2600,
AND 2800
2016 - PRESENT**

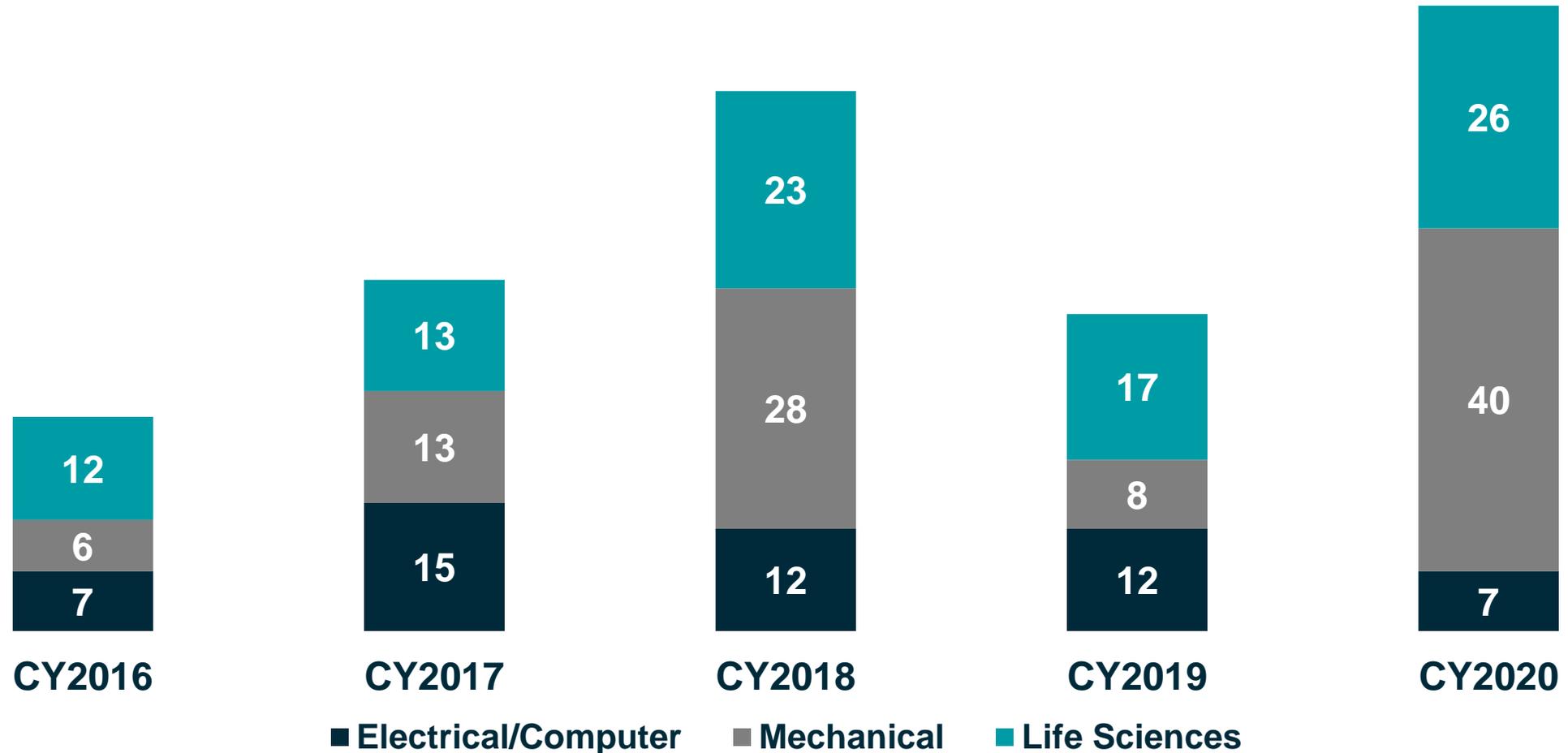


Life Sciences IPR Filings

**IPRS Filed in
Technology Centers
1600 + 1700
2016 - PRESENT**



PGR Filings



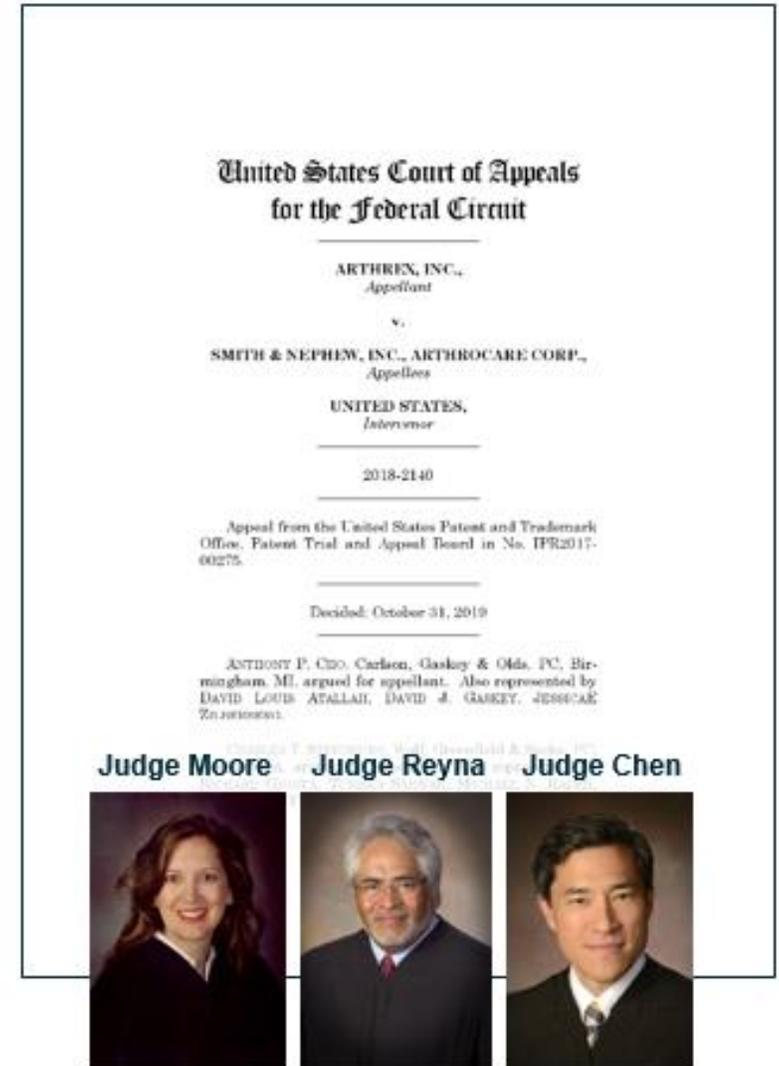
■ Electrical/Computer ■ Mechanical ■ Life Sciences



Important Federal Circuit and Supreme Court Decisions

Legality of PTAB Judges: *Arthrex*

- *Arthrex, Inc. v. Smith & Nephew, Inc.*, ___ F.3d ___, 2019 WL 5616010 (Fed. Cir. Oct. 31, 2019)
- The Constitutional Issue:
 - IPR statute gave APJs power to issue decisions binding the government, but did not **fully subordinate** them to the Secretary of Commerce or PTO Director
 - Thus in IPR, APJs act as “Superior Officers of the United States”—but they were not appointed as such
 - **Superior officers generally require Presidential appointment, with Senate advice and consent**
 - **i.e., Appointments Clause (art. II, § 2, cl. 2)**
 - The IPR statute is in this respect unconstitutional



Legality of PTAB Judges: *Arthrex*

- No dispute that APJs in this IPR (and all others . . .) were not appointed under Appointment Clause standards
