

**Post-Grant for Practitioners
Webinar Series**

**Post-Grant for Practitioners
2021 Year in Review**

January 31, 2022



Meet The Speakers



Karl Renner
Principal



Dorothy Whelan
Senior Principal

Post-Grant for Practitioners: Overview

- **Topics**

- Important Decisions
- Developments
- Practice Tips

- **Housekeeping**

- CLE
- Questions
- Materials

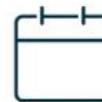
- <http://fishpostgrant.com/webinars>



+ Complimentary CLE Webinar

Strategic IP Considerations of Batteries and Energy Storage Solutions

SIGN ME UP



DATE

Thursday,
February 10, 2022



TIME

1:30 - 2:30 PM ET/
10:30 - 11:30 AM PT

Webinar | Strategic IP Considerations of Batteries and Energy Storage Solutions

The lithium-ion battery has expanded far beyond the consumer electronics industry, sparking a gold rush of research and development aimed at producing lower-cost, higher-performance batteries that can be used in a wider range of applications. Over the past decade, developments in battery technology have led to the rapid adoption of electric vehicles and opened new possibilities for energy storage solutions. With these technical advances comes an increase in legal activity, including intellectual property (IP) filings and litigation.

2021 Year in Review: Agenda

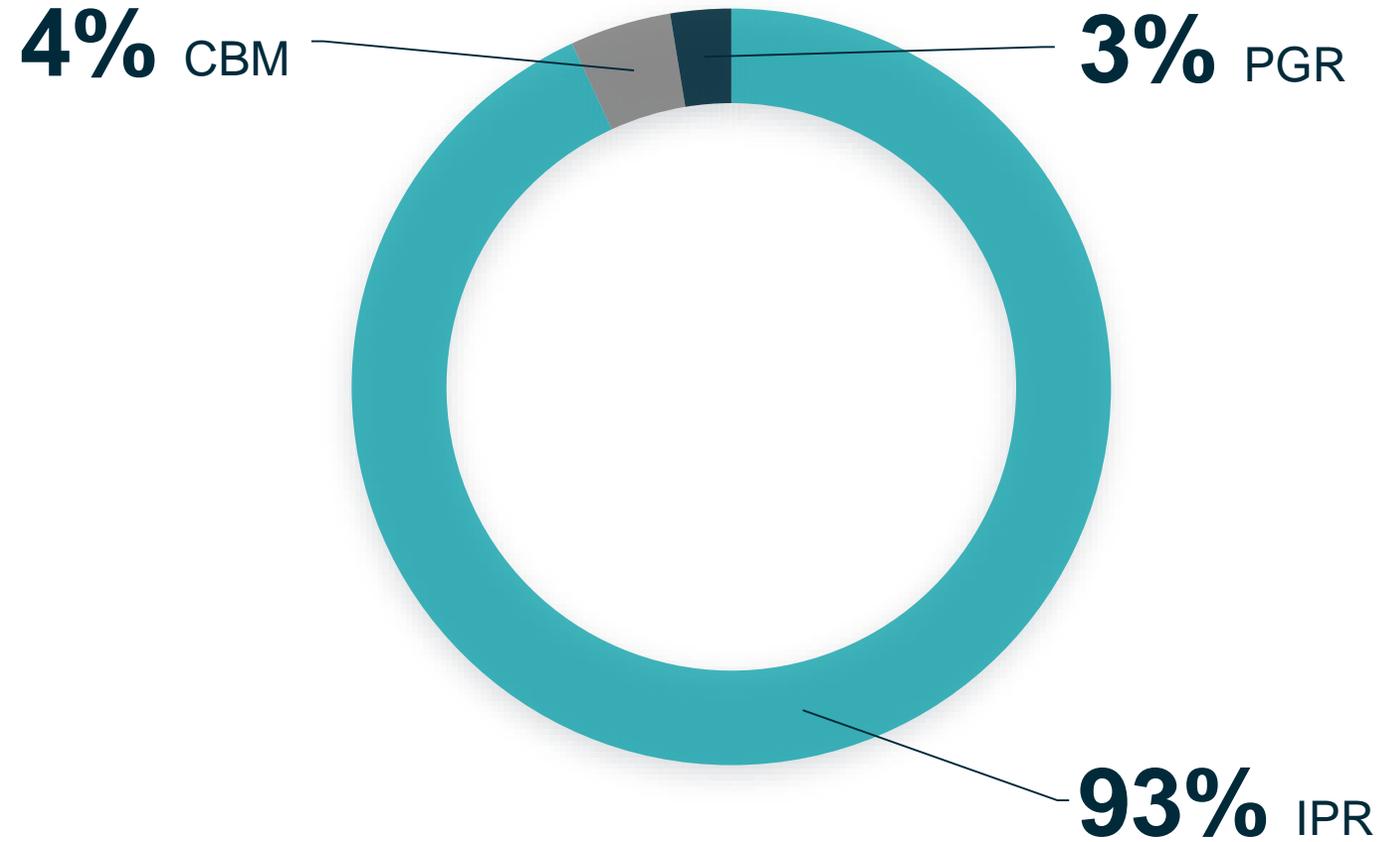
- **Statistics**
- ***Arthrex* and Director Review**
- **Developments in Discretionary Denials**
- **Other Notable Decisions and Appeals in 2021**
- **Legislative Developments**



