

Webinar

2024 PTAB Year in Review: New Procedures and Potential Changes Impact AIA Trial Strategies



Andrew Turner

Co-Chair Post-Grant Proceedings
aturner@brookskushman.com



John Rondini

Co-Chair Cybersecurity
jrondini@brookskushman.com



Kyle Konz

Shareholder
kkonz@brookskushman.com



Reza Roghani Esfahani

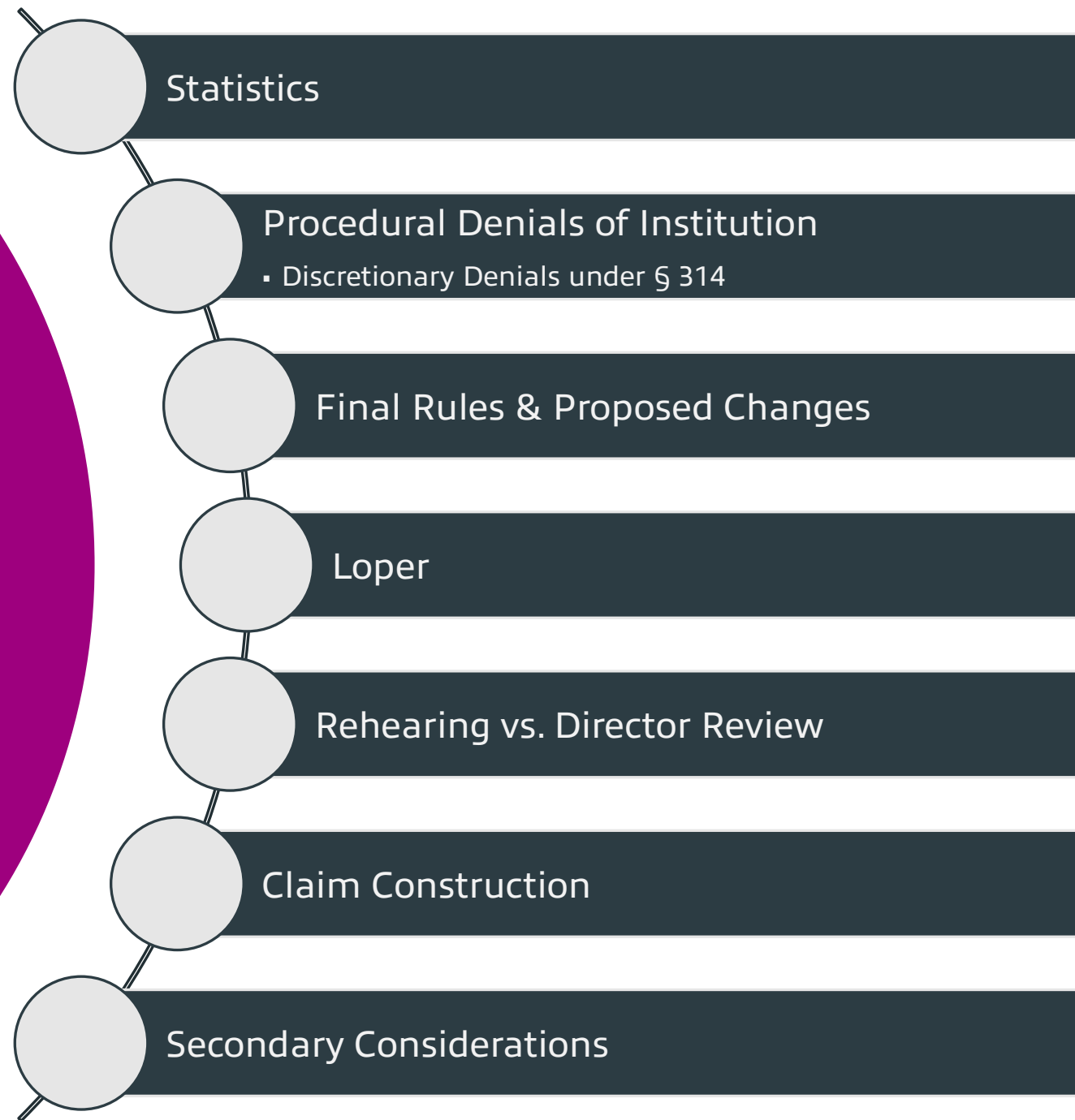
Shareholder