- Opinion turns to whether IPR as a whole can survive
 - Striking IPR in its entirety would be highly disruptive, and against Congress’ clear intent
 - Possible to strike just one part, and keep the rest?
- **Conclusion: Yes. Severing Congress’s grant of federal employment protections to APJs [35 U.S.C. § 3(c)] is the narrowest way to preserve the statute**
 - Thus APJs are now “at-will” employees

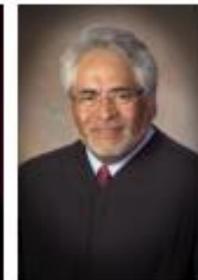
States v. Grace, 461 U.S. 171 (1983). All parties and the government agree that this would be an appropriate cure for an Appointments Clause infirmity. This as-applied severance is the narrowest possible modification to the scheme Congress created and cures the constitutional violation in the same manner as *Free Enterprise Fund* and *Intercollegiate*. Title 5’s removal protections cannot be constitutionally applied to APJs, so we sever that application of the statute.

Slip op. at 24–25

Judge Moore



Judge Reyna



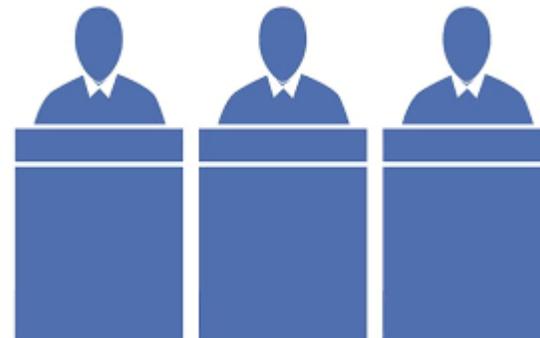
Judge Chen



Issues on Appeal to SCOTUS

#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.