Statistics

AIA Petitions

13,953
AIA Petitions
FILED SINCE 2012

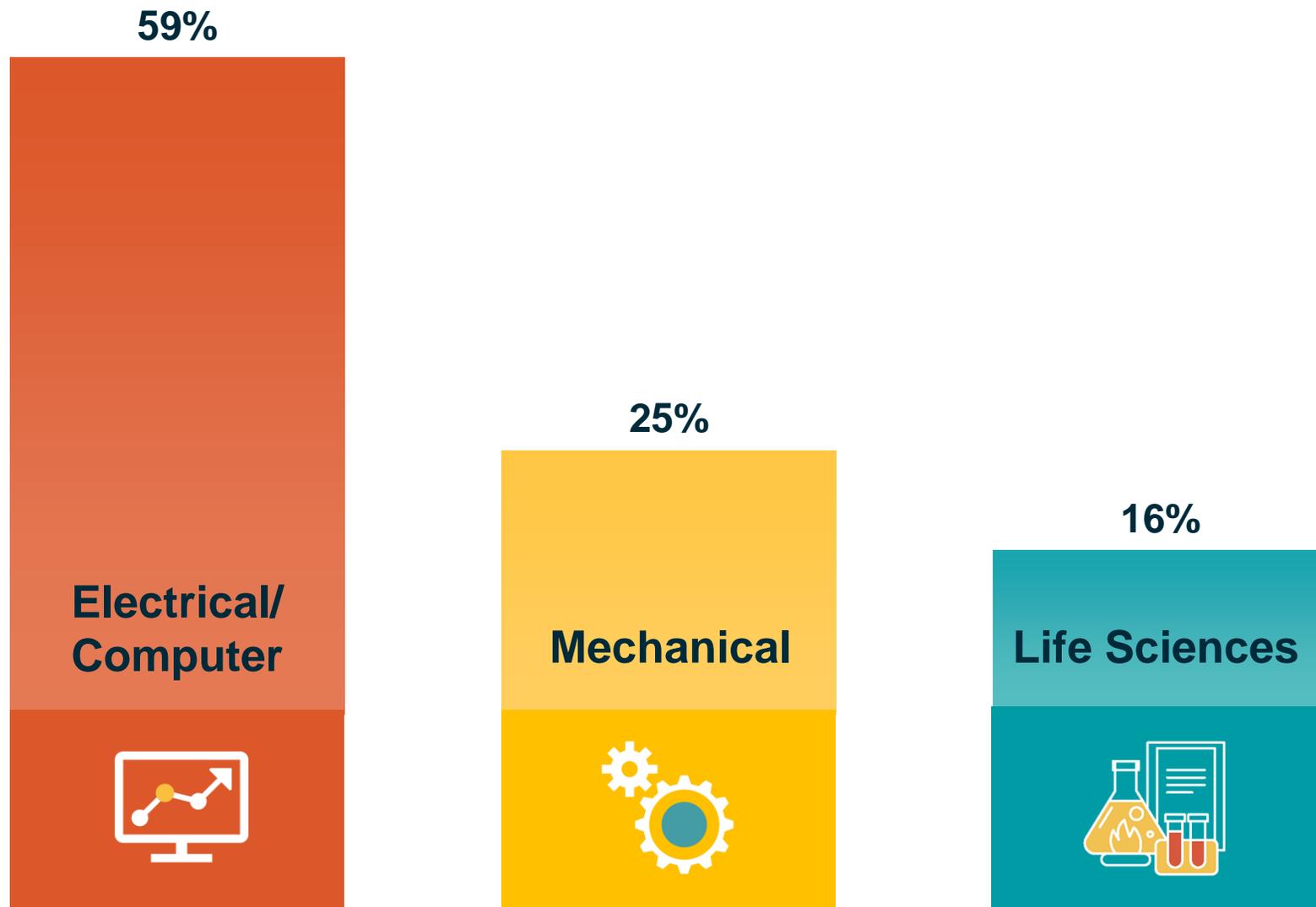


PTAB – The Most Active Forum

Most active courts by number of cases	CY2017	CY2018	CY2019	CY2020	CY2021
PTAB	1801	1720	1322	1538	1386
WDTX	85	89	289	857	968
DED	775	875	1001	741	889
EDTX	864	504	332	397	449

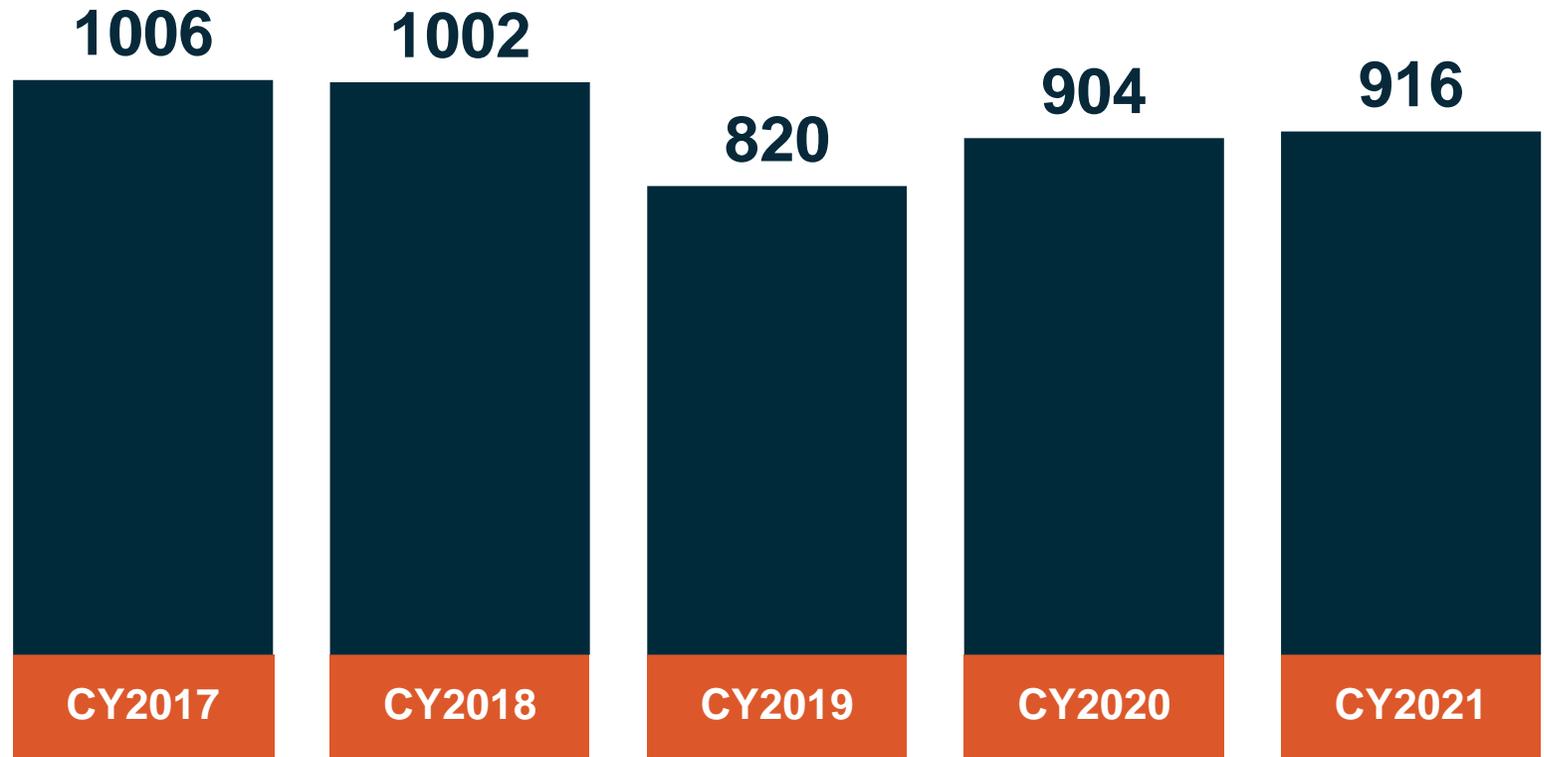
Technology Breakdown by USPTO Tech Center

