

NYIPLA
PTAB COMMITTEE
January 5, 2021



Update on Latest PTAB Rules and
Precedential Decisions

BY

CHARLES R. MACEDO, PARTNER
CHANDLER STURM, ASSOCIATE
DEVIN GARRITY, LAW CLERK

AMSTER, ROTHSTEIN & EBENSTEIN LLP



Patent
Trial And
Appeal
Board

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NEW RULES

Notice of December 21, 2020

Burden of Persuasion on *Motions to Amend*

Notice of December 9, 2020

Multiple Grounds

Patent Owner Responses and Sur-Replies

Presumptions on Institution

Notice of December 21, 2020

Burden of Persuasion on Motions to Amend

<https://www.govinfo.gov/content/pkg/FR-2020-12-21/pdf/2020-28159.pdf>

Burden of Persuasion on Motions to Amend

- The patent owner bears the burden of persuasion to show, by a preponderance of the evidence, that the motion to amend complies with certain statutory and regulatory requirements
- The petitioner bears the burden of persuasion to show, by a preponderance of the evidence, that any proposed substitute claims are unpatentable.
- The Board may, in the interests of justice, exercise its discretion to grant or deny a motion to amend in the interests of justice only for reasons supported by readily identifiable and persuasive evidence of record. In doing so, the Board may make of record only readily identifiable and persuasive evidence in a related proceeding before the Office or evidence that a district court can judicially notice. Where the Board exercises its discretion under this paragraph, the parties will have an opportunity to respond.

37 C.F.R. § § 42.121(d), 42.221(d)

Notice of December 9, 2020

Multiple Grounds

Patent Owner Responses and Sur-Replies

Presumptions on Institution

<https://www.govinfo.gov/content/pkg/FR-2020-12-09/pdf/2020-27048.pdf>

Multiple Grounds

- The final rule revises the rules of practice for instituting an IPR or PGR to require institution on either all challenged claims presented in a petition or none.
- The final rule also revises the rules for instituting a review, if at all, on all grounds of unpatentability for all the challenged claims that are presented in a petition.

37 CFR § 42.108(a), 42.208(a)

- The USPTO implemented *SAS Institute Inc. v. Iancu*, 133 S. Ct. 1348 (2018), which held that the USPTO has the discretion to institute on either all of the claims challenged in the petition or to deny the petition
- *NYIPLA provided comments to the USPTO which endorsed the adoption of the USPTO's proposed revisions to §§ 42.108(a) and 42.208(a) regarding the implementation of the SAS decision.

Patent Owner Responses and Sur-Replies

- The final rule amends §§ 42.23, 42.24, 42.120, and 42.220 to allow:
 - (1) replies and patent owner responses to address issues discussed in the institution decisions, and
 - (2) sur-replies to principal briefs (e.g., to reply to a patent owner response, or to a reply to an opposition to a motion to amend).

37 CFR §§ 42.23, 24, 120, 220

- The sur-reply practice essentially replaces the previous practice of filing observations on cross-examination testimony.
- The sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness, and may only respond to arguments made in reply briefs, comment on reply declaration testimony, or point to cross-examination testimony.

Presumptions on Institution

- The final rule amends the rules to eliminate the presumption in favor of the petitioner for a genuine issue of material fact created by testimonial evidence submitted with a patent owner's preliminary response.
- The final rule provides that any testimonial evidence submitted with the patent owner's preliminary response will be taken into account as part of the totality of the evidence and the presumption in favor of the petitioner will be eliminated.

37 CFR §§ 42.108(c), 208(c)

*NYIPLA also took the neutral position (which was the position adopted by the USPTO) that neither party should receive the presumption when there is genuine issue of material fact created by testimonial evidence submitted with a patent owner's preliminary response.