Timeline



Argument likely in early 2021

Decision likely in May or June 2021



Reviewability—*Thryv v. Click to Call*

Federal Circuit

- The PTO completed an IPR and refused to block institution under the one-year bar because the old lawsuit had been dismissed.
- The panel found the institution decision unreviewable.
- But reversed on rehearing, in view of the en banc holding in *WiFi One*.

Supreme Court

- Majority ruled that *Cuozzo* controlled and that things “closely tied” to the main institution decision included the one-year bar of Section 315 (and by extension, covers all legitimate decisions made at institution).
- Gorsuch dissent (with Sotomayor): Says only Section 314 determinations (not 312 or 315) are blocked from review.

(Slip Opinion) OCTOBER TERM, 2019 1

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U.S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

THRYV, INC., FKA DEX MEDIA, INC. *v.* CLICK-TO-CALL TECHNOLOGIES, LP, ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 18–916. Argued December 9, 2019—Decided April 20, 2020

Inter partes review is an administrative process that permits a patent challenger to ask the U. S. Patent and Trademark Office to reconsider the validity of earlier granted patent claims. For inter partes review to proceed, the agency must agree to institute review. See 35 U. S. C. §314. Among other conditions set by statute, if a request comes more than a year after suit against the requesting party for patent infringement, “[a]n inter partes review may not be instituted.” §315(b). The agency’s “determination . . . whether to institute an inter partes review under this section shall be final and nonappealable.” §314(d).

Entities associated with petitioner Thryv, Inc. sought inter partes review of a patent owned by respondent Click-to-Call Technologies, LP. Click-to-Call countered that the petition was untimely under §315(b). The Patent Trial and Appeal Board (Board) disagreed and instituted review. After proceedings on the merits, the Board issued a final written decision reiterating its §315(b) decision and canceling 13 of the patent’s claims as obvious or lacking novelty. Click-to-Call appealed the Board’s §315(b) determination. Treating the Board’s application of §315(b) as judicially reviewable, the Court of Appeals concluded that the petition was timely, vacated the Board’s decision, and remanded with instructions to dismiss.

Held: Section 314(d) precludes judicial review of the agency’s application of §315(b)’s time prescription. Pp. 6–14.

(a) A party generally cannot contend on appeal that the agency should have refused “to institute an inter partes review.” §314(d). That follows from §314(d)’s text and *Cuozzo Speed Technologies, LLC v. Lee*, 579 U.S. _____. In *Cuozzo*, this Court explained that §314(d) “preclud[es] review of the Patent Office’s institution decisions”—at

Reviewability: 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 IPR2019-00124, -00125, -00139, -00140, -00141, -00181.
- 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)
 - *Intel/Google/Cisco v. Iancu* (N.D. Calif. filed Aug. 31, 2020)

Standing to Appeal—*Argentum*

- **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 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

Cases Finding 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)**
 - Joining petitioner has standing to appeal FWD on all claims at issue in IPR whether the joining party challenged them or not