2012 - Present



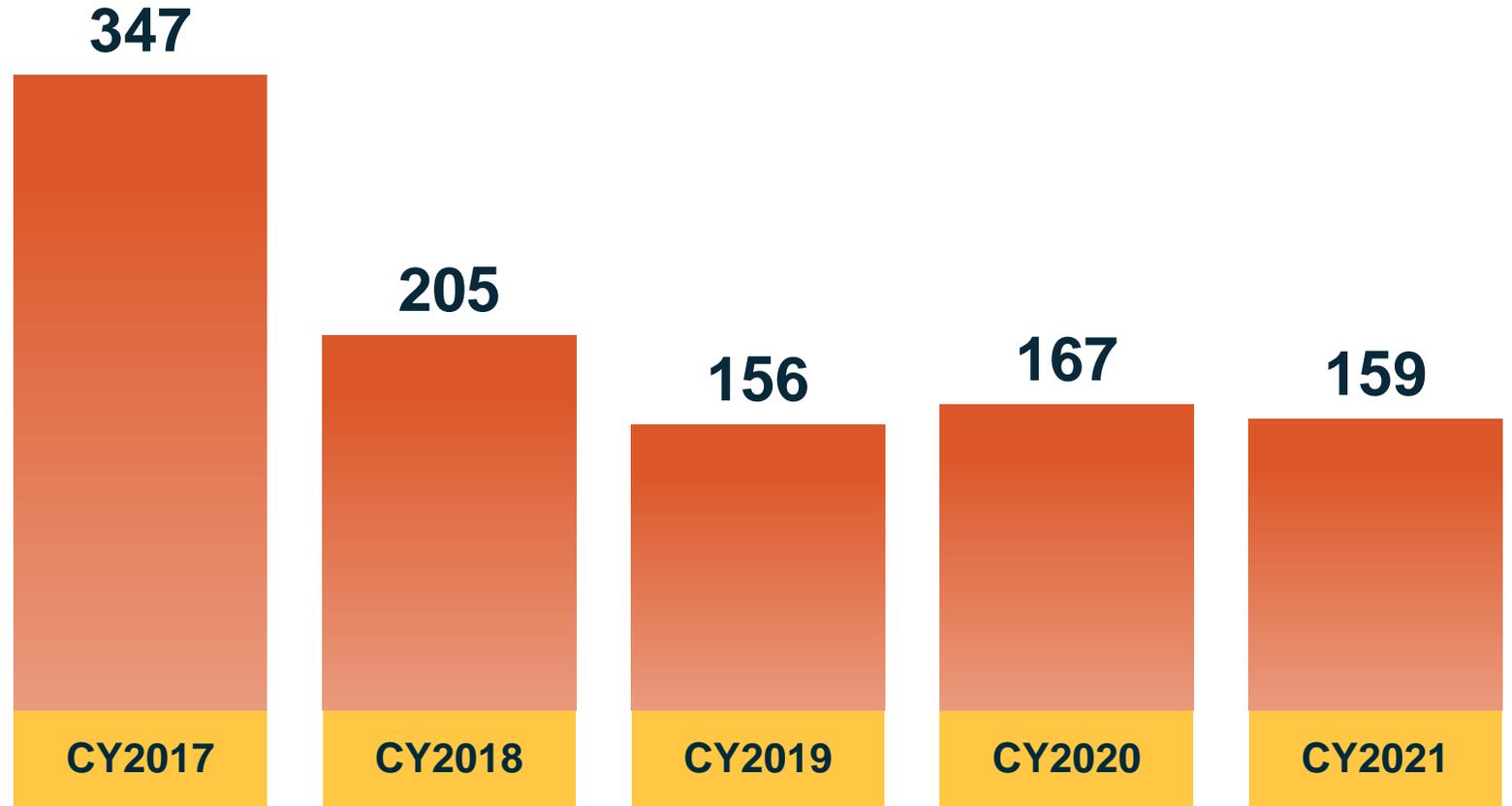
Electrical/Computer IPR Filings

**IPRs Filed in
Technology Centers
2100, 2400, 2600,
AND 2800
2017 - 2021**

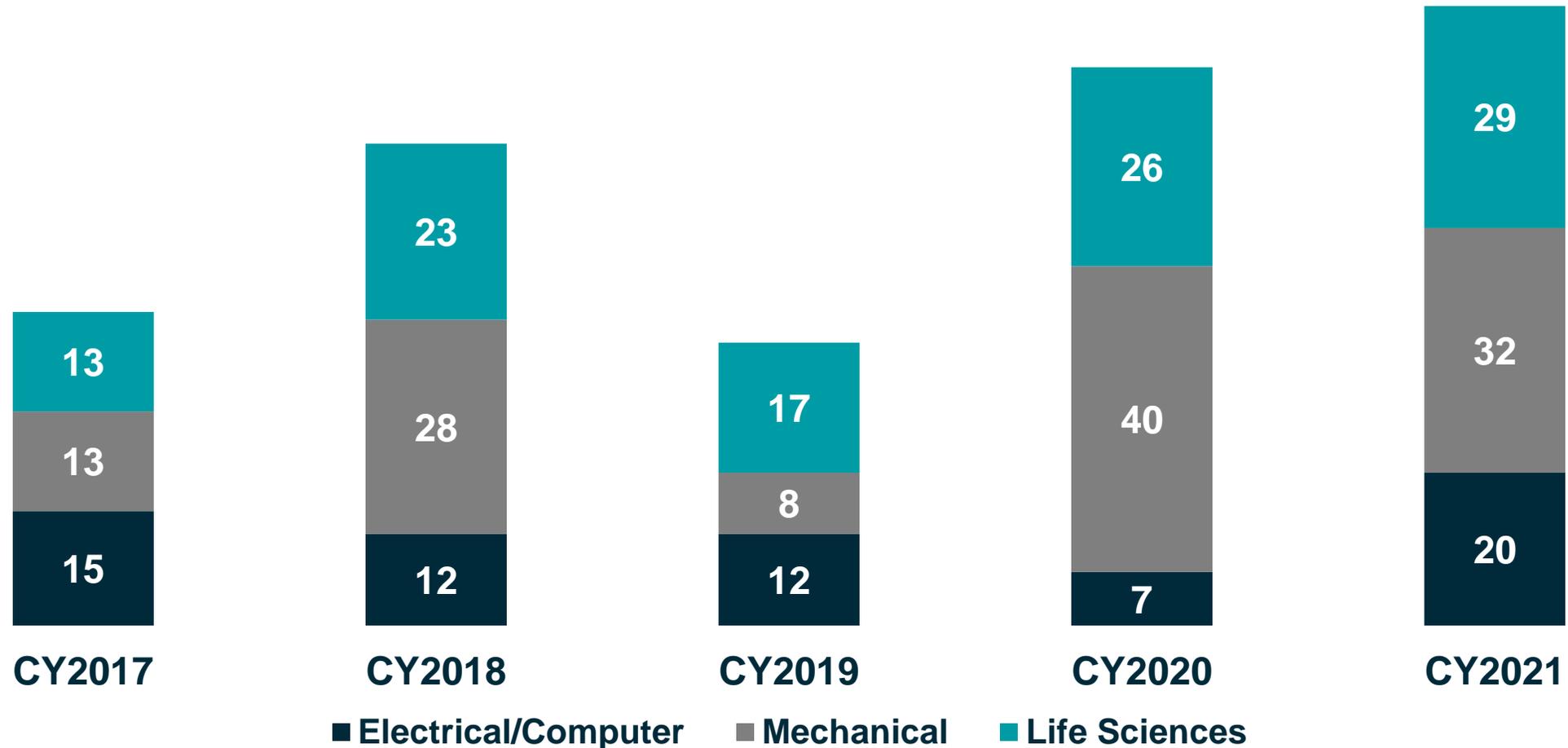


Life Sciences IPR Filings

**IPRs Filed in
Technology Centers
1600 + 1700
2017 - 2021**



PGR Filings



■ Electrical/Computer ■ Mechanical ■ Life Sciences



***Arthrex* and Director Review**

Arthrex Background

Held:

- **If you want to do big-time stuff in the U.S. government, you must:**
 - Have a big-time background check (either election or nomination/confirmation); and
 - Take the public heat (along with the President, if you work for them)
- **APJs were doing big-time stuff (adjudicating important private property rights) but had neither the big-time background check, nor the heat**
- **The Court thus tweaked things so that the Director (who had/will have a big-time background check) reviews the APJ work specifically; so, as the Court might have put it had they been so inclined, everything is cool**

Director Review Process

- **June 29, 2021: Board issues guidance on its “implementation of an interim Director review process.”**
- **Director may conduct a review addressing any issue of law or fact raised in a final written decision of an IPR or PGR**
- **Director’s *de novo* review yields no deference to the panel’s decision**
 - Stark contrast to the rehearing procedure, which is limited to issues “the Board misapprehended or overlooked,” 37 C.F.R. § 42.71(d)
- **Unlike rehearing, Director review is not available for non-final decisions or institution decisions**
- **The Director’s review of a final written decision may be initiated *sua sponte* or requested by a party free of charge**



USPTO implementation of an interim Director review process following *Arthrex*

This webpage houses useful information regarding the implementation of an interim Director review process in Patent Trial and Appeal Board (PTAB) proceedings following *Arthrex*.

Background

On June 21, 2021, the U.S. Supreme Court issued a decision in *United States v. Arthrex, Inc.*, Nos. 19-1434, 19-1452, 19-1458, 2021 WL 2519433, addressing the Constitution’s appointments clause as it relates to PTAB administrative patent judges (APJs). The court considered whether APJs are “principal officers” who must be appointed by the President with the Senate’s advice and consent, or, as the United States Patent and Trademark Office (USPTO) and the U.S. government argued, whether they are “inferior officers” who can be appointed by the Secretary of Commerce.

Key takeaways of *Arthrex* decision

In its decision, the Supreme Court provided a new, tailored remedy to ensure that APJs function as inferior officers. Specifically, the court held “that 35 U.S.C. § 6(c) is unenforceable as applied to the Director insofar as it prevents the Director from reviewing the decisions of the PTAB on his own. The Director may engage in such review and reach his own decision.” Thus, *Arthrex* provides the Director authority to unilaterally review a PTAB final decision in an inter partes review by rehearing.