resfahani@brookskushman.com



Vikram Mandelia

Technical Specialist
vmandelia@brookskushman.com

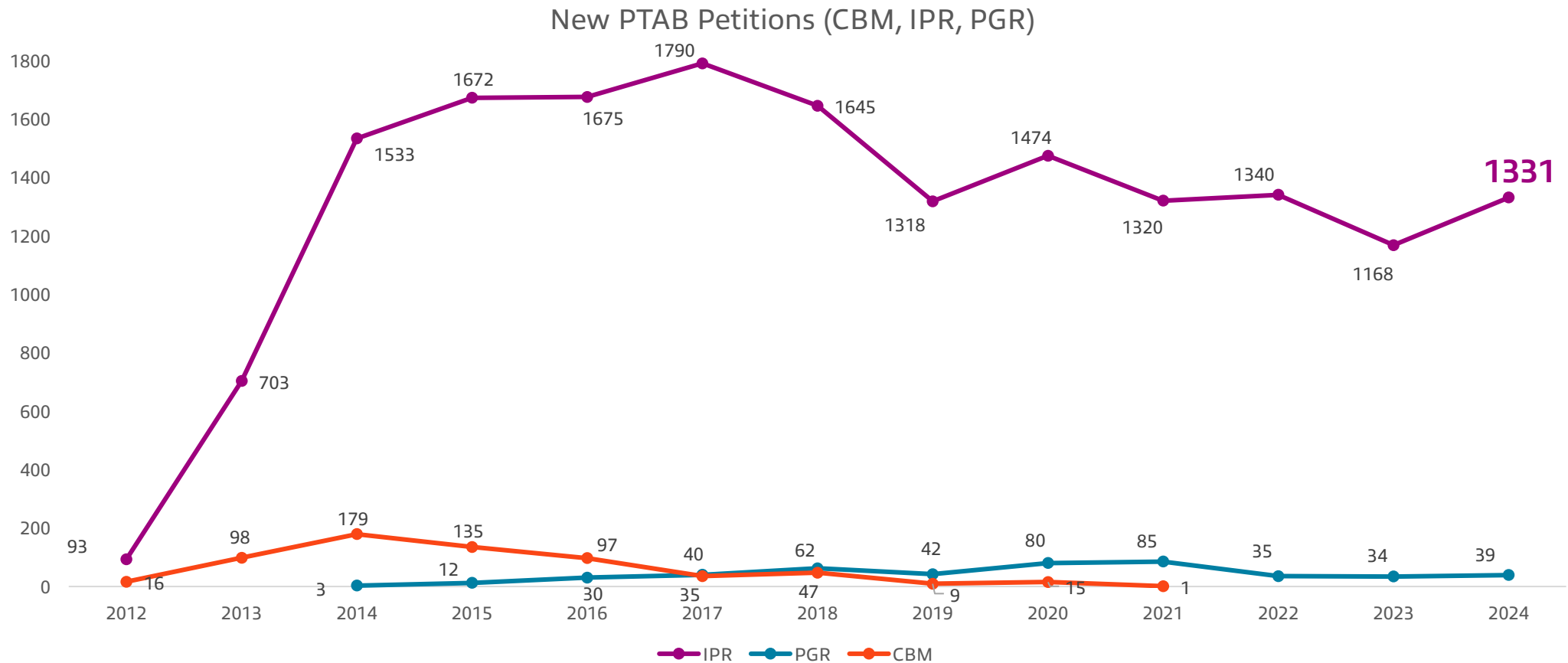
Overview of Topics



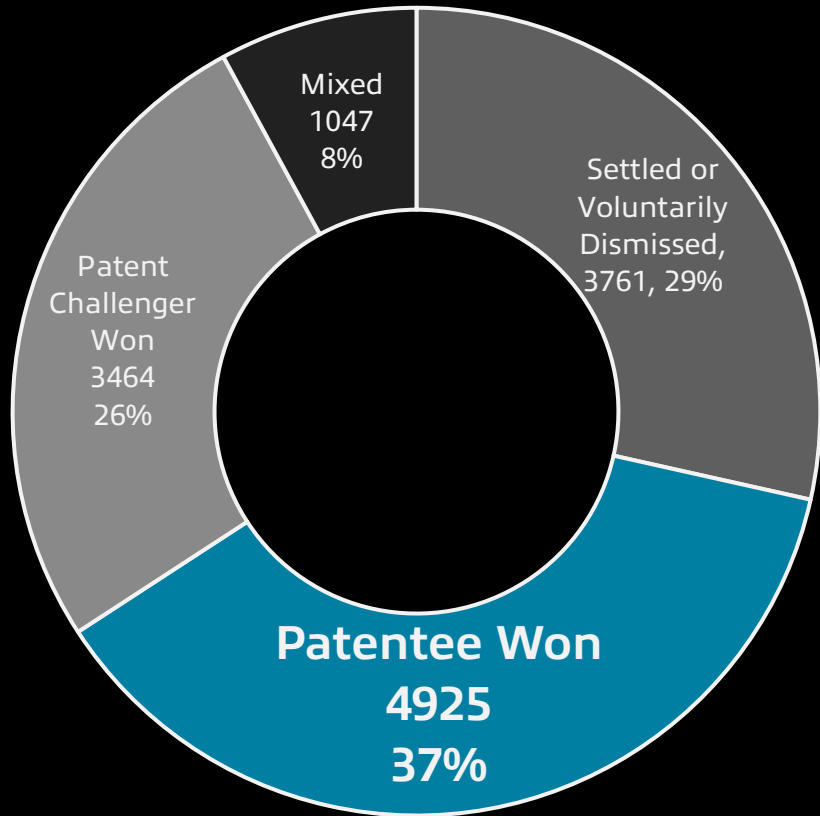


Statistics

New PTAB Filings

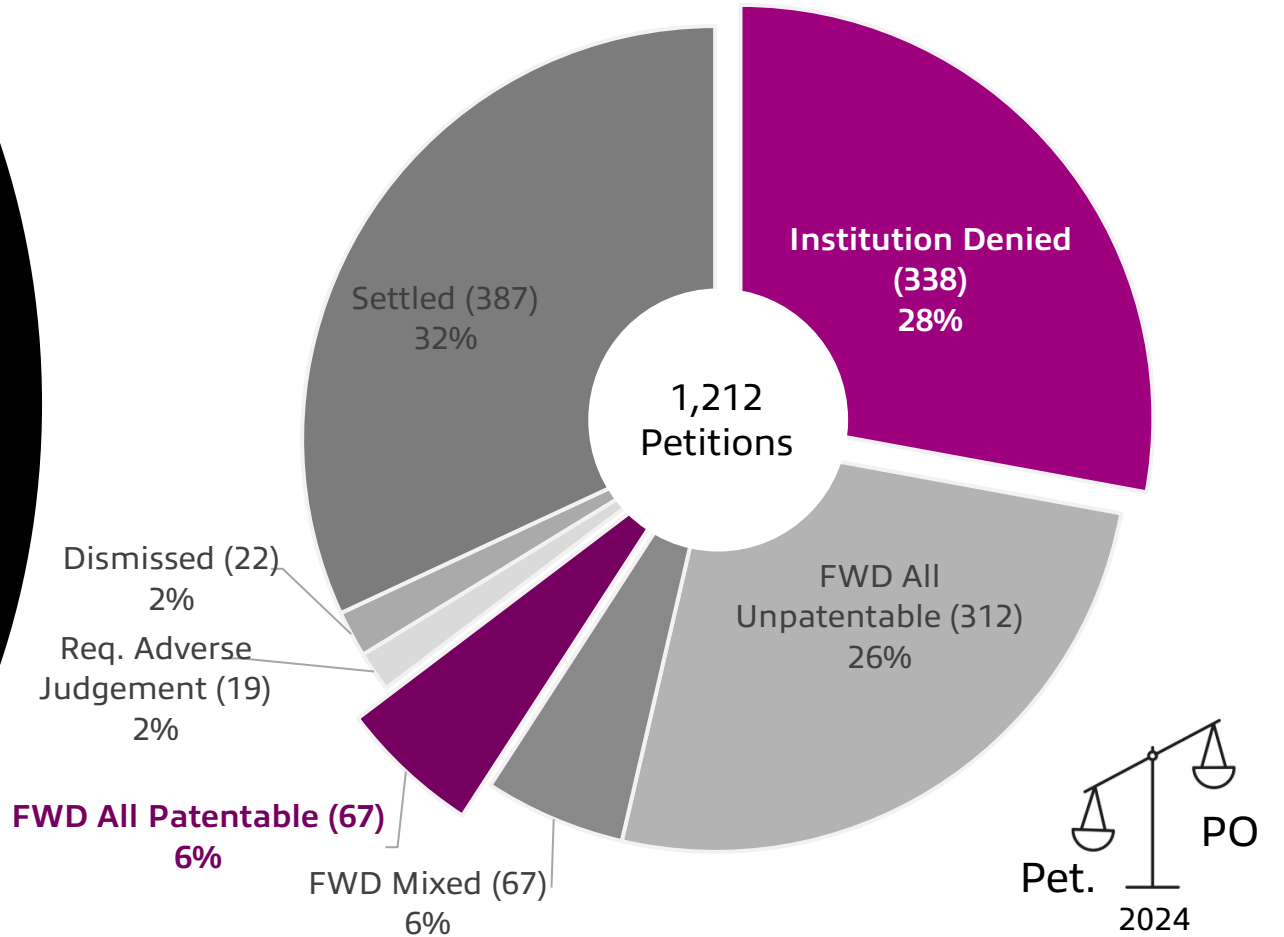


Case Outcomes for all PTAB Cases (2016-2024)



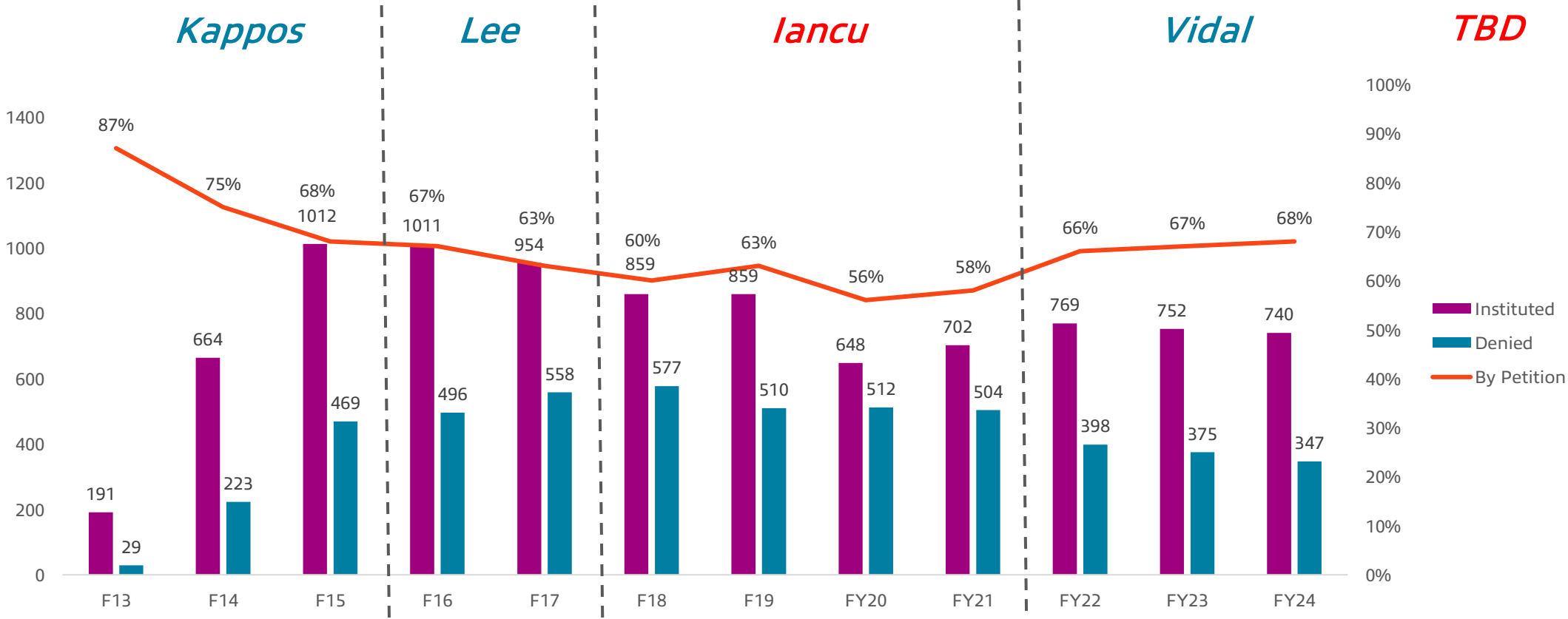
Has PTAB Shifted Pro-Petitioner?

Case Outcome by Petition - FY24



Patentee Won **34%** (Inst. Denied + All Patentable)

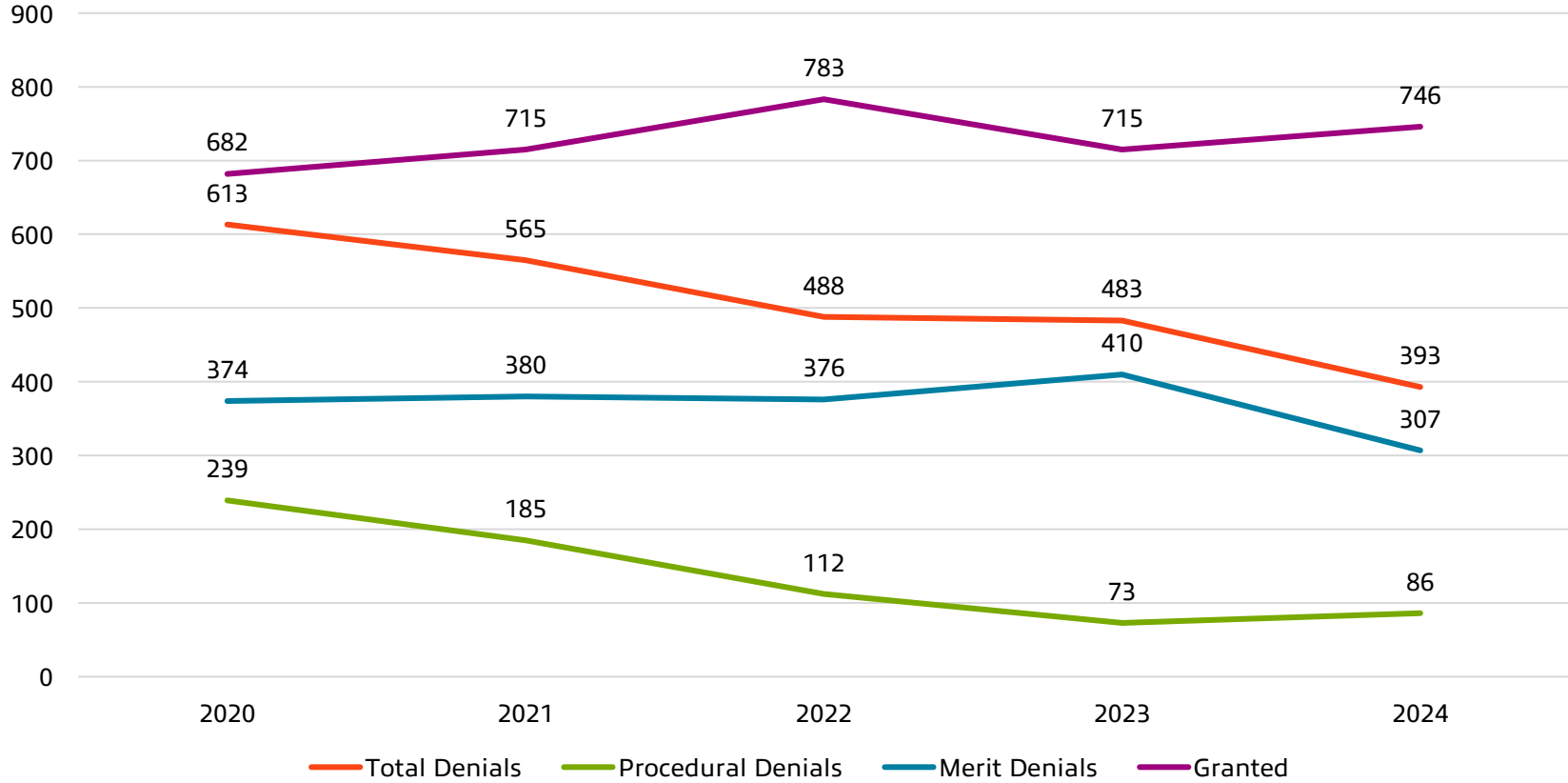
PTAB Institution Rates by Petition



Procedural Denials of Institution

PTAB Procedural Denials

Institution Data



Procedural Denials

Discretionary Denials

35 U.S.C. § 314(a) –The Board has discretion to deny institution

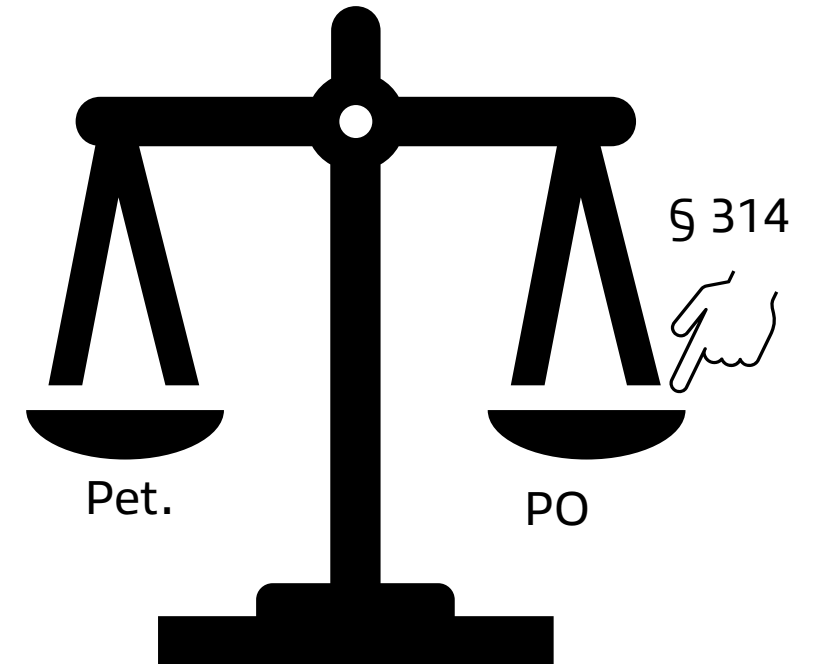
- Forum Selection: Advanced state of parallel litigation
- Multiple Petitions: Serial petitions & parallel petitions

Other Procedural Denials

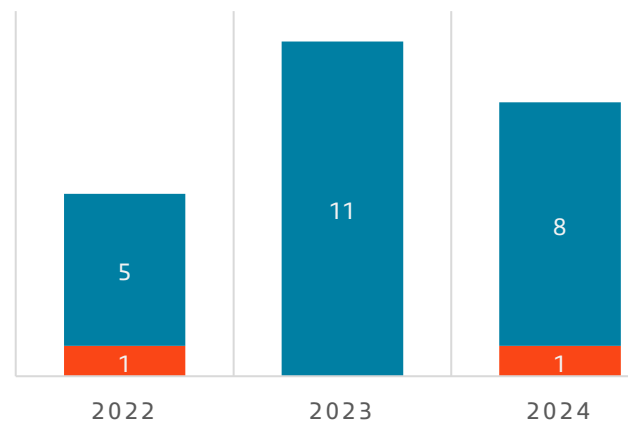
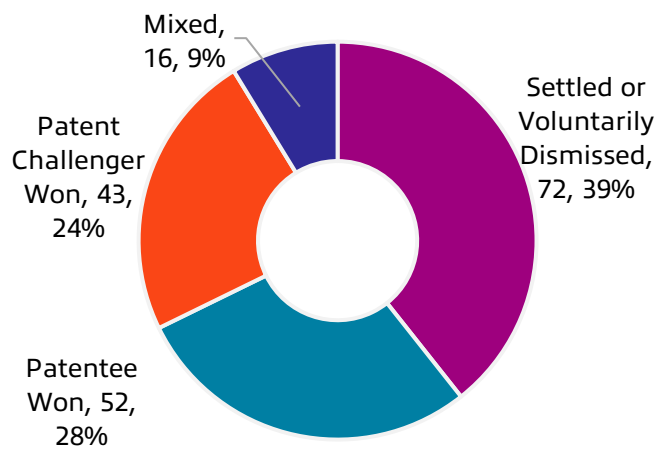
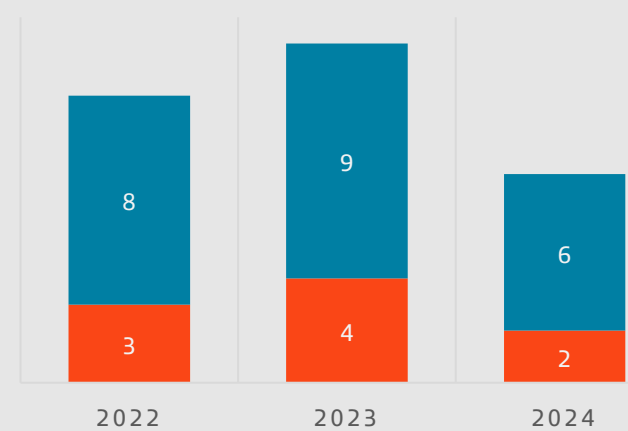
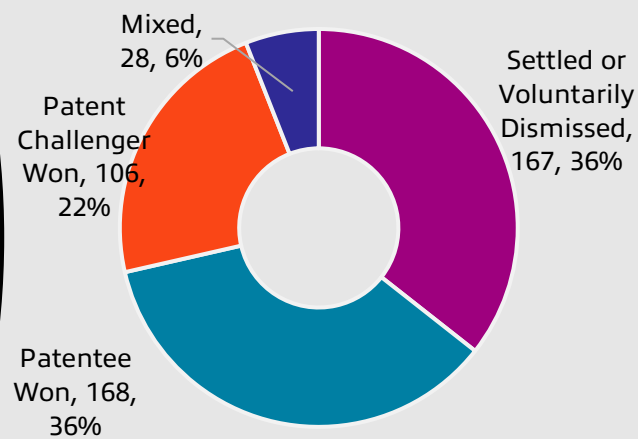
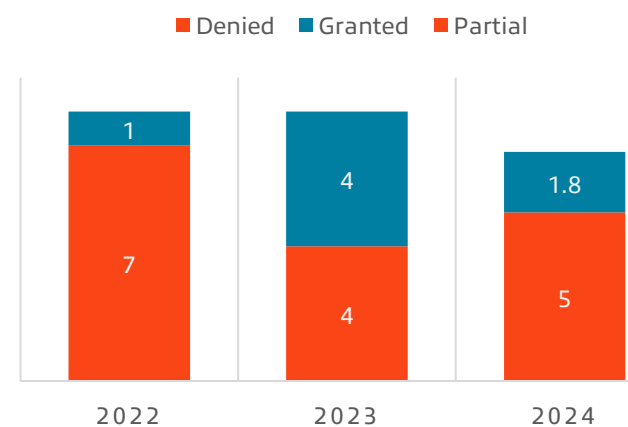
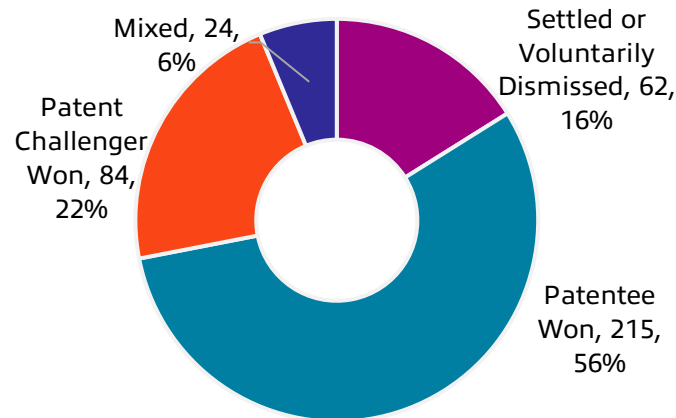
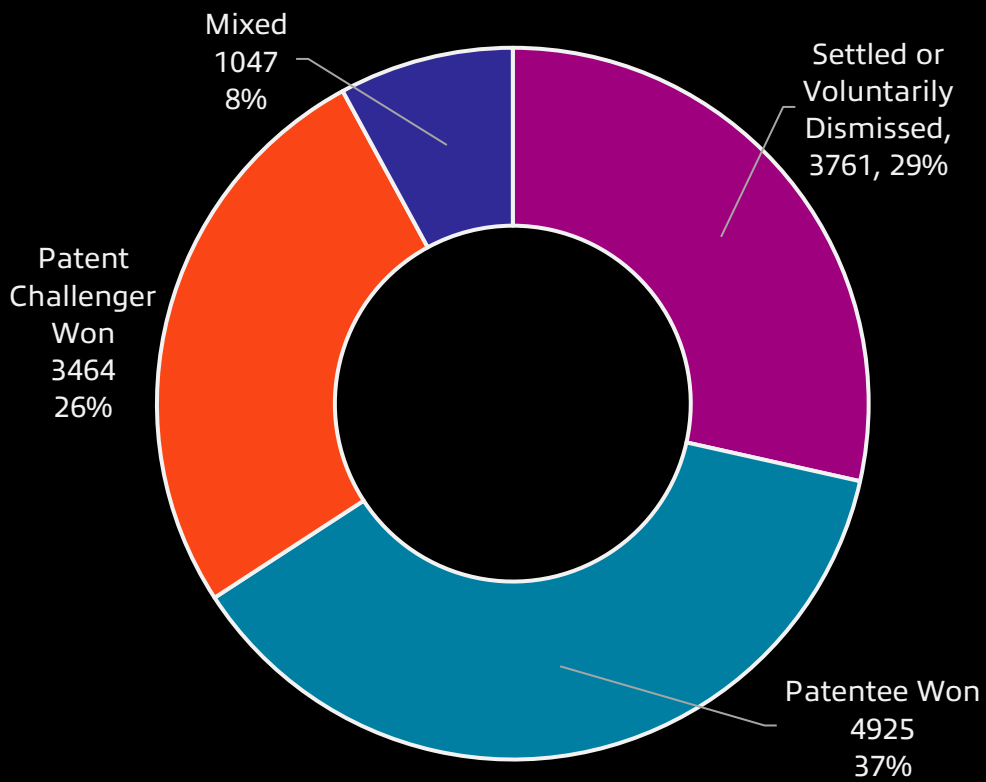
35 U.S.C. § 325(d) - Prior Examination

35 U.S.C. § 312 - Lack of Particularity

35 U.S.C. § 315 – Time Bar (RPI & Privity)



Case Outcomes for all PTAB Cases (2016-2024)






Discretionary Denials Under § 314: *Parallel Litigation*

Advanced State of Related Proceedings

Consolidated Trial Practice Guide (CTPG)



The Board may deny institution under 35 U.S.C. § 314 based on "events in other proceedings related to the same patent" that effect "the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings," 35 U.S.C. § 316(b)." CTPG at 58.

NHK Spring Co., Ltd. V. Intri-Plex Techs., Inc.,

"[T]he advanced state of the district court proceeding is an additional factor that weighs in favor of denying the Petition under § 314(a)." *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, (Precedential).

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; and
6. Other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc. (Precedential)

Stipulations Under *Fintiv* Factor 4 limit Overlap in Issues

Broad (*Sotera*)

“Defendants hereby stipulate that if the [PTAB] institutes IPR . . . , then Defendants **will not pursue** in this case **the specific grounds** identified . . . , or **on any other ground . . . that was raised or could have been reasonably raised in an IPR.**”

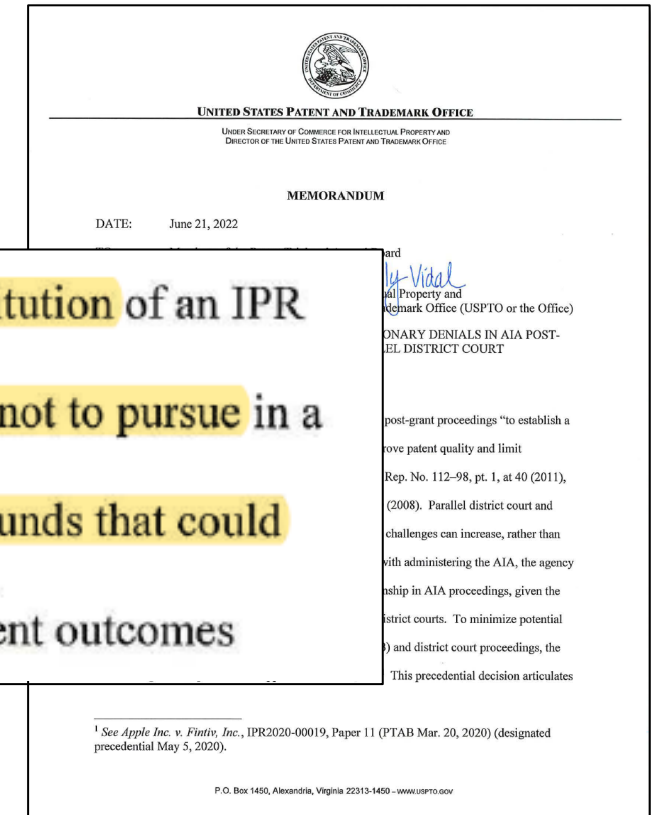
Sotera Wireless, Inc., v. Masimo (Precedential)

Narrow (*Sand Revolution*)

“Sand Revolution stipulates that if IPR is instituted . . . then Sand Revolution **will not pursue** these **same grounds** in the parallel WDTX district court litigation.”

Sand Revolution v. Continental (Informative)

PTAB 2022 Memo

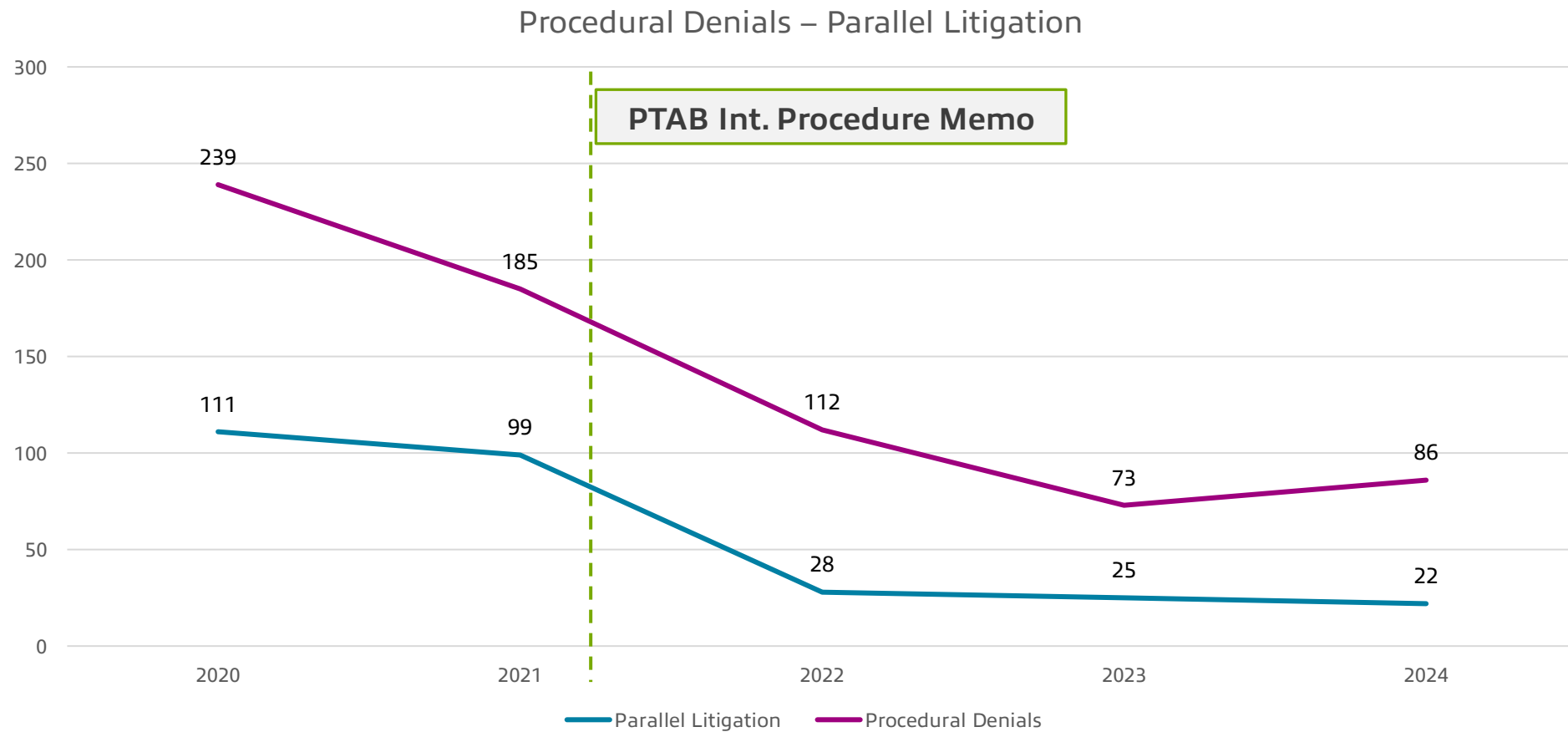


court litigation. For these reasons, the PTAB will not discretionarily deny institution of an IPR or PGR in view of parallel district court litigation where a petitioner stipulates not to pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition. This clarification avoids inconsistent outcomes

ard
 By Vidal
 Intellectual Property and
 Trademark Office (USPTO or the Office)
 DISCRETIONARY DENIALS IN AIA POST-
 GRANT PROCEEDINGS
 FEDERAL DISTRICT COURT
 post-grant proceedings "to establish a
 more patent quality and limit
 Rep. No. 112-98, pt. 1, at 40 (2011),
 (2008). Parallel district court and
 challenges can increase, rather than
 with administering the AIA, the agency
 relationship in AIA proceedings, given the
 district courts. To minimize potential
) and district court proceedings, the
 This precedential decision articulates

¹ See *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (designated precedential May 5, 2020).

PTAB Efforts to Reduce Parallel Litigation Petitions



Recent Denials – No Stipulation

Samsung Display Co., Ltd. v. Pictiva Displays Int'l Ltd., IPR2024-00855, Paper 12 (Nov. 19, 2024)

- *Fintiv* denial b/c Trial 3 mo. before FWD, no stipulation, no compelling merits, and dispute over prior art status of reference.

Pharaoh Energy Services, LLC v. Flex-Chem Holding Co., LLC, IPR2024-00815, Paper 7 (Sept. 20, 2024)

- *Fintiv* denial b/c Trial 8 mo. before FWD, no stipulation, and no compelling merits

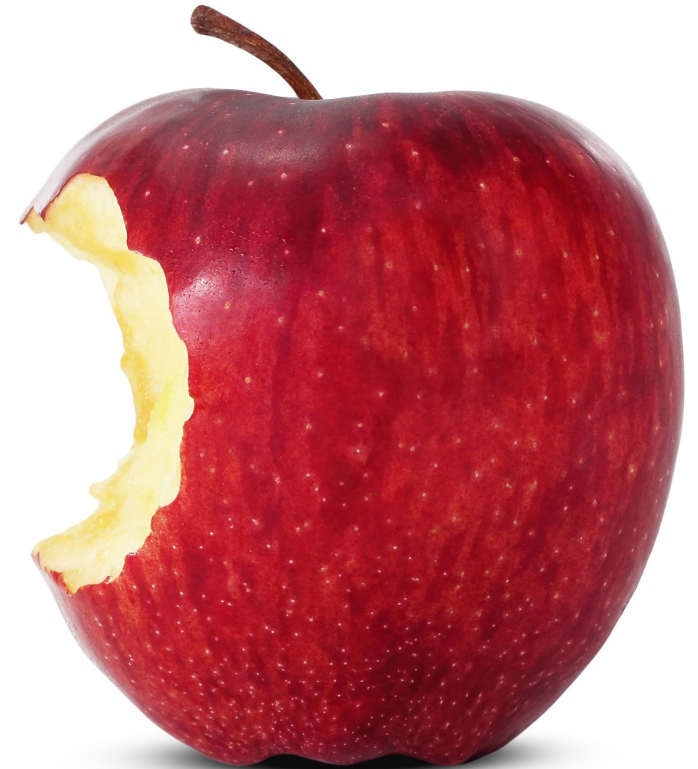


Discretionary Denials Under § 314: *Serial Petitions*

PTAB Discourages Multiple Petitions

"Based on the Board's experience, **one petition should be sufficient** to challenge the claims of a patent in most situations." CTPG at 59

"**Two or more petitions** filed against the same patent . . . may place a substantial and unnecessary burden on the Board and the patent owner and could **raise fairness, timing, and efficiency concerns**. See 35 U.S.C. § 316(b)." CTPG at 59



General Plastic Factors

1. Whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. Whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. Whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition;
4. The length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. Whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. The finite resources of the Board; and
7. The requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha (Precedential)

General Plastic Factor 1

"Whether the same petitioner previously filed a petition directed to the same claims of the same patent"

Is the "Significant Relationship" Test now Insignificant?

PTAB Found "Significant Relationship" between P1 and P2

Valve Corp. v. Elec. Scripting Prods., Inc., ("Valve 1")

(Precedential) - Expand 1st GP factor to different (co-defendant) Petitioner having a "significant relationship" with first petitioner.

No Significant Relationship between P1 and P2

- "Court-ordered pretrial coordination between parties having different accused products does not present a 'significant relationship' ... that justifies treating their patent challenges as related serial petitions." *Ford Motor Co. v. Neo Wireless LLC*, IPR2023-00763, Paper 28 (Mar. 22, 2024) (Vidal)
- *Videndum v. Rotolight LTD.*, IPR2023-01218, Paper 12, (April 19, 2024) (Vidal)
- Proposed Rules define serial petitions with reference to RPI and Privity, but not "significant relationships"

General Plastic Factor 1

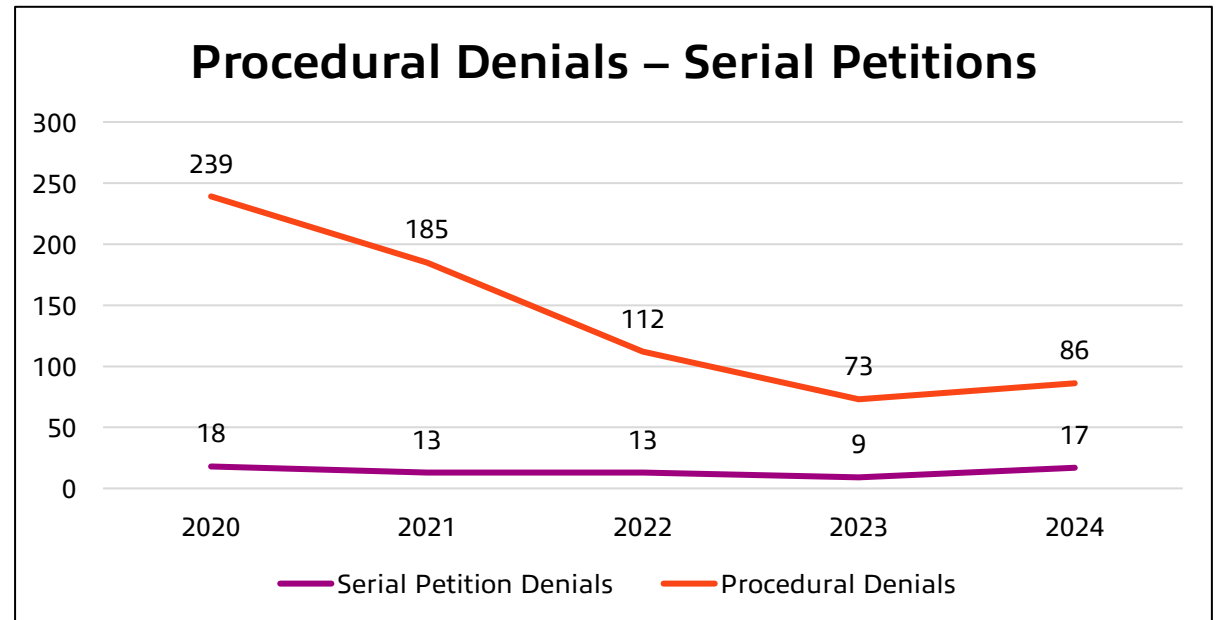
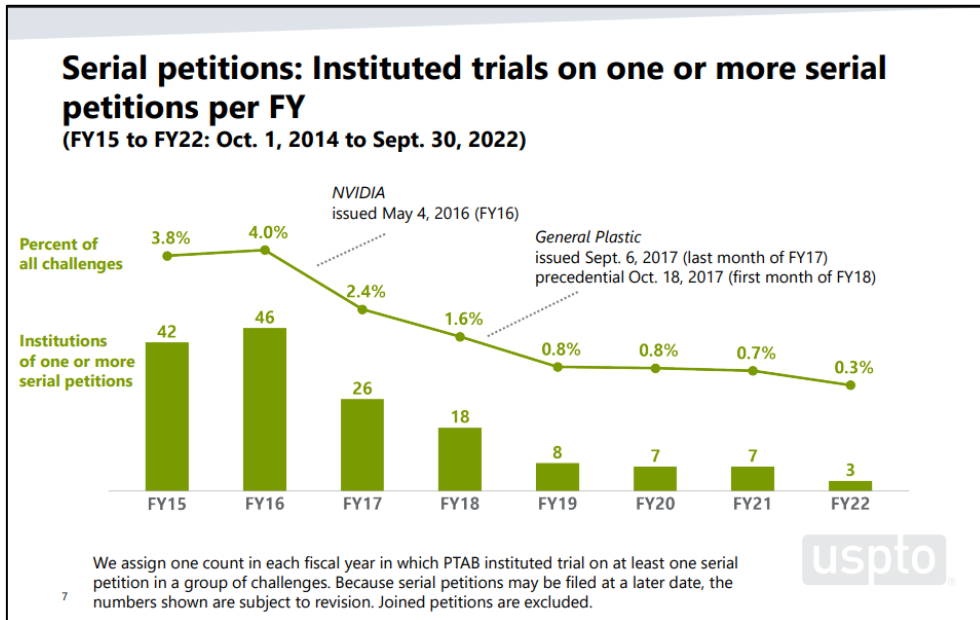
"Whether the same petitioner previously filed a petition directed to the same claims of the same patent"

"Same Claims" Include Different Claims

Juniper Networks, Inc. v. Orckit Corp.,
IPR2024-00895, Paper 15 (Dec. 11,
2024)

- Denial despite challenging different claims (no overlap) because there was no material difference in the claims
 - Pet. 1 challenged claims 1-31
 - Pet. 2 challenged claims 32-54

PTAB Efforts to Reduce Serial Petitions





Discretionary Denials Under § 314: *Parallel Petitions*

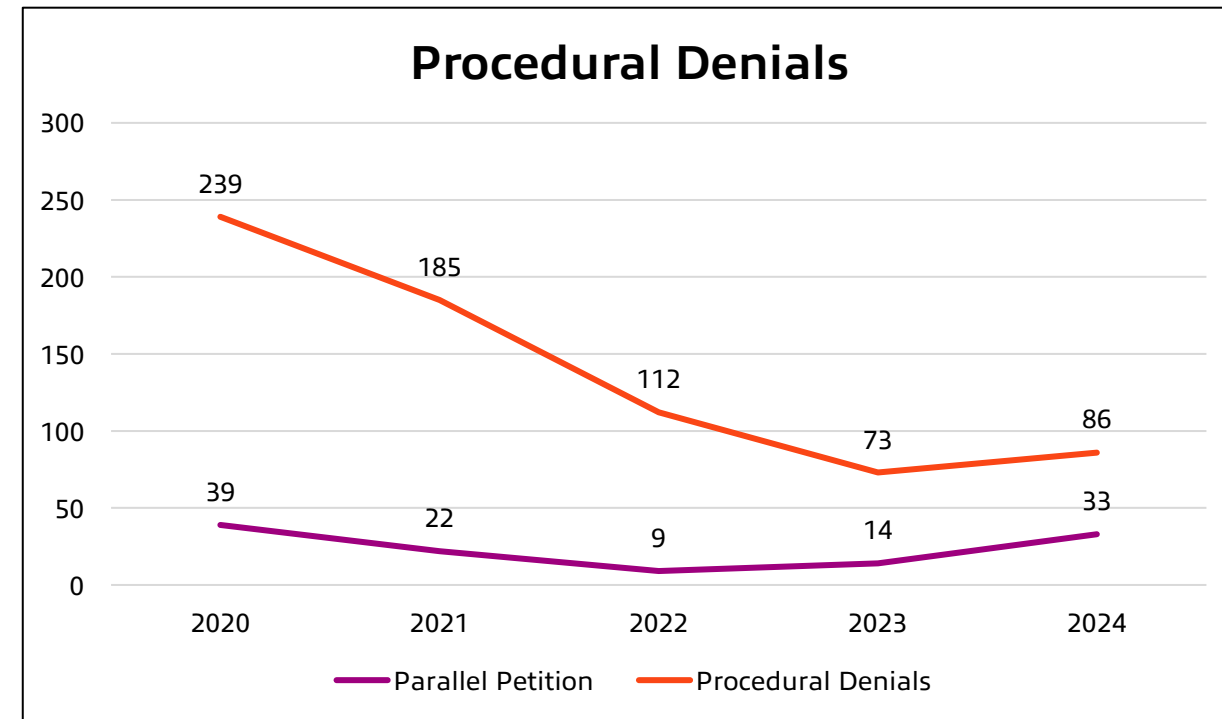
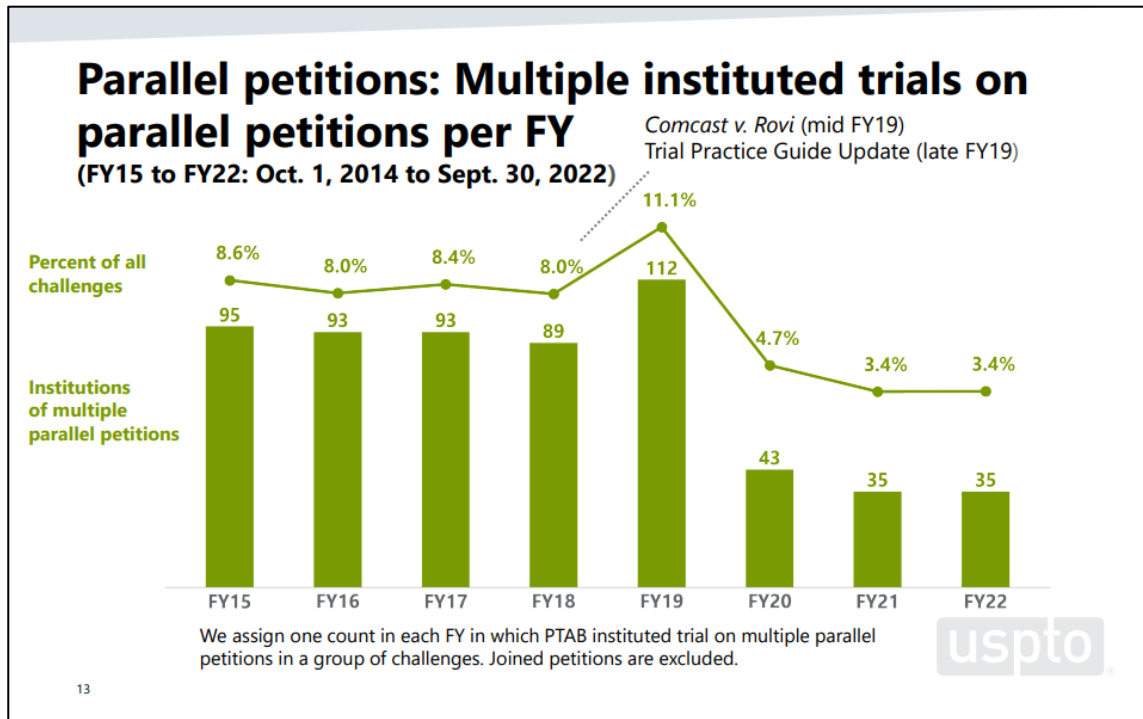
Parallel Petitions

"To aid the Board in determining whether more than one petition is necessary, if a petitioner files two or more petitions challenging the same patent, then the petitioner should, in its petitions or in a separate paper filed with the petitions, identify:

- (1) a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions, and
- (2) a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner's burden under 35 U.S.C. § 314(a)." CTPG at 59-60 citing *Comcast Cable Commc'ns, LLC v. Rovi Guides, Inc.*, Case IPR2019-00224, -00225, -00226, -00227, -00228, -00229 (PTAB April 3, 2019) (Paper 10).

"[I]t will be expected that petitioners will justify multiple petitions in the first instance in their petitions or in a separate paper [of no more than 5 pages] with the petitions, and patent owners will respond in their preliminary responses or in a separate paper with their preliminary responses." CTPG at 60, FN 4.

PTAB Efforts to Reduce Parallel Petitions



Loper

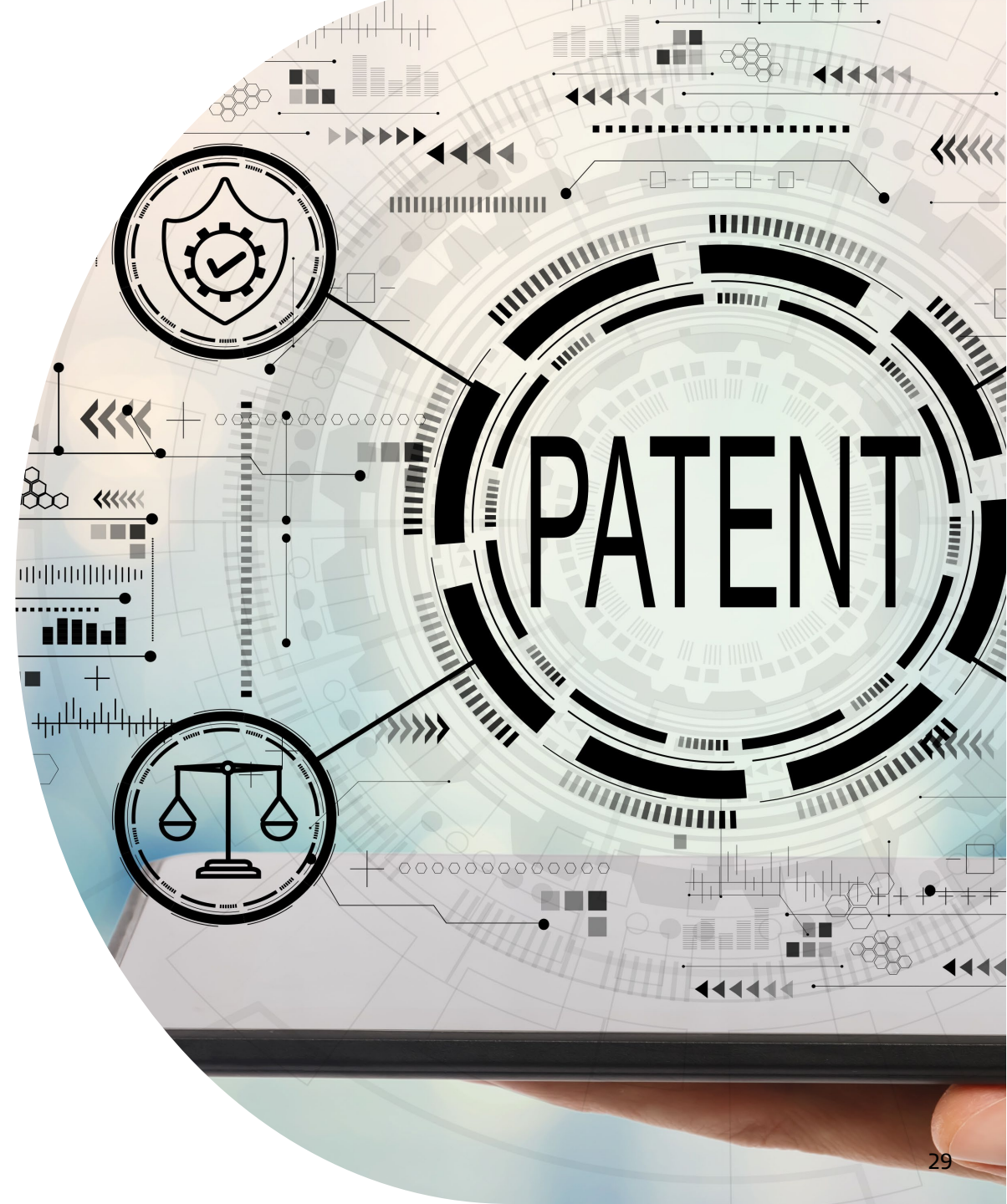


*Loper Bright v.
Raimondo*

Overruled
Chevron

PTAB Implications

- Loper bars toggling between statutory interpretations
 - Claim construction: BRI vs. Phillips
- Real Party in Interest
 - *FedEx v. Qualcomm*
- NHK-Fintiv Rule
 - *Apple v. Vidal*



Rehearing vs. Director Review

Rehearing

37 C.F.R. § 42.71

A party may request rehearing of:

Institution
Decision (DI)

Final Written
Decision (FWD)

Standard of Review:

Misapprehended
Facts

Overlooked
Arguments

Proceedings:

IPRs

PGRs

Derivations

Director Review

PTAB Response to *US v. Arthrex, Inc.*, 141 S. Ct. 1970, 1986 (2021)

June 2021 – Interim process

October 2024 – Final rule as 37 C.F.R. § 42.75

A party may request Director Review of:

- Institution Decision
- Final Written Decision
- Decision granting a request for rehearing
- Other decisions terminating proceeding (e.g., dismissal, adverse judgement)

The Director may grant review *sua sponte*

Standard of Review:

- Institution Decision (DI): Abuse of discretion or important issues of law or policy
- Final Written Decision: DI Issues + erroneous findings of material fact or erroneous conclusions of law

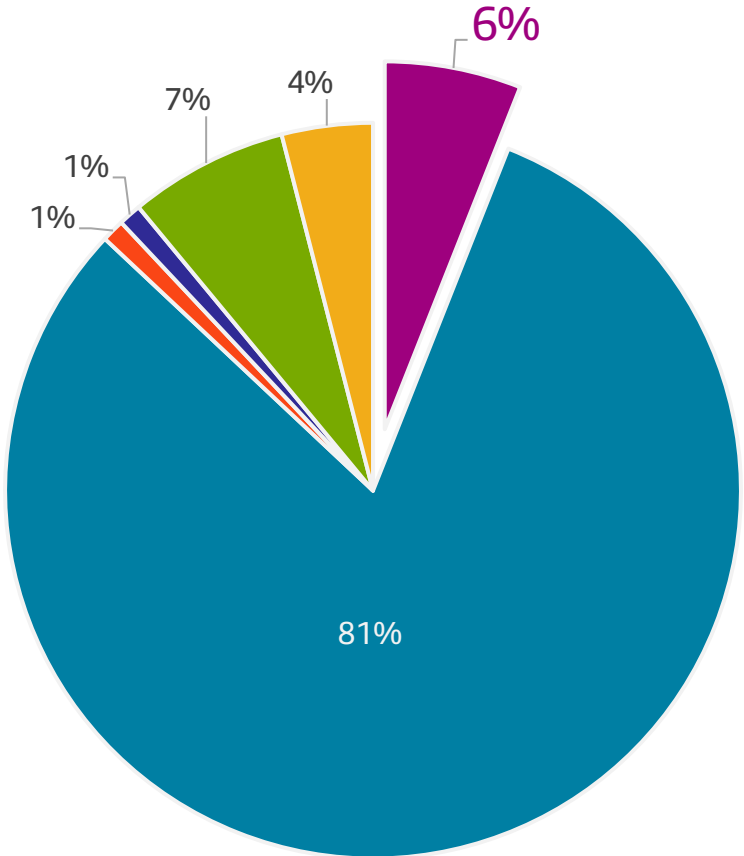
Proceedings:

- IPRs, PGRs, Derivations (not ex parte appeals)

Director Review vs Rehearing – Primary Differences

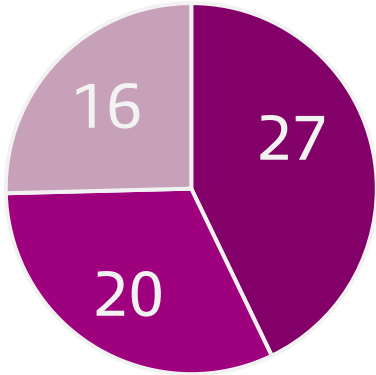
	Director Review	Rehearing
Who Requests?	Parties or Director (<i>sua sponte</i>)	Parties
What Decision?	DI, FWD, Rehearing, Other Final	DI, FWD
Standard of Review	DI: <ul style="list-style-type: none"> • Abuse of Discretion • Important issues of law or policy FWD: <ul style="list-style-type: none"> • DI Issues + • Erroneous findings of material fact • Erroneous conclusions of law 	DI/FWD: <ul style="list-style-type: none"> • Misapprehended facts • Overlooked arguments
Audience	Director or Delegated Panel <ul style="list-style-type: none"> • Not the same panel 	Same panel
Official Fees	\$452 – Effective Jan. 19, 2025	None

Director Review *(Through FY2024)*



Requests

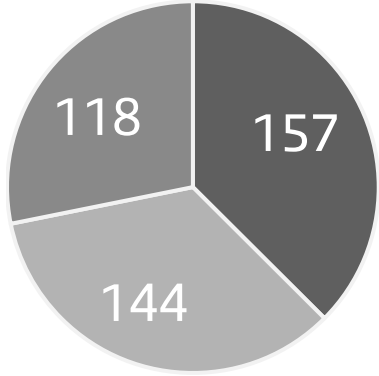
- Granted (27)
- Denied (354)
- Withdrawn (6)
- Delegated (2)
- Pending (30)
- Dismissed (Non-Compliant) (16)



Grants

- Party Requests
- Sua Sponte
- POP Conversions

419 Compliant Requests:



- Requests from Final Written Decisions
- Requests from Decisions on Institution
- Limited Remands Post-Arthrex

Sua Sponte Director Review

Sanctions

Sua sponte Director Review decision finding PO withheld material evidence and affirming sanctions award of “judgement in trial” in FWD rendering all challenged claims unpatentable and denying MTA. [*Spectrum Sols. LLC v. Longhorn Vaccines & Diagnostics, LLC*](#), IPR2021-00847, -00850, -00854, -00857, -00860, Paper 142 (Jul. 11, 2024) (Vidal).

Adverse Judgement

Sua sponte Director review decision vacating Board’s adverse judgment based on abandonment for failure to file mandatory notice and respond to Board emails. [*Shenzhen Xinzexing E-Commerce Co., Ltd. v. Shenzhen Carku Tech. Co., Ltd.*](#), IPR2024-00222, Paper 7 (Jul. 10, 2024) (Vidal).

Claim Construction

| *Axonics, Inc. v. Medtronic, Inc.* (Fed. Cir. 2023)

A party must be provided an opportunity to respond to new claim construction from opposing party or Board regardless of procedural timing

- ✓ Applying new claim construction to embodiments relied on in petition
- ✓ New teaching from applied embodiments
- ✗ New prior-art references

Open question: Can Petitioner rely on new embodiments in the prior-art relied upon in Petition?

Secondary Considerations

Secondary Considerations of Nonobviousness – Nexus

“[T]o accord substantial weight to secondary considerations in an obviousness analysis, the evidence of secondary considerations must have a ‘nexus’ to the claims, *i.e.*, there must be ‘a legally and factually sufficient connection’ between the evidence and the patented invention.”

Fox Factory, Inc. v. SRAM, LLC, 944 F.3d 1366, 1373 (Fed. Cir. 2019).

1. Patent owner may be entitled to a presumption of a nexus if objective evidence is tied to a specific product that is coextensive with the claimed features;
2. If the patent owner does not meet threshold under first factor, the Patent Owner can prove a nexus by showing that the objective evidence is the direct result of the unique characteristics of the claimed invention.

Lectrosonics, Inc. v. Zaxcom, Inc., IPR2018-01129 Paper 33 (Jan. 24, 2020) (precedential).

Presumption of Nexus

“[P]resuming nexus is appropriate when the patentee shows that the asserted objective evidence is tied to a specific product and that product ‘embodies the claimed features, and is coextensive with them.’”

Fox Factory, Inc. v. SRAM, LLC, 944 F.3d 1366, 1373 (Fed. Cir. 2019)

ZF North Am., Inc. v. Stoneridge Control Devices, Inc., IPR2023-00273, Paper 31 (Jun. 12, 2024)

- Patent Owner, relying on infringement contentions, argued that nexus should be presumed;
- Petitioner argued that Patent Owner never linked its evidence of to the claimed invention;
- The Board agreed with the Petitioner and found the claim charts to be attorney argument summarizing Patent Owner’s allegations—not substantive evidence.

Showing Nexus Using Evidence Directed to Unique Characteristics of the Invention

“Without the presumption, a patentee may establish nexus by showing the secondary considerations evidence is the direct result of the unique characteristics of the claimed invention, rather than a feature that was known in the prior art.” *Magseis FF LLC v. Seabed Geosolutions (US) Inc.*, 860 F. App'x 746, 751 (Fed. Cir. 2021).

Additionally, there is no nexus unless the evidence presented is “reasonably commensurate with the scope of the claims.” *ClassCo, Inc. v. Apple, Inc.*, 838 F.3d 1214, 1220 (Fed. Cir. 2016)

Palo Alto Networks, Inc. v. BT Ams. Inc., IPR2023-00889, Paper 32 (Nov. 7, 2024)

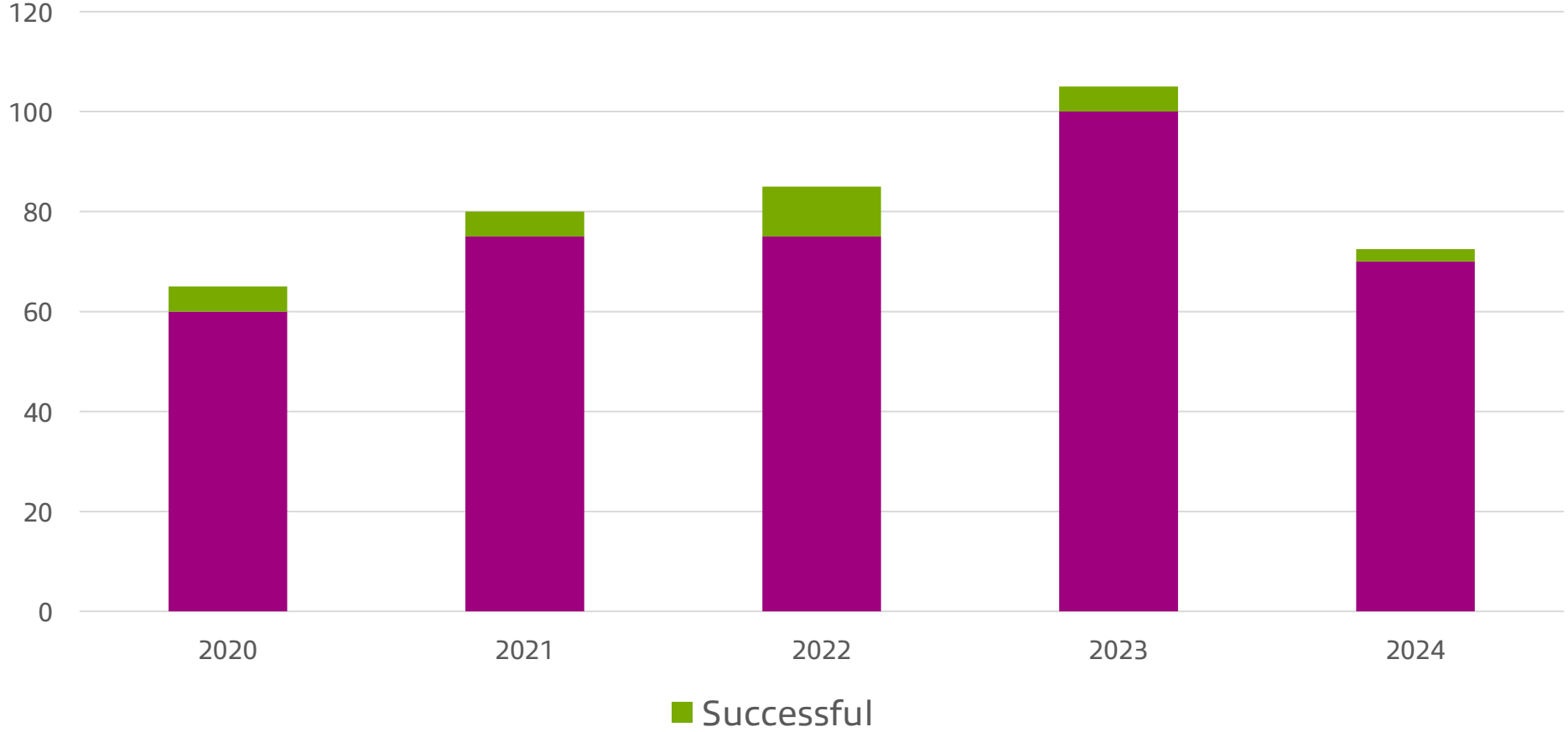
- Patent Owner sought to overcome obviousness using secondary considerations evidence

The Board disagreed because:

- Patent Owner did not show that its evidence is attributable to the claimed combination of elements;
- Patent Owner relied on unclaimed features not reasonably commensurate in scope with the claims;
- Patent Owner evidence was not a unique feature of the product but instead prior art features; and
- Patent Owner used the same evidence of secondary considerations for two different combination of feature.

Data

Secondary Considerations



Thank you for joining us!

Any questions? Please don't hesitate to reach out.

We'll send around these slides and publish a recording soon!



Andrew Turner

Co-Chair Post-Grant Proceedings
aturner@brookskushman.com



John Rondini

Co-Chair Cybersecurity
jrondini@brookskushman.com



Kyle Konz

Shareholder
kkonz@brookskushman.com



Reza Roghani Esfahani

Shareholder
resfahani@brookskushman.com



Vikram Mandelia

Technical Specialist
vmandelia@brookskushman.com