Estoppel into Litigation

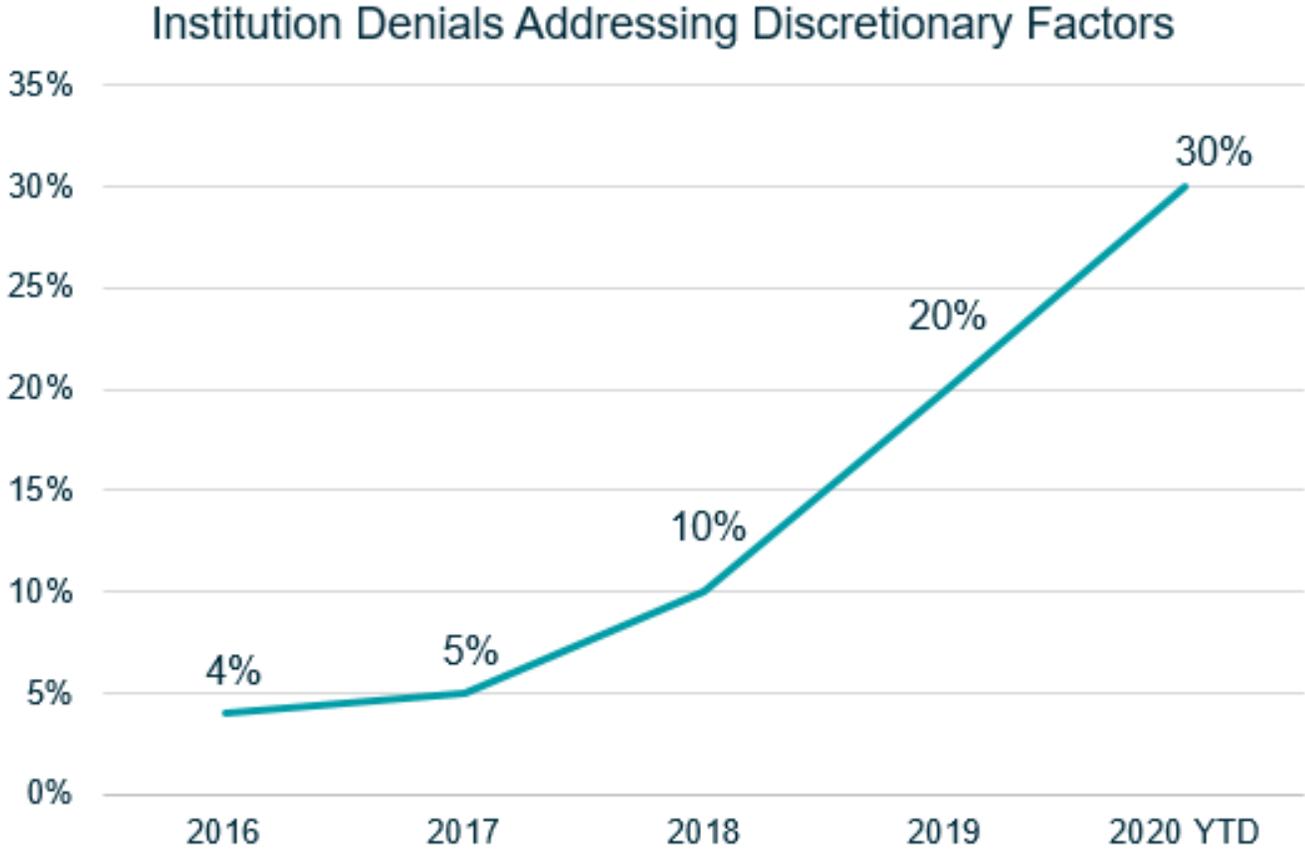
Effects of Joinder

- ***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



Discretionary Denials

Discretionary Denials on the Rise

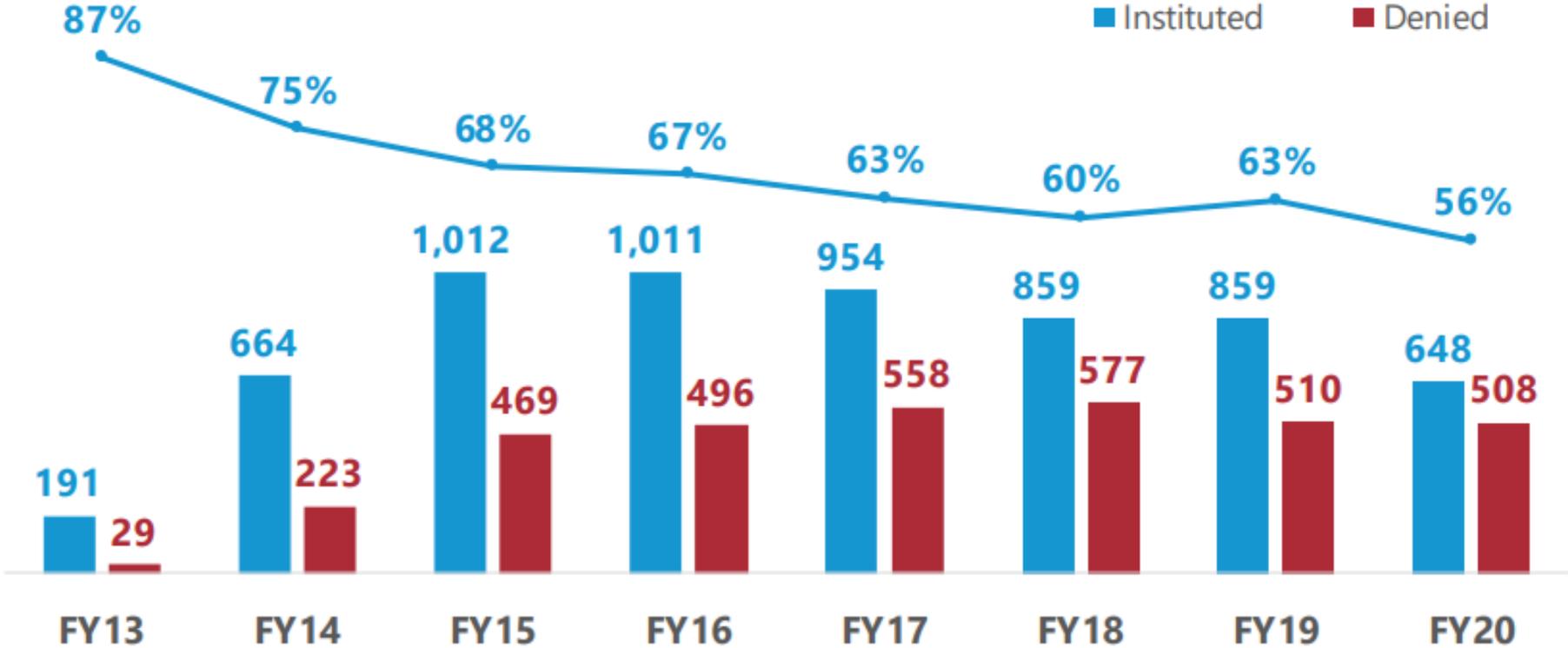


Source: Docket Navigator 11/10/2020

Impact of Discretionary Denials on Institution Rates

Institution Rates

(FY13 to FY20: Oct. 1, 2012 to Sept. 30, 2020)



***Apple, Inc., v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)**

- **In May, the Board addressed the considerations applicable to the PTAB's use of discretion to deny institution in view parallel litigation of the challenged patent**
- **Six-factor test:**
 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; and
 6. other circumstances that impact the Board's exercise of discretion, including the merits.
- **The Board explained that “[t]hese factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.”**