Interim process for Director review following *Arthrex*

The Office has implemented an interim procedure for a Director review, consistent with the *Arthrex* decision. In this interim procedure, such a review may be initiated *sua sponte* by the Director or requested by a party to a PTAB proceeding. Parties may request Director review of a final written decision in an inter partes review or a post-grant review by concurrently (1) entering a Request for Rehearing by the Director into PTAB E2E and (2) submitting a notification of the Request for Rehearing by the Director to the Office by email to Director_PTABDecision_Review@uspto.gov (mailto:Director_PTABDecision_Review@uspto.gov), copying counsel for all parties by email.

For more details on the interim Director review process, please see [Arthrex Q&As \(/patents/patent-trial-and-appeal-board/procedures/arthrex-qas\)](#).

Other information regarding the interim Director review process

The PTAB is hosting a “Boardside Chat” webinar ([/about-us/events/learn-about-interim-director-review-process-following-us-v-arthrex-inc](#)) on Thursday, July 1, 2021, at 10 am ET to discuss the *Arthrex* decision, explain the interim procedure for Director review of PTAB decisions, and answer questions.

If parties have any questions about the impact of the *Arthrex* decision on PTAB proceedings, the parties may contact the Board at Trials@uspto.gov (<mailto:Trials@uspto.gov>).

The USPTO also seeks feedback on the interim Director review process. Suggestions are welcome and may be submitted to Director_Review_Suggestions@uspto.gov (mailto:Director_Review_Suggestions@uspto.gov).

Party Request for Review

- **A party request for Director review:**
 - Is limited to 15 pages
 - Must be filed within 30 days of the entry of the final written decision
 - If timely, resets the 63-day deadline for filing a notice of appeal
- **As with rehearing, the interim procedures do not reserve briefing for the non-requesting party**
 - However, the Director may choose to request additional briefing on identified issues and provide the parties with an opportunity to submit new evidence.
- **A party cannot request both Director review and panel rehearing of a final written decision, either in parallel or in series**
- **If a panel grants rehearing, a party may request review of the rehearing decision**
- **A new final written decision issued on remand from the Director is eligible for another round of Director review**

Early Impressions

- **The pendency of Director review requests reportedly has been around two months longer (sometimes more) than the Board's one-month target for rehearing requests**
- **Case outcomes**
 - Early results suggest an uphill climb for requesting parties.
 - Research revealed scores of denied requests for Director review, and just two requests favorably decided on the merits.
 - In each granted case, Director honed in on purported legal errors in the Board's analysis and ordered the panel to issue a new final written decision under the prevailing standard. See IPR2020-00349, Paper 57 (Nov. 1, 2021) and IPR2018-00733, Paper 95 (Nov. 18, 2021).