NEW PRECEDENTIAL DECISIONS

- **Real Party in Interest**

- *RPX Corp. v. Applications in Internet Time, LLC*
- *SharkNinja Operating LLC v. iRobot Corp.*

- **Copycat Petitions**

- *Apple Inc. v. Uniloc 2017 LLC*

- **Fintiv Follow-On Decisions**

- *Sotera Wireless, Inc. v. Masimo Corporation*
- *Snap, Inc. v. SRK Technology LLC*

Real Party-in-Interest

35 U.S.C. § 312 – Petitions

(a) REQUIREMENTS OF PETITION.—*A petition filed under section 311 may be considered only if—*

- (1)** the petition is accompanied by payment of the fee established by the Director under section 311;
- (2)** *the petition identifies all real parties in interest;*

Notice Functions:

1. Allow patent owner to identify whether the petitioner is barred from bringing an IPR due to a real party-in-interest that is time-barred or otherwise estopped
2. Allows the PTAB to identify conflicts of interest that are not readily apparent from the identity of the petitioner

35 U.S.C. § 315 – Relation to Other Proceedings or Actions

(b) PATENT OWNER'S ACTION.—

An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

Purpose: safeguard patent owners from having to defend their patent against subsequent administrative attacks by related parties to the petitioner

35 U.S.C. § 315 – Relation to Other Proceedings or Actions

(e) ESTOPPEL.—

(2) **CIVIL ACTIONS AND OTHER PROCEEDINGS.**—*The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.*

Purpose: ensures that third parties who have a sufficiently close relationship with IPR petitioners are bound by the outcome of instituted IPRs in final written decisions

RPX Corp. v. Applications in Internet Time, LLC, IPR2015-01750, Paper 128 (P.T.A.B. Oct. 21, 2020) (Precedential)

- RPX filed petitions for IPR of multiple claims of multiple patents owned by Applications in Internet Time, LLC (AIT)
- AIT argued that RPX was time-barred under 35 U.S.C. § 315(b) because RPX's client, Salesforce, was an unnamed real party-in-interest
 - Salesforce was served with a complaint more than 1 year before RPX filed the IPR petitions
- PTAB instituted review and found the challenged claims unpatentable
- AIT appealed the determinations to the Federal Circuit

Applications in Internet Time, LLC v. RPX Corp., 897 F.3d 1336 (Fed. Cir. 2018)

The Board applied an *unduly restrictive test for determining whether a person or entity is a 'real party in interest'* within the meaning of § 315(b) and *failed to consider the entirety of the evidentiary record* in assessing whether § 315(b) barred institution of these IPRs.

The *focus of the real-party-in-interest inquiry* is on the *patentability of the claims challenged* in the IPR petition, *bearing in mind who will benefit from having those claims canceled or invalidated.*

When it comes to evaluating the *relationship between a party bringing a suit and a non-party*, the common law seeks to ascertain *who, from a "practical and equitable" standpoint, will benefit from the redress that the chosen tribunal might provide.*

Applications in Internet Time, LLC v. RPX Corp., 897 F.3d 1336 (Fed. Cir. 2018)

For the foregoing reasons, ***we vacate the Board's 428 and 111 Decisions, and remand for further proceedings.*** The Board's decisions in this case ***neither considered the full range of relationships under § 315(b) and the common law that could make Salesforce a real party in interest with respect to this IPR*** nor properly applied the principles articulated in the Trial Practice Guide upon which it purported to rely.

RPX Corp. v. Applications in Internet Time, LLC,

IPR2015-01750, Paper 128 (P.T.A.B. Oct. 21, 2020) (Precedential)

We approach the inquiry by focusing on the “*two related purposes*” of the real party in interest (“RPI”) requirement set forth in the legislative history, i.e., to preclude parties from getting “two bites at the apple” by: (1) ***ensuring that third parties who have sufficiently close relationships with IPR petitioners are bound by the outcome of instituted IPRs*** in final written decisions under 35 U.S.C. § 315(e), the IPR estoppel provision; and (2) ***safeguarding patent owners*** from having to defend their patents against belated administrative attacks by related parties via 35 U.S.C. § 315(b).

RPX Corp. v. Applications in Internet Time, LLC,

IPR2015-01750, Paper 128 (P.T.A.B. Oct. 21, 2020) (Precedential)

As stated by the Federal Circuit, “[d]etermining whether a non-party is a ‘real party in interest’” ***demands a flexible approach*** that takes into account ***both equitable and practical considerations***, with an eye toward determining ***whether the non-party is a clear beneficiary*** that has a ***preexisting, established relationship with the petitioner***.