Fintiv Factors 2 and 3

- **In jurisdictions with expeditious trial schedules (e.g., EDTX, WDTX, ITC), *Fintiv* Factors 2 and 3 may lean in favor of institution denial**
 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
- **However, the impact of Factor 3 may be mitigated when petitions are filed promptly after litigation has commenced**

***Fintiv* Factor 4**

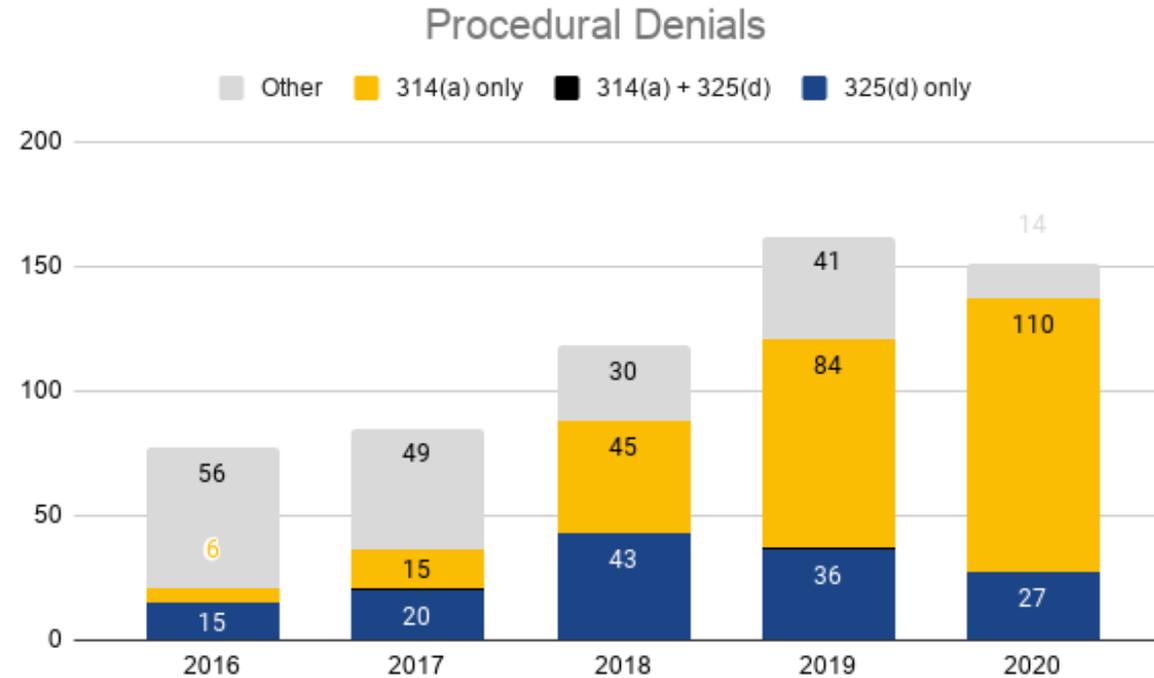
- **Emphasis is often placed on Factor 4, with petitioners going to great lengths to create non-overlap between issues raised in petitions and issues raised in parallel proceedings**
 - e.g., using prior art at the PTAB that was not advanced in the parallel litigation
 - e.g., turning to stipulations to create non-overlap by agreeing not to continue advancing certain prior art in the parallel proceeding

Sotera Wireless, IPR2020-01019 (Dec. 1, 2020)