Takeaway: Less than a year removed from *Arthrex*, all we can say with certainty is that it is too early to reach definitive conclusions regarding Director review. The current procedures are temporary and likely to change based on feedback from stakeholders. Moreover, a new Director is expected to assume the role in 2022 and may opt for a significantly different approach.



Developments in Discretionary Denials

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

- **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 stated 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.”**

Petitioner Stipulations

- **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

Petitioner Stipulations

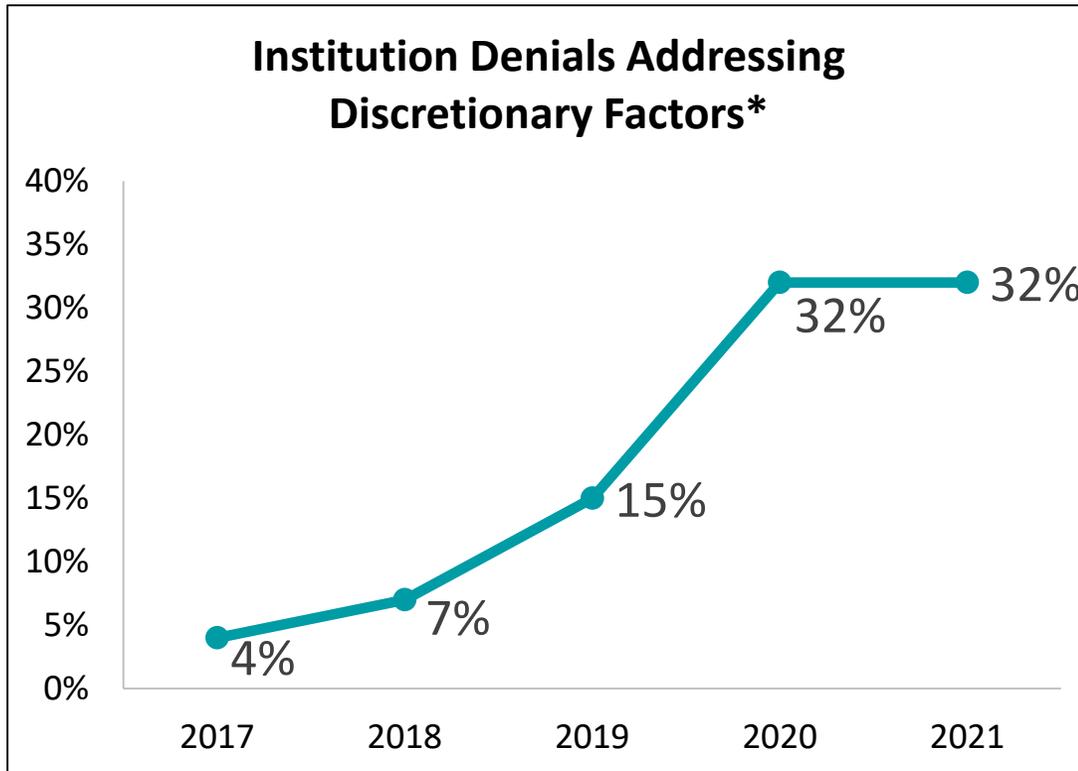
- ***Sotera Wireless v. Masimo Corporation*, IPR 2020-01019, Paper 12 (Dec. 1, 2020) (precedential, designated December 17, 2020)**
 - Patent Owner Masimo argued for discretionary denial of institution under *Fintiv* based on parallel district court proceeding
 - Petitioner stipulated that it would not pursue in district court any grounds in the IPR petition or any other ground that was raised or could have been reasonably raised
 - Board found 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. . . . Importantly, Petitioner broadly stipulates to not pursue 'any ground raised or that could have been reasonably raised.'
 - **This factor weighed strongly in favor of not exercising discretion to deny institution**
 - Board denied Patent Owner's request for denial and instituted IPR

Subsequent Developments

- ***Ocado Group PLC v. AutoStore Technology AS et al.*, IPR2021-00311, Paper 11 (June 28, 2021):**
 - Petitioner provided: “Respondents hereby stipulate that, ... , they will not pursue a defense in this Investigation that the ’140 Patent is invalid based on grounds that were raised or reasonably could have been raised in Respondents’ IPR petition.” regarding its concurrent ITC investigation.
 - Citing *Sotera* in its analysis of *Fintiv* factor 4, the Board found that the stipulation “address[ed] any concerns about overlap between the issues presented in the two fora” and instituted IPR.
- ***R.J. Reynolds Vapor Company v. Philip Morris Products S.A.*, IPR2021-00585, Paper 10 (September 13, 2021):**
 - Petitioner stipulated that it “will not pursue as to the challenged claims any ground raised or that could have been reasonably raised in that IPR in this litigation.” in its parallel district court litigation in the Eastern District of Virginia.
 - The Board held that “[c]onsidering that Petitioner has agreed to be bound by a stipulation with substantively the same wording as the stipulation addressed in *Sotera*, we are required to follow the *Sotera* precedent in finding that this factor weighs strongly against exercising discretion to deny institution.” and instituted IPR.

Takeaway: A broad contingent stipulation to forego invalidity grounds in district court that were “raised or could have been reasonably raised in an IPR” addresses the concerns in *Fintiv* of “duplicative efforts and potential conflicting decisions.” Accordingly, the Board weighs such a stipulation “strongly” in favor of institution, particularly under the *Fintiv* factor 4 inquiry of overlapping issues in parallel proceedings. Post-*Sotera*, we will likely see more petitioners relying on stipulations in an attempt to circumvent various *Fintiv* factors.

