

THE PTAB REVIEW

Despite the current environment of social distancing, the United States Patent and Trademark Office (USPTO) has continued full operations while eliminating face-to-face interactions. For example, Patent Trial and Appeal Board (PTAB) hearings are being held via telephone or by video, and the PTAB is issuing precedential and informative decisions on a wide range of topics. This issue of the *PTAB Review* discusses the Supreme Court's most recent decision about America Invents Act (AIA) trials, the PTAB's most recent precedential and informative decisions, and the potential for estoppel with simultaneous petitions filed challenging the same claims.

Supreme Court Holds PTAB Time-Bar Determinations Are Not Appealable and Rejects a Lonely Attempt to Walk Back Oil States

On April 20, 2020, the Supreme Court issued a 7-2 decision in *Thryv, Inc. v. Click-to-Call Techs., LP*,¹ holding that there is no appellate review of the PTAB's decisions to cancel patent claims on the basis that the petitioner filed too late. As explained in Wilson Sonsini's recent [client alert](#), the Leahy-Smith America Invents Act (AIA) authorizes the PTAB to cancel patent claims that never should have been issued but prohibits the PTAB from acting on petitions for review brought more than one year after the petitioner is sued for patent infringement.² But the AIA also states that a "determination ...



whether to institute an inter partes review under this section shall be final and nonappealable."³ Everyone agreed that Section 314(d) prevents the courts from second-guessing the PTAB's initial determination about the strength of the patentability challenge. The controversy has focused on whether Section 314(d) insulates final PTAB decisions from judicial review for compliance with statutory requirements unrelated to

the merits of the challenge. In *Thryv*, seven justices reaffirmed the rule that statutory requirements that "expressly govern[] institution and nothing more" cannot be appealed, with the potential exclusion of exceptional circumstances (e.g., constitutional violations) for which mandamus relief may be available.⁴

The *Thryv* decision to a great extent turned on the justices' views on

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¹ No. 18-916 (April 20, 2020).

² 35 U.S.C. § 315(b).

³ 35 U.S.C. § 314(d).

⁴ Slip op. at 7, 8 & n.4.

the relevant precedent. In 2016, the Supreme Court determined that Section 314(d) bars review of “questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate *inter partes* review” and held that it bars judicial review of the PTAB’s decision that a petition met the particularity requirements of Section 312.⁵ In 2018, a different five-member majority of justices concluded that “the Director exceeded his statutory authority by limiting the review to fewer than all of the claims [the petitioner] challenged.”⁶ The real-world impact of this later decision foreseeably would lead the PTAB to adjust many institution decisions to include all or no challenged claims. Nonetheless, the Supreme Court declared that “nothing in § 314(d) or *Cuozzo* withdraws our power to ensure that an *inter partes* review *proceeds* in accordance with the law’s demands.”⁷ *Thryv* thus presented the question of whether the Section 315(b) time bar deals with how an *inter partes* review (IPR) proceeds or simply with how it is instituted. The majority reached the latter conclusion.

In dissent, Justice Neil Gorsuch (joined by Justice Sonia Sotomayor) would have concluded that “[n]othing in the statute insulates agency interpretations of other provisions *outside* §314, including those involving §315(b).”⁸ The dissent reasoned that Section 315(b) “stands

as an affirmative limit on the agency’s authority” and “supplies an argument a party can continue to press throughout the life of the administrative proceeding and on appeal.”⁹ Justice Gorsuch argued that *Cuozzo*’s rule about statutes closely related to the institution decision was merely “a product of the judicial imagination,” was “nothing more than dicta entirely unnecessary to the decision,” and had been repudiated in *SAS*.¹⁰ Justice Gorsuch’s majority opinion in *SAS* had characterized *Cuozzo* as concluding “that § 314(d) precludes judicial review *only* of the Director’s ‘initial determination’ under § 314(a) that ‘there is a ‘reasonable likelihood’ that the claims are unpatentable on the grounds asserted’ and review is therefore justified.”¹¹ The seven justices who joined the majority opinion concluded “that sentence’s account of *Cuozzo* is incomplete,” and that *Cuozzo*’s rule that Section 314(d) bars appeal of “questions that are closely tied to the application and interpretation of statutes related to the Patent Office’s decision to initiate *inter partes* review” was “hardly ‘dicta’” and was not overruled by *SAS*.¹²