- **Addresses the use of stipulations in the related District Court litigation to mitigate factor four of the Fintiv test (degree of overlap between issues raised in the different forums)**
- **The Board endorsed “a stipulation that, if IPR is instituted, [petitioner] will not pursue in the District Court Litigation any ground raised or that could have been reasonably raised in an IPR.”**
- **The Board explained that “Petitioner’s stipulation here mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.”**
- **Other cases have found Petitioners overcoming discretionary denial based on Fintiv with less exhaustive stipulations. See e.g., Sand Revolution, IPR2019-01393, Paper 24 (June 16, 2020)**

Discretionary Denial Under 314(a) on the Rise Post *Fintiv*

In the 151 denials to date in 2020, 314(a) has been the predominant means of procedural denial, used by the PTAB 73% of time (110 total decisions). Meanwhile, 325(d) denials are at their lowest since 2017, with only 27 denials this year. This year has also not seen any “combination” denials under both 314(a) and 325(d).



*Source: UnifiedPatents (Oct. 2020)



PTAB Precedential Opinion Panel

PTAB's Precedential Opinion Panel ("POP")

- **USPTO revised its operating procedures in 2018 to create the POP**
- **POP members (by default)**
 - Director
 - Commissioner for Patents
 - Chief PTAB Judge
- **At least 92 decisions on requests for POP review, of which only 4 have been granted in last 2 years (<5%)**

PATENT TRIAL AND APPEAL BOARD

STANDARD OPERATING PROCEDURE 2 (REVISION 10)

PRECEDENTIAL OPINION PANEL TO DECIDE ISSUES OF EXCEPTIONAL IMPORTANCE INVOLVING POLICY OR PROCEDURE

PUBLICATION OF DECISIONS AND DESIGNATION OR DE-DESIGNATION OF DECISIONS AS PRECEDENTIAL OR INFORMATIVE

This Standard Operating Procedure (SOP) addresses the designation of a Precedential Opinion Panel in adjudications before the Patent Trial and Appeal Board (Board) to decide issues of exceptional importance (e.g., involving agency policy or procedure). The SOP sets forth the composition of the Precedential Opinion Panel, describes the mechanisms for invoking Precedential Opinion Panel review of a Board decision recently issued in a pending case, and explains the Precedential Opinion Panel review process. Unless otherwise designated, Precedential Opinion Panel decisions will set forth binding agency authority.

This SOP further addresses the publication of Board decisions and the review procedure for designating Board decisions, other than Precedential Opinion Panel decisions, as precedential or informative authority for the Board. The review procedure includes a process by which an Executive Judges Committee evaluates decisions nominated for precedential or informative designation. As part of this process, the Executive Judges Committee also may solicit and evaluate comments from all members of the Board to determine whether to recommend the nominated decision for designation as precedential or informative.

Finally, this SOP includes a procedure for de-designating precedential decisions and informative decisions.

No decision will be designated or de-designated as precedential or informative without the approval of the Director. This SOP does not limit the authority of the Director to designate or de-designate decisions as precedential or informative, or to convene a Precedential Opinion Panel to review a matter, in his or her sole discretion without regard to the procedures set forth herein. Nor does this SOP limit the Director's authority to issue, at any time and in any manner,

PTAB's Precedential Opinion Panel (“POP”)

- **Function 1: Review PTAB decisions**
 - Requested *sua sponte* by the Director or any party to a proceeding
- **Function 2: Designate PTAB decisions as precedential**
 - Who nominates cases?
 - **USPTO employees**
 - **Members of the public**

A precedential decision establishes binding authority concerning major policy or procedural issues, or other issues of exceptional importance, including constitutional questions, important issues regarding statutes, rules, and regulations, important issues regarding case law, or issues of broad applicability to the Board. SOP 2, 2-3, 11.

Hunting Titan, IPR2018-00600 (Jul. 6, 2020)

- **Issue:** Whether “the Board [may] raise a ground of unpatentability that a petitioner did not advance or insufficiently developed against substitute claims proposed in a motion to amend.”
- **Outcome:** Despite a potentially broad grant of authority by the Federal Circuit in Nike, Inc. v. Adidas AG (955 F.3d 45), the POP restricted the Board’s *sua sponte* powers to “rare circumstances.”
- **Reasoning:** The adversarial nature and efficiency of IPRs is best served by putting the onus on petitioner to raise grounds against substitute claims.

Facebook v. Windy City – No Deference to POP?