2021 Discretionary Denials Consistent with 2020



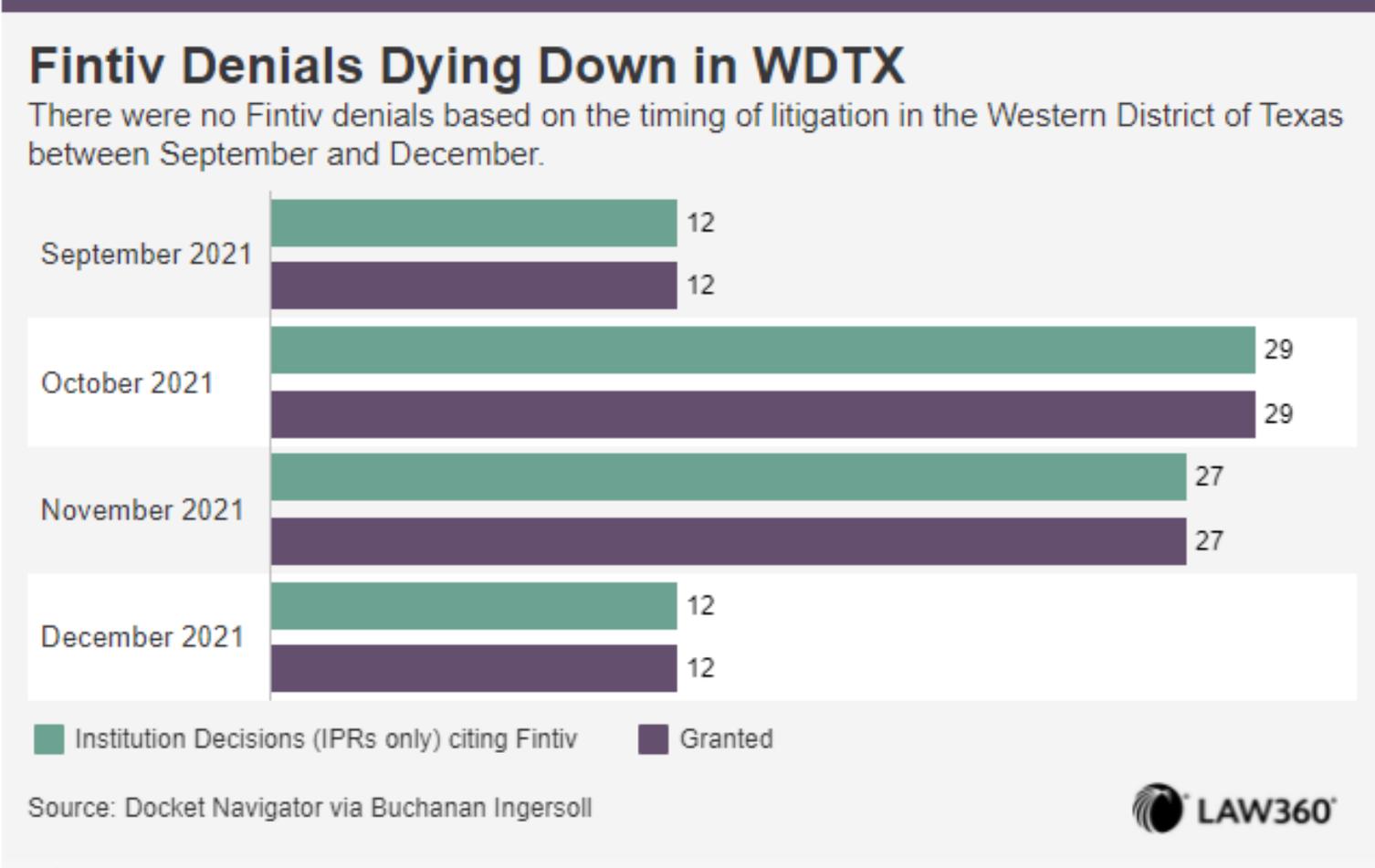
Institution Denials Citing *Fintiv* (as a percentage of all decisions)**

Venue of Co-Pending Proceeding	Institution Denial Citing <i>Fintiv</i> Factors
WDTX	11.5%
EDTX	24.1%
DDEL	7.4%
NDCAL	9.5%
CDCAL	6.7%

*Source: Docket Navigator as of 1/19/2022. Number of denials for discretionary factors divided by total denials.

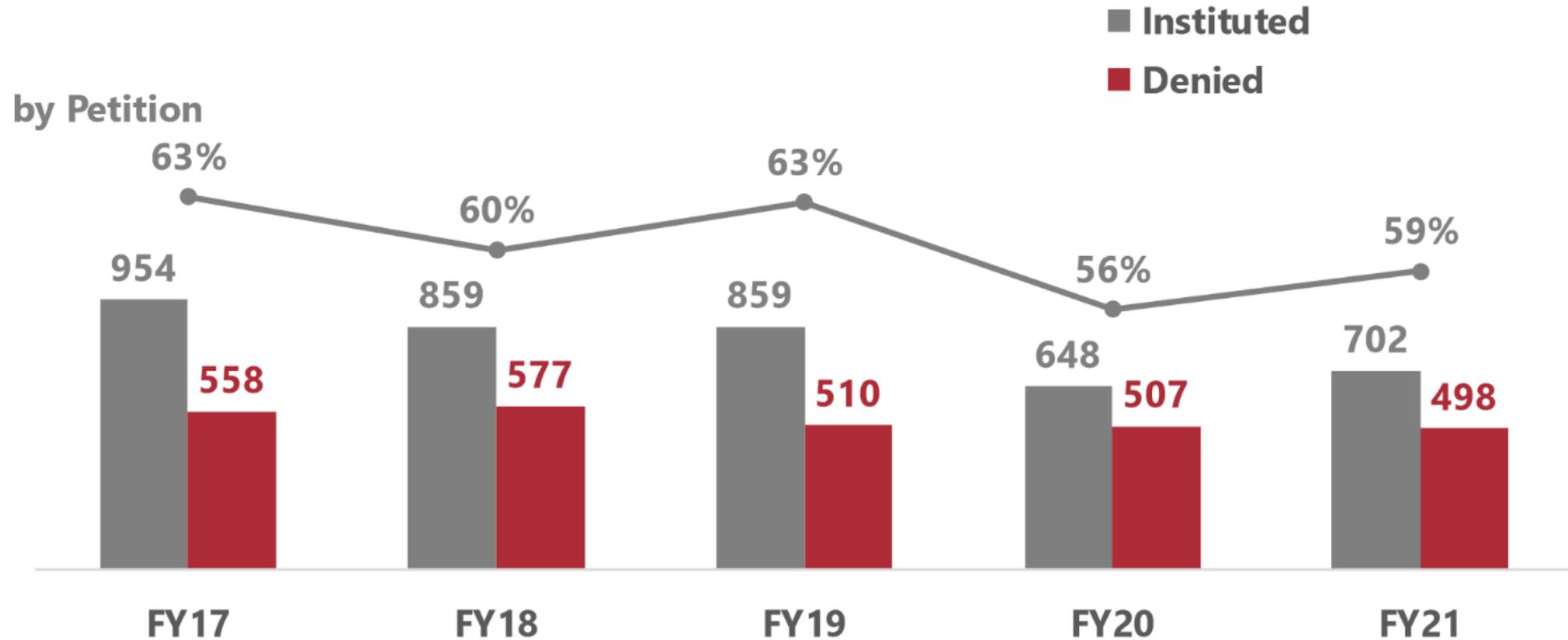
**Source: Docket Navigator as of 1/25/2022. Number of denials divided by total institution decisions. Includes decisions since May 2020.