Aside from reaffirming *Cuozzo*’s bar on appealing issues closely tied to the PTAB’s institution decision, the *Thryv* decision also is notable for other arguments from the dissent that were rejected. Specifically, *Thryv* represents an otherwise unanimous consensus

on the Court against Justice Gorsuch’s skepticism toward AIA review. Justice Gorsuch faulted the Court for taking a “wrong turn in *Oil States Energy Services, LLC v. Green’s Energy Group, LLC*, 584 U.S. ___ (2018)” by allowing “agency officials to withdraw already-issued patents subject to very limited judicial review” instead of holding that patents “could be taken only by a judgment of a court of law.”¹³ He asserted that this “error” in *Oil States* gave away much of the courts’ constitutional authority based on a “mistaken assessment that patents were historically treated as public franchises rather than private rights.”¹⁴ According to Justice Gorsuch, the holding in *Thryv* compounds the error of *Oil States* by insulating “employees of a political branch” from judicial review when they “fail or refuse to comply with the law,” even though “[n]othing in the statute commands” it and “nothing in the Constitution permits it.”¹⁵ The most notable aspect of the *Thryv* decision thus very well may be that Justice Gorsuch’s attempts to repudiate *Oil States* failed to garner the vote of even Justice Sotomayor (who joined the remainder of the dissent). In other words, the Supreme Court is almost unanimously of the opinion that the fundamental constitutionality of AIA reviews, as decided in *Oil States*, is now a settled issue.

⁵ *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141 (2016).

⁶ *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, 1359 (2018) (interpreting 35 U.S.C. § 318(a)).

⁷ *Id.* (emphasis added).

⁸ Slip op. at 6 (Gorsuch, J., dissenting).

⁹ *Id.* at 7.

¹⁰ *Id.* at 15-17.

¹¹ *SAS*, 138 S. Ct. at 1359 (emphasis added).

¹² Slip op. at 13 & n.13.

¹³ Slip op. at 18 (Gorsuch, J., dissenting).

¹⁴ *Id.* at 21.

¹⁵ *Id.* at 22-23.

Recent Precedential and Informative Decisions

Since the beginning of the year, the PTAB has designated four decisions as precedential and seven decisions as informative. These decisions address 1) discretionary denial of institution; 2) proving public availability of prior art references; and 3) analyzing nexus for objective indicia of non-obviousness.

Discretionary Denial of Institution

On March 24, 2020, the PTAB designated two decisions dealing with discretionary denial as precedential, and one as informative. *Advanced Bionics*,¹⁶ set forth a two-part framework in denying institution under 35 U.S.C. § 325(d). That framework is:

- (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and
- (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the claims.

Examples of the second prong include misapprehending or overlooking specific teachings of the prior art material to patentability, as well as an error in law that is material to patentability, such as an error in claim construction.¹⁷ The PTAB then looked towards the *Becton, Dickinson*¹⁸ factors in determining

whether the same or substantially the same prior art and arguments were presented to the Office.¹⁹ Denying institution, the PTAB concluded that the same or substantially the same prior art had been presented to the Office, and that petitioner failed to demonstrate examiner error.

The *Advanced Bionics* decision does not purport to displace the *Becton, Dickinson* factors. To the contrary, it acknowledges that it is simply, “restating the framework in its Statutory language” and that this restatement “does not address challenging factual questions,” for which it turns to the *Becton, Dickinson* factors. *Advanced Bionics* does highlight the need for reviewing and understanding the prosecution history to both petitioner and patent owner. That is, as petitioner, not only should one be wary of using the same prior art used by the examiner, but also any art that may be considered as having the same teachings as the previously-considered prior art. And to the extent that such art is used, it becomes imperative to demonstrate how the Office erred in considering and applying that art. As patent owner, the similarity of the art and arguments before the Office during prosecution to the art and arguments made in the petition is an important basis for attacking the petition that should be considered when drafting a patent owner preliminary response.

The PTAB, however, granted institution in its second precedential decision

dealing with discretionary denial, *Oticon Medical*.²⁰ The PTAB in that decision declined to exercise its discretion to deny institution under either 35 U.S.C. §§ 325(d) or 314(a). The PTAB first used the *Becton, Dickinson* factors to guide its determination not to exercise its discretion under Section 325(d).²¹ In so doing, it concluded that the petition asserted new, noncumulative prior art.²² Specifically, the PTAB found that the examiner’s failure to consider a new reference from a different art addressing similar problems as the challenged patent during the original prosecution was an “error” making application of Section 325(d) discretion inappropriate. *Oticon* thus indicates that “examiner error” may extend beyond issues the examiner was aware of to the broader and ultimate question of whether the claims are patentable.

The PTAB also rejected the patent owner’s argument that institution should be denied under Section 314(a) because the petitioner waited