- **Federal Circuit declined to uphold the Board’s ability to join issues under 35 U.S.C. § 315(c) in *Facebook, Inc. v. Windy City Innovations, LLC*, 953 F.3d 1313 (Fed. Cir. 2020).**
 - The Court reasoned that the USPTO’s statutory interpretation was not afforded deference, because the relevant statute was not ambiguous.
- **The Windy City opinion noted the POP’s contrary intervening decision upholding the right to join issues in *Proppant Express Investments, LLC v. Oren Techs, LLC*, No. IPR2018-00914, Paper 38 (P.T.A.B. Mar. 13, 2019).**
 - The panel (Prost, Plager, O'Malley) explained their unanimous belief that POP decisions should never be afforded Chevron deference.



Motion to Amend Practice

Motion to Amend Practice

- **Recent Trends and Observations**
 - No discernable uptick in MTA filing rates
 - **Patent owners may still prefer alternative mechanisms (i.e., open prosecution, EPRx, and reissue)**
 - Higher success rates (on small sample size)
 - **Pre-pilot program success rate of 14%**
 - **Director Iancu recently reported 36% success rate under the pilot program**
 - Preliminary guidance is rarely positive (reportedly <10%)
 - Filing a revised MTA is the most popular strategic choice by patent owners

Motion to Amend Practice

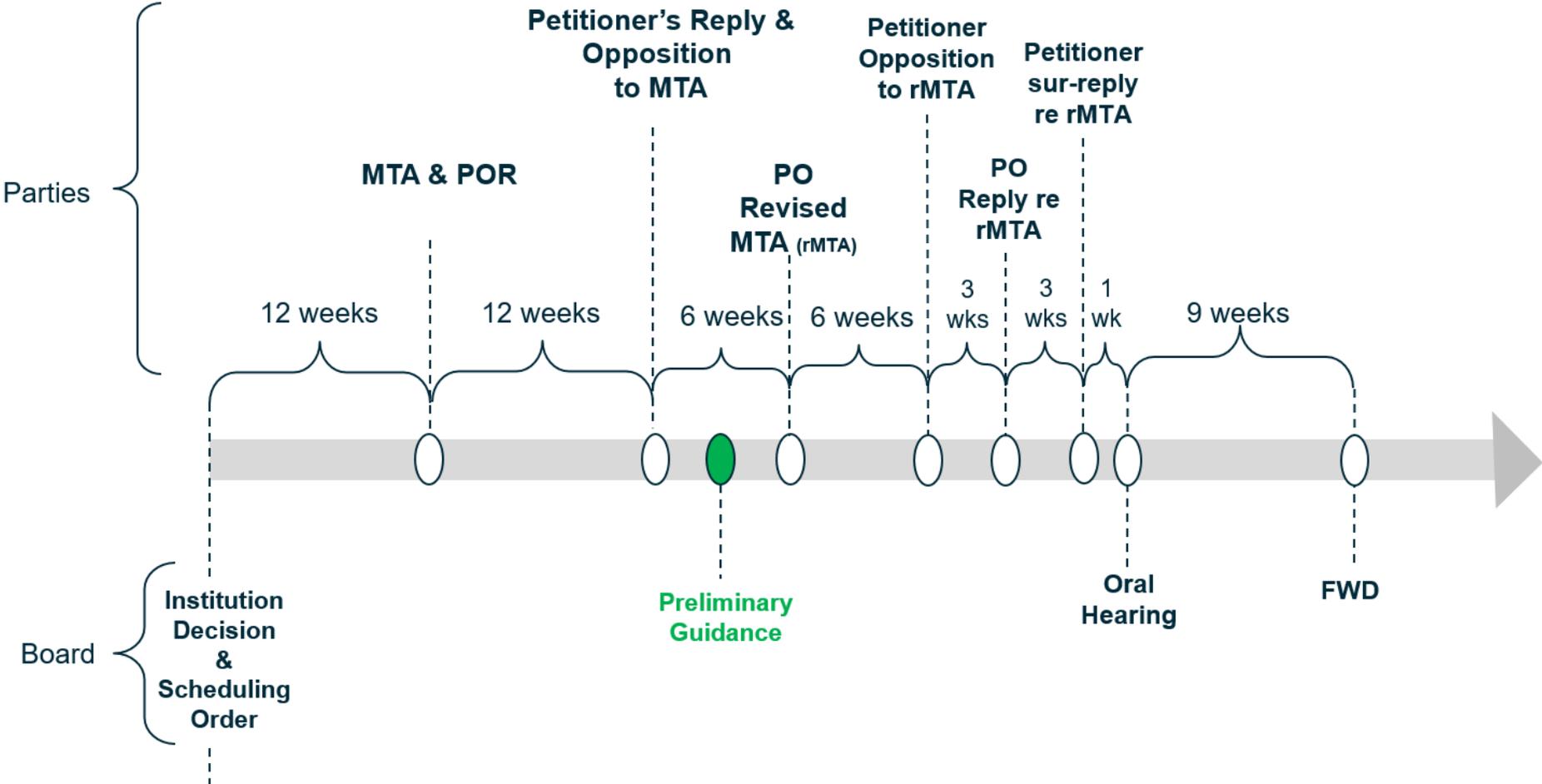
- **Available in proceedings instituted on or after March 15, 2019**
- **Overview:**
 - Under the Pilot Program, Patent Owner can:
 - **Request nonbinding preliminary Board guidance on its MTA**
 - After receiving the Board’s preliminary guidance and Petitioner’s Opposition, Patent Owner can:
 - 1. File a revised MTA;**
 - 2. File a reply in defense of the original MTA;**
 - 3. Hold arguments in defense of the original MTA for a sur-reply; or**
 - 4. Withdraw from the MTA process altogether.**

Motion to Amend Practice

- **Issues Addressed by Non-Binding Preliminary Guidance**
 - Reasonable Number of Substitute Claims
 - Responsiveness to the Petition's Grounds of Unpatentability
 - Impermissible Enlargement of Claim Scope
 - Impermissible New Matter (Written Description Support)
 - Patentability (101/102/103/112)

Motion to Amend Practice

Compressed timeline raises challenges for both parties





What to Watch for in 2021

A New Director For the USPTO?

- **With a new presidential administration comes the possibility of a replacement for Andrei Iancu as Director of the USPTO**

COMING SOON!



2020
Post-Grant Report



Post-Grant Resources

Post-Grant Resources

Fish Sites

- **Dedicated Website:** <http://fishpostgrant.com/>
- **Mobile Application:** <http://fishpostgrant.com/app/>
- **Case Studies:** <https://fishpostgrant.com/cases/>
- **Webinar Replays:** <http://fishpostgrant.com/webinars/>
- **Post-Grant Radio:** <http://fishpostgrant.com/podcasts/>
- **Post-Grant Year-End Reports:** <https://fishpostgrant.com/post-grant-report/>

USPTO Sites

- **Dedicated Website:** <https://www.uspto.gov/patents-application-process/patenttrialandappealboard>
- **Post-Grant Trial Practice Guide:** <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trial-practice-guide-july-2019-update>
- **Standard Operating Procedures:** <https://www.uspto.gov/patents-application-process/appealing-patent-decisions/procedures/standard-operating-procedures-0>
- **Guidance on SAS:** <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-ai-trial>
- **Statistics:** <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/statistics>

Thank You To Our Additional Contributors



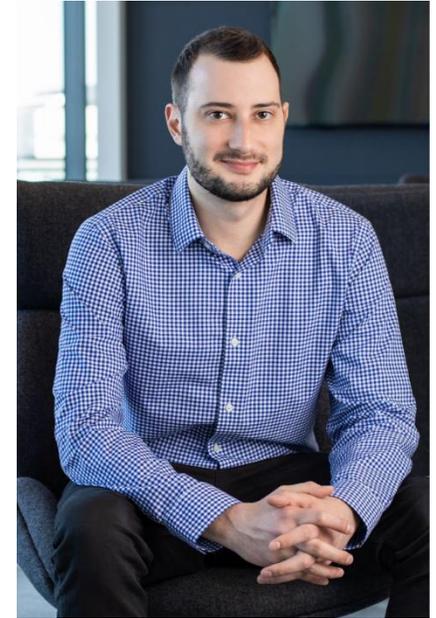
Kenneth Darby
Principal



David Holt
Principal



Rick Bisenius
Principal



James Cosgrove
Senior Content Coordinator



Karl Renner
Principal
renner@fr.com



Dorothy Whelan
Sr. Principal
whelan@fr.com

Thank You!

Please send your NY
CLE forms to
mcleteam@fr.com.

Any questions about the webinar contact
Lauren McGovern at mcgovern@fr.com

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

© Copyright 2021 Fish & Richardson P.C. The opinions expressed are those of the authors and do not necessarily reflect the views of Fish & Richardson P.C., any other of its lawyers, its clients, or any of its or their respective affiliates. This presentation is for general information purposes and is not intended to be and should not be taken as legal advice and does not establish an attorney-client relationship.

These materials may be considered advertising for legal services under the laws and rules of professional conduct of the jurisdictions in which we practice.. Legal advice of any nature should be sought from legal counsel. Unsolicited e-mails and information sent to Fish & Richardson P.C. will not be considered confidential and do not create an attorney-client relationship with Fish & Richardson P.C. or any of our attorneys. Furthermore, these communications and materials may be disclosed to others and may not receive a response. If you are not already a client of Fish & Richardson P.C., do not include any confidential information in this message. For more information about Fish & Richardson P.C. and our practices, please visit www.fr.com.

FISH.
FISH & RICHARDSON