Fintiv Denials – Trending Downward



Impact of Discretionary Denials on Institution Rates

Institution rates by petition (FY17 to FY21: Oct. 1, 2016 to Sept. 30, 2021)





Other Notable Decisions and Appeals in 2021

POP Review: One-Year Time Bar

- **The POP granted one request for review in 2021 (out of 53 total)**
 - *Toshiba America Electronic Components, Inc. v. Monument Peak Ventures, LLC*, IPR2021-00330
- **Overview**
 - Initial panel denied institution, finding the petition to be time-barred based on the USPTO not receiving wire-transferred filing fee until Dec. 18, 2020, a day after the one-year bar date of Dec. 17
 - **Question for POP:** “Does Fedwire confirmation of payment constitute sufficient evidence of payment under 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a)?”
 - POP overturned the initial panel, finding 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 Dec. 16, 2020.

Takeaway: Although the petitioner here 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.

Institution Decision Reviewability

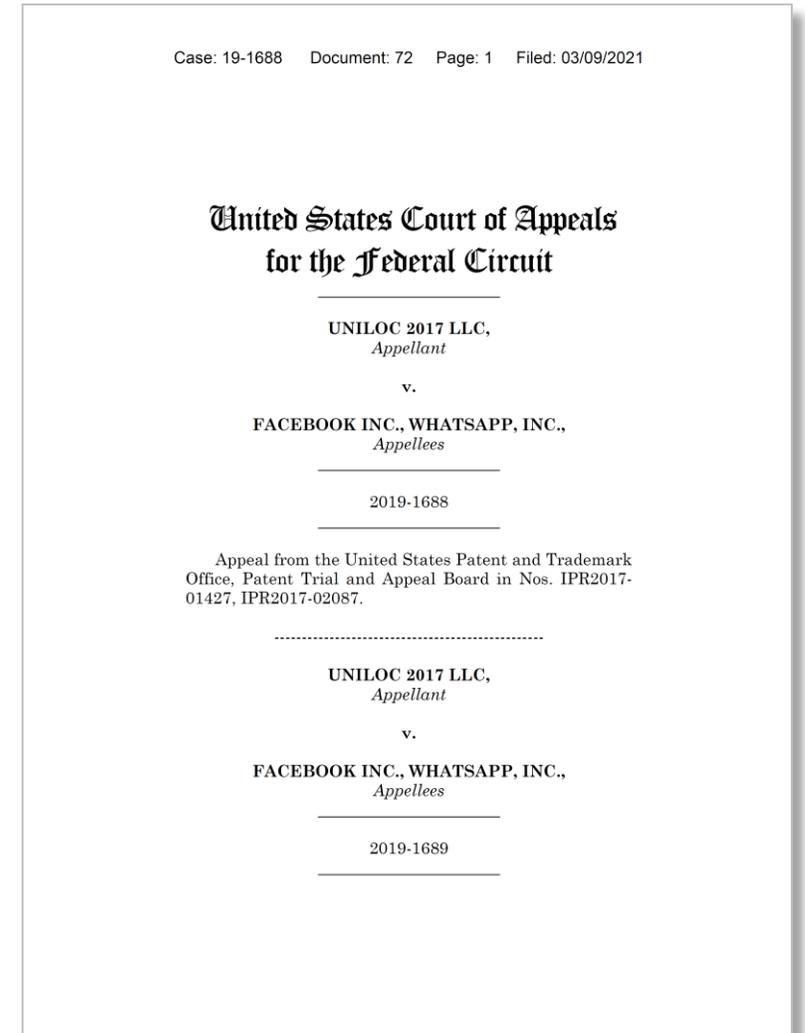
- ***Mylan Lab'ys Ltd. v. Janssen Pharm., N.V.*, 989 F.3d 1375 (Fed. Cir. Mar. 12, 2021)**
 - Mandamus jurisdiction over IPR denial of institution
 - **Federal Circuit lacks subject-matter jurisdiction over appeals from IPR denial of institution**
 - **But the All Writs Act permits mandamus review of decisions not to institute**
 - Very high standard of proof for writ of mandamus
 - **Clear, indisputable right to relief**
 - **No other adequate method of obtaining relief**
 - **Writ is otherwise appropriate under the circumstances**
 - Not the case here
 - **PTAB's refusal to institute was premised on the evaluation of efficiency**
 - Could a denial of institution ever meet this standard?

Takeaway: All Writs Act permits review of IPR denials of institution, but it is unclear whether a petitioner will be able to meet the high standard of proof for a writ of mandamus

Joinder & Estoppel – In The PTAB

Uniloc 2017 LLC v. Facebook Inc., [989 F.3d 1018](#) (Fed. Cir. 2021)

- **Several IPR filed in series**
 - Apple filed an IPR challenging claims 1-6 and 8.
 - Facebook then filed two IPRs. One challenged claims 1-8 and the other challenged claims 9-17 and 25-26.
 - Facebook filed a third IPR that copied Apple’s initial IPR and joined the Apple IPR.
 - LG then filed IPRs that copied and joined Facebook’s original two IPRs.
- **The Federal Circuit agreed with the Board:**
 - Facebook ***would be estopped*** under 35 U.S.C. § 315(e)(1) on all claims common to the Apple petition and Facebook’s petition once the final written decision issued in the Apple IPR
 - Facebook ***would not be estopped*** for the one uncommon claim because that was not a claim it could have brought in the Apple IPR
 - LG ***was not estopped at all*** and could carry forward the Facebook IPRs in full
 - Joined parties are not “privy to a petitioner”



Joinder & Estoppel – In District Court

Network-1 Techs. v. Hewlett-Packard Co., 981 F.3d 1015
(Fed. Cir. 2020)

- **Defendant HP joined pending IPR**
 - Avaya had filed an IPR
 - Per § 315(c), HP joined Avaya’s IPR “as a party,” though otherwise time-barred, but was not permitted to bring new grounds
- **The Federal Circuit held Defendant was not estopped from raising invalidity grounds in district court that are different from those in the IPR the defendant had joined**
 - The defendant could not have raised grounds in IPR other than those raised by the original petitioner, and so it was estopped in litigation for only such grounds
 - Vacated E.D. Tex. decision that HP was estopped for non-instituted grounds

raised” during the IPR. Because a joining party cannot bring with it grounds other than those already instituted, that party is not statutorily estopped from raising other invalidity grounds.

Case: 18-2338 Document: 73 Page: 1 Filed: 09/24/2020

**United States Court of Appeals
for the Federal Circuit**

NETWORK-1 TECHNOLOGIES, INC.,
Plaintiff-Appellant

v.

HEWLETT-PACKARD COMPANY, HEWLETT
PACKARD ENTERPRISE COMPANY,
Defendants-Cross-Appellants

2018-2338, 2018-2339, 2018-2395, 2018-2396

Appeals from the United States District Court for the
Eastern District of Texas in Nos. 6:11-cv-00492-RWS, 6:13-
cv-00072-RWS, Judge Robert Schroeder, III.

