

Charting the Course of the PTAB Web Conference Series

PTAB Proposed Rule Changes: What's In & What's Out?

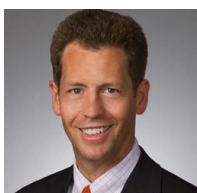
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Agenda



- Background
- Review of the major proposed rule changes & their strategic impact on IPR/CBM/PGR practice
- Impact on balance of power between patent owners and petitioners
- Wrap-up/Questions

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What Led To The Rules Package



- Concerns expressed by both patent owners and petitioners:
 - Inability to amend
 - concern about claim construction
 - page limits
 - Procedural gamesmanship
- USPTO conducted initial series of meetings in several locations to gather input from the public
- Further roadshows scheduled for Aug. 2015 to obtain second round of input from the public before final implementation
- USPTO just announced pilot for single APJ to decide institution rather than panel of 3 (80 FR 51540)

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What Led To The Rules Package



- Anyone may comment on the proposal (80 FR 50719), both as to what is proposed and what is not proposed
- Submit comments by Oct. 19, 2015 to trialrules2015@uspto.gov
- How much will USPTO modify these proposed rules before implementation?

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Major Changes In The Proposed Rules & What Would Not Change



- PO Prelim Response
- Petitioner May Seek Leave For Reply To PO Prelim Response
- Pre-Institution Factual Disputes Resolved in Petitioner's Favor
- Rule 11-type Certification
- Claim Construction Unchanged
- Word Count Instead Of Page Limits
- Exchange Demonstratives 7 Business Days Before Hearing

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1. PO Prelim Response



- Major proposed expansion of pre-institution practice
- PO may submit newly created testimonial evidence in preliminary response
- PO is currently limited to only submitting evidence from original prosecution or which already was created in parallel proceedings

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2. Petitioner May Seek Leave For Reply To Po Prelim Response



- Proposal does not explain what would justify petitioner reply, but provides for an opportunity to seek leave to request one
- Not clear if petitioner could include its own additional testimonial evidence or how easy it will be for petitioner to obtain authorization
- Will need to see how freely PTAB grants leave

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3. Pre-institution Factual Disputes Resolved In Petitioner's Favor



- The proposed institution rule (42.108) would further state: “supporting evidence concerning disputed material facts will be viewed in the light most favorable to the petitioner for purposes of deciding whether to institute an inter partes review”
- Comments indicate that allowing cross-examination to occur pre-institution in order to resolve such disputes is not feasible, so they will simply be resolved in petitioner's favor for purposes of institution decision only

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4. Rule 11-type Certification



- Applies to all filings and must state:
- “to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances:
 - (1) It is not being presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of the proceeding;
 - (2) The claims, defenses, and other legal contentions are warranted by existing law or by a non-frivolous argument for extending, modifying, or reversing existing law or for establishing new law;
 - (3) The factual contentions have evidentiary support; and
 - (4) The denials of factual contentions are warranted on the evidence.”

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4. Rule 11-type Certification



■ Proposed rule further states:

- “Absent exceptional circumstances, a law firm must be held jointly responsible for a violation committed by its partner, associate, or employee.”

■ Motion for sanctions:

- Must be authorized by Board
- must not be filed or be presented to the Board if the challenged paper, claim, defense, contention, or denial is withdrawn or appropriately corrected within 21 days after notice or time set by Board
- Board “may award to the prevailing party the reasonable expenses, including attorney's fees, incurred for the motion”

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5. Claim Construction Unchanged



- Essentially no change – BRI is retained
- Comments suggest that amending claims is easier with clarification that only prior art known to patent owner must be addressed
- Except for patents expiring before final decision will be rendered, in which case Phillips-type construction (same as dist. court) will be used

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6. Word Count Instead Of Page Limits



- Affects the Petition, Patent Owner Preliminary Response, and Petitioner's Reply
- Parties had complained about difficulty complying with page limit and had resorted to extensive citations to declarations?
- *How is word count going to be different than page limit?*
- Instead of 60 pages - 14,000 words.
- Instead of 25 pages – 5,600 words.
- Claim chart words count!

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7. Exchange Demonstratives 7 Business Days Before Hearing



- Most parties use power point slides or excerpts from exhibits as “demonstratives.”
- Extending the deadline for sharing demonstratives to 7 business days is intended to give parties more time to resolve disputes.
- *Is it wise to “telegraph” your entire oral hearing argument in a power point presentation?*

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Who Is Better Off – Petitioner Or Patent Owner?



Rule Number	PROPOSED CHANGE	WHO BENEFITS?
42.107	PO prelim response can use new testimonial evidence	Patent Owner – increased chance to avoid institution
42.108	Seeking leave for petitioner to reply to prelim response	Petitioner – however, not clear how easy it will be to obtain authorization
42.108	Material factual dispute resolved in petitioner's favor for institution	petitioner
42.11	Rule 11-type certification	Cuts both ways, but may be aimed at petitioners
42.100	Broadest reasonable construction retained	Petitioner – PTAB says amending is easier, which justifies retaining BRI
42.24	Word count instead of page limit	Benefits both parties
42.70	Exchange oral hearing demonstratives 7 business days before hearing	Benefits both parties

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Wrap-up/Questions



- Proposed expansion of pre-institution practice
- Opportunity for patent owner to prevent institution with new evidence
- Rule 11-type certifications for all papers and motions for sanctions
- No change to claim construction except patents expiring before final decision
- Procedural improvements (more time to exchange demonstratives, word limits)

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Thank You For Participating!



- For more information about PTAB issues, check out our PTAB Trial Insights blog at...

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