RPX Corp. v. Applications in Internet Time, LLC

IPR2015-01750, Paper 128 (P.T.A.B. Oct. 21, 2020) (Precedential)

The PTAB considered the following factors:

1. “RPX’s business model,” including “the nature of’ RPX as an entity”;
2. “RPX’s explanation of its own interest in the IPRs”;
3. “whether, and under what circumstances, RPX takes a particular client’s interests into account when determining whether to file IPR petitions”;
4. Salesforce’s relationship with RPX;
5. Salesforce’s “interest in” and “benefit from” the IPRs;
6. “whether RPX can be said to be representing that interest”;
7. “whether Salesforce actually ‘desire[d] review of the patent[s]’”; and
8. the relevance of “the fact that Salesforce and RPX had overlapping Board members.”

RPX Corp. v. Applications in Internet Time, LLC,

IPR2015-01750, Paper 128 (P.T.A.B. Oct. 21, 2020) (Precedential)

In short, as the Federal Circuit suggested, Salesforce is “***a clear beneficiary that has a preexisting, established relationship with RPX,***” and is therefore a real party in interest.

Having considered all the evidence of record and the parties’ arguments, we find that ***RPX has not shown, by a preponderance of the evidence, that Salesforce is not an RPI in these proceedings.*** Accordingly, we ***terminate the prior Decisions instituting inter partes review, and deny inter partes review under 35 U.S.C. § 315(b).***

SharkNinja Operating LLC v. iRobot Corp.

IPR2020-00734, Paper 11 (P.T.A.B. Oct. 6, 2020) (Precedential)

- SharkNinja Operating LLC filed a petition for IPR of claims of a patent owned by iRobot Corporation.
- iRobot argued that the PTAB should deny institution under 35 U.S.C. § 312(a)(2) because the petitioner failed to name all RPIs, namely, the petitioner's corporate parent (JS Global).
- In the decision, the PTAB acknowledged the requirement that a petition must identify all RPIs, but also recognized that a petitioner may be allowed to cure such a defect and add an RPI during the proceeding.

SharkNinja Operating LLC v. iRobot Corp.

IPR2020-00734, Paper 11 (P.T.A.B. Oct. 6, 2020) (Precedential)

There is, however, *no allegation that Petitioner's failure to name JS Global as an RPI should result in termination of the proceeding or denial of institution of review for any reason other than for the alleged failure of a procedural requirement that can be corrected under our precedent.* Additionally, there is *no allegation or evidence that JS Global is barred or estopped from this proceeding, or that Petitioner purposefully omitted JS Global to gain some advantage.*

SharkNinja Operating LLC v. iRobot Corp.

IPR2020-00734, Paper 11 (P.T.A.B. Oct. 6, 2020) (Precedential)

On this record, we determine that ***we need not address whether JS Global is an unnamed RPI because, even if it were, it would not create a time bar or estoppel under 35 U.S.C. § 315.*** Under the Board’s precedential decision in *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, ***our jurisdiction to consider a petition does not require a “correct” identification of all RPIs in a petition.***

SharkNinja Operating LLC v. iRobot Corp.

IPR2020-00734, Paper 11 (P.T.A.B. Oct. 6, 2020) (Precedential)

Certain Board decisions *considering whether other parties should have been named as RPIs* have *gone through the extensive analysis* that such an exercise requires, *even where there is no allegation that the failure to name the purported RPI results in time bar, estoppel, or anything else material to the case. ...*

In other decisions, the Board has determined that such a lengthy exercise is unnecessary for the purposes of rendering a decision on institution of trial.

The latter approach better serves the interest of cost and efficiency. We understand that “[patent owners] should not be forced to defend against later judicial or administrative attacks on the same or related grounds by a party that is so closely related to the original petitioner as to qualify as a real party in *interest*.” AIT, 897 F.3d at 1350. *But that is not the case before us. Thus, on this record, we will not consider whether JS Global must be named as an RPI.*

RECAP

- Petitioner was time-barred because the petitioner's client was an unnamed real party-in-interest that had been served with an infringement complaint more than one year before filing the petition (*RPX*)
- RPI analysis at institution is not necessary, absent allegation of time bar or estoppel based on unnamed RPI, or that omission of the RPI was done in bad faith (*SharkNinja*)

Update at Federal Circuit

- *RPX* and *SharkNinja* are helpful clarifications of PTAB practice now that the Federal Circuit, in view of *Thryv, Inc. v. Click-to-Call Techs., LP*, 140 S. Ct. 1367 (2020), has confirmed that decisions regarding time bars of petition and real party in interest are no longer considered appealable to the Federal Circuit.
 - See, e.g., *ESIP Series 2 LLC v. Puzhen Life USA LLC*, 958 F.3d 1378 (Fed. Cir. 2020) (holding that decisions on “real parties in interest” are related to institution such that judicial review is precluded under Section 314(d)); *Fitbit, Inc. v. Valencell, Inc.*, 964 F.3d 1112 (Fed. Cir. 2020) (patent owner’s objection to petitioner’s tardy filing of an IPR petition was not reviewable on appeal).

Copycat Petitions

35 U.S. Code § 314 - Institution of inter partes review

(a) THRESHOLD.—The Director *may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition* filed under section 311 and any response filed under section 313 *shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.*

35 U.S.C. § 315 – Relation to other proceedings or actions

(c) JOINDER.—*If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.*

Apple Inc. v. Uniloc 2017 LLC

IPR2020-00854, Paper 9 (P.T.A.B. Oct. 28, 2020) (Precedential)

By way of summary, Apple ***failed in its first attempt to challenge the '088 patent, and, over a year later and subject to a § 315(b) bar, seeks to join an ongoing proceeding*** challenging that same patent.

- Apple filed a first IPR petition, which was denied institution since it failed to show a reasonable likelihood of success on any ground
- Subsequently, after Apple's one year time bar under 315(b), the PTAB instituted review on an IPR petition filed by Microsoft on the same patent using different grounds of invalidity
- Apple filed a "me-too" petition, copying Microsoft's successful petition and requested joinder with Microsoft's instituted IPR

Apple Inc. v. Uniloc 2017 LLC

IPR2020-00854, Paper 9 (P.T.A.B. Oct. 28, 2020) (Precedential)

Under 35 U.S.C. § 315(c), the discretion of the Director to join a party to an ongoing IPR is premised on the Director’s determination that the petition warrants institution. That determination is not limited to determining whether the merits of the petition meet the reasonable likelihood threshold for at least one challenged claim. Under General Plastic, the Board may deny a petition based on the Director’s discretionary authority of § 314(a). Thus, before determining whether to join Apple as a party to the 023 IPR, even though the Petition is a “me-too petition,” we first determine whether application of the General Plastic factors warrants the exercise of discretion to deny the Petition under § 314(a).

Apple Inc. v. Uniloc 2017 LLC

IPR2020-00854, Paper 9 (P.T.A.B. Oct. 28, 2020) (Precedential)

The Board's decision in *General Plastic* articulates a non-exhaustive **list of factors to be considered in evaluating whether to exercise discretion, under 35 U.S.C. § 314(a), to deny a petition that challenges a patent that was previously challenged before the Board.** These factors are:

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.

Apple Inc. v. Uniloc 2017 LLC

IPR2020-00854, Paper 9 (P.T.A.B. Oct. 28, 2020) (Precedential)

Factor 6: “the finite resources of the Board”

Although a joinder request is usually an efficient mechanism by which to become a petitioner in an IPR, in this case, **Apple’s understudy role argument is not persuasive.** Rather, we agree with Patent Owner that **because this is Apple’s second petition, should Microsoft settle, Apple would stand in to continue a proceeding that would otherwise be terminated. Joinder in this circumstance would allow Apple to continue a proceeding, even after settlement with the primary petitioner, based on a second attempt by Apple.**

In effect, it would be as if Apple had brought the second challenge to the patent in the first instance. This is the kind of serial attack that General Plastic was intended to address.

Fintiv Follow-On Decisions

35 U.S. Code § 314 - Institution of inter partes review

(a) THRESHOLD.—*The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.*

Fintiv Factors

In determining whether *to exercise discretion to deny institution under 35 U.S.C. § 314(a) in view of a parallel district court proceeding dealing with the same issues*, the Board considers the factors set out in *Apple Inc. v. Fintiv, Inc.*, IPR 2020-00019, Paper 11 (March 20, 2020) (“*Fintiv*”):

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

Sotera Wireless, Inc. v. Masimo Corporation

IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020) (Precedential)

Factor 4: overlap between issues raised in the petition and in the parallel proceeding

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.” ... [S]uch a broad stipulation better addresses concerns of duplicative efforts and potentially conflicting decisions in a much more substantial way. Accordingly, *Petitioner’s broad stipulation ensures that an inter partes review is a “true alternative” to the district court proceeding.*

Sotera Wireless, Inc. v. Masimo Corporation

IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020) (Precedential)

We take “*a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review*” when considering the six *Fintiv* factors. Our holistic review of the *Fintiv* factors, namely that the timing of the Petition was reasonable, the relatively limited investment in the parallel proceeding to date, and that there is *minimal potential overlap of the two proceedings, indicates that the Fintiv factors weigh in favor of instituting inter partes review*. As such, we are not persuaded that the interests of the efficiency and integrity of the system would be best served by invoking our authority under 35 U.S.C. § 314(a) to deny institution of a meritorious Petition. For the reasons discussed above, we decline to deny institution under § 314(a).

Snap, Inc. v. SRK Technology LLC

IPR2020-00820, Paper 15 (P.T.A.B. Oct. 21, 2020) (Precedential)

Factor 1: Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

We agree with Petitioner that the ***District Court's stay of the litigation pending denial of institution or a final written decision allays concerns about inefficiency and duplication of efforts.*** The granting of a stay pending inter partes review has weighed strongly against exercising discretion to deny institution under NHK. See *id.* Accordingly, consideration of the first *Fintiv* factor weighs strongly against exercising discretion to deny institution.

Snap, Inc. v. SRK Technology LLC

IPR2020-00820, Paper 15 (P.T.A.B. Oct. 21, 2020) (Precedential)

Factor 4: overlap between issues raised in the petition and in the parallel proceeding

Notwithstanding the material differences between Petitioner's challenges and the invalidity contentions, ***due to the stay of the parallel District Court proceeding, the Board will likely address patentability issues prior to the District Court reaching invalidity issues at trial, thereby obviating concerns of inefficiency and conflicting decisions while providing the possibility of simplifying issues for trial in the parallel District Court proceeding.***

Snap, Inc. v. SRK Technology LLC

IPR2020-00820, Paper 15 (P.T.A.B. Oct. 21, 2020) (Precedential)

Because our analysis is fact-driven and we take a ***holistic view of the factors, no single factor is determinative*** of whether we exercise our discretion to deny institution under § 314(a). Based on the facts before us, ***the stay in the parallel District Court proceeding***, the early stages of that parallel proceeding prior to the stay, and the lack of overlap between the invalidity contentions in the District Court proceeding and the challenges raised in the Petition ***allay any concerns regarding inefficiency, duplication of efforts, and the possibility of conflicting decisions.***

...Balancing all of the *Fintiv* factors, on this record, ***we determine that the circumstances presented here weigh against exercising discretion under § 314(a) to deny institution of inter partes review.***

RECAP

In determining whether to exercise discretion to deny institution in view of a parallel district court proceeding dealing with the same issues,

1. Broad stipulation to limit grounds in district court (*Sotera*), and
2. Stay of district court proceeding (*Snap*)

eliminate any concerns regarding inefficiency, duplication of efforts, and the possibility of conflicting decisions, and therefore weigh against exercising discretion under § 314(a) to deny institution of inter partes review.

Questions?

For more information, please contact:

Charles R. Macedo
Chandler Sturm
Devin Garrity
Amster, Rothstein & Ebenstein LLP
90 Park Avenue
New York, NY 10016
cmacedo@arelaw.com
csturm@arelaw.com

www.arelaw.com

Resources

- [ARE Patent Law Alert: USPTO Publishes Rules Affecting AIA Trial Procedures](#)
- [ARE Patent Law Alert: USPTO Publishes Rules Affecting Patent Amendments In Post-Grant Proceedings](#)
- [ARE Patent Law Alert: The PTAB Designates Two Precedential Decisions](#)

Available at: <https://arelaw.com/publications/>

Resources

- [*RPX Corp. v. Applications in Internet Time, LLC*](#), IPR2015-01750, Paper 128 (PTAB Oct. 2, 2020) (precedential).
- [*SharkNinja Operating LLC v. iRobot Corp.*](#), IPR2020-00734, Paper 11 (PTAB Oct. 6, 2020) (precedential).
- [*Apple Inc. v. Uniloc 2017 LLC*](#), IPR2020-00854, Paper 9 (PTAB Oct. 28, 2020) (precedential).
- [*Sotera Wireless, Inc. v. Masimo Corporation*](#), IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential).
- [*Snap, Inc. v. SRK Technology LLC*](#), IPR2020-00820, Paper 15 (PTAB Oct. 21, 2020) (precedential)