Decided: September 24, 2020

GREGORY S. DOVEL, Dovel & Luner, LLP, Santa Monica, CA, argued for plaintiff-appellant. Also represented by SEAN LUNER, RICHARD ELGAR LYON, III; JEFFREY A. LAMKEN, MoloLamken LLP, Washington, DC.

MARK ANDREW PERRY, Gibson, Dunn & Crutcher LLP, Washington, DC, argued for defendants-cross-appellants. Also represented by OMAR FAROOQ AMIN; HERSH H. MEHTA, Morgan, Lewis & Bockius LLP, Chicago, IL; NATALIE A. BENNETT, Washington, DC.

Noteworthy Federal Circuit Decisions

- Motivation and Objective Indicia
 - *Chemours Co. FC, LLC v. Daikin Industries, Ltd.*, 4 F.4th 1370, 1376 (Fed. Cir. 2021)
- The Role of Reasonable Expectation of Success
 - *University of Strathclyde v. Clear-Vu Lighting, LLC*, ___ F.4th ___ (Fed. Cir. 2021)
- Enablement by Prior Art
 - *Raytheon Technologies Corp. v. General Electric Co.*, 993 F.3d 1374 (Fed. Cir. 2021)
- Board Shifts between § 102 and § 103
 - *M & K Holdings, Inc. v. Samsung Electronics Co.*, 985 F.3d 1376 (Fed. Cir. 2021)
- Motivation to Combine, Not Possible to Combine
 - *Adidas AG v. Nike, Inc.*, 963 F.3d 1355 (Fed. Cir. 2020)



Legislative Developments

Competing Pending Legislation

- **Restoring the America Invents Act**
 - Introduced by Senators Patrick Leahy (D-VT) and John Cornyn (R-TX) on Sept. 29, 2021
- **Restoring America's Leadership in Innovation Act**
 - Introduced by Rep. Thomas Massie (R-KY) on November 4, 2021

Restoring the America Invents Act - Legislative

- **Director Review**

- Codifies *Arthrex* by giving the Director the authority to review, modify, or set aside final decisions of the PTAB. Separate opinion in writing that is treated as a final decision

- **Stay factors & interlocutory appeal**

- Counterbalances impact of *Fintiv*-related changes to otherwise avoid multiple proceedings involving the same patent progressing in parallel
- District courts evaluating stay requests must consider:
 - Simplification of the issues and ability to streamline the proceedings in the civil action
 - Whether discovery in the civil action is complete (as of the date of the motion to stay)
 - Whether a stay, or the denial thereof, would unduly prejudice the nonmoving party; or present a clear tactical advantage for the moving party; and
 - Whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and the court.
- Allows for interlocutory appeal of a denied motion

Restoring the America Invents Act – Legislative (con't)

- **Standing**

- For filing by the U.S. government
- For appeal?
 - Creates a presumption of an injury-in-fact for any party that “reasonably expects that another person will assert estoppel against the party...as a result of the final written decision that is the subject of the appeal.”
 - Exempts parties found to lack standing from the estoppel provisions

- **Estoppel Timing**

- Adjusts the timing of estoppel against petitioners to attach when the right of appeal has been exhausted or a decision on appeal has issued (as opposed to at final written decision)
- Parties joined to a proceeding (in addition to their real parties-in-interest and privies) are subject to the same estoppel as the original petitioner
- Codifies the patent owner estoppel provisions (found presently only in the Office regulations) precluding the Office from issuing “any claim that is not patentably distinct” from a claim found unpatentable or cancelled during review.

Restoring the America Invents Act – Legislative (con't)

- **Expands Eligible Grounds**

- Expands grounds for proof of unpatentability to include:

- admitted prior art
- double patenting

- Reexamination claims no longer ineligible.

- any “new or amended claims [that] issue from reexamination” can be challenged no later than one year after the date on which such claims are asserted in the action that triggered the time bar on the original claims.

Restoring the America Invents Act - Judicial

- ***Aqua Products* – Amendments**
 - Reverses the current state of the law as to which party bears the burden of proof regarding amended claims from petitioners to patent owners
 - Requires the PTAB to “examine the substitute claim” and the Director to “cause an examination of the substitute claim to be made within the time limits for the applicable inter partes.”
- ***Click-to-Call* – Dismissals without Prejudice and the One-Year Time Bar**
 - The time bar “shall not apply...if the complaint is dismissed without prejudice” (*Thrive v. Click-to-Call Technologies*).
- ***Network-1* – Overrules the exception to estoppel for joined parties**

Restoring the America Invents Act – USPTO Centric

- **Discretionary Denial**
 - Replaces permissive language with “Subject only to the discretion of the Director under section 325(d)(4), a petition that meets the requirements of this chapter shall be instituted if.”
 - Carve-out: discretion to deny institution if “the same or substantially the same prior art or arguments previously were presented to the Office.”
 - No carve-outs: co-pending litigation (abrogating *Fintiv*) or serial petitions (abrogating *General Plastic*).
- **Independence of PTAB Panels**
 - Prevents ex parte communications between any APJ and “an officer who has review authority, supervisory authority, or disciplinary authority” over that APJ “concerning any pending matter.”
- **Imposes Timing Requirements for Certificate Canceling Claims**
 - Within 60 days of appeal decision or abandonment

Restoring the America Invents Act

- **Concurrent Proceedings**

- Imposes Notification Requirements.
 - Requires notification of the Director if “another proceeding or matter involving the patent is before the Office, or if there is a pending application claiming the benefit of a common filing date to the patent”
- Requires Written Decision by Director.
 - The Director “shall issue a decision” regarding how the other proceeding may advance, “including providing for stay, transfer, consolidation, or termination”
- Requires Board management of prosecution in continuation applications
 - Potential impact to the common practice of pursuing claim amendments before an examiner concurrently with ongoing post-grant proceedings
- Creates rebuttable presumption in favor of consolidation “if the multiple proceedings...are of like type and are filed reasonably close in time.”
 - May apply to scenarios where multiple defendants are sued concurrently and file their respective petitions around the same time. Under the current regime, if instituted, such cases typically proceed independently.

Restoring America's Leadership in Innovation Act

- **Proposes to repeal large portions of the America Invents Act**
 - Abolish IPR
 - Abolish PGR
 - Abolish the PTAB and reestablish the Board of Patent Appeals and Interferences (BPAI)
 - Establishes a presumption of validity of patents challenged in both judicial and administrative proceedings
 - Establishes tolling the term of the challenged patent from time of challenge to time of resolution of validity



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Thank You!

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

Any questions about the webinar, contact Makayla Mainini at mainini@fr.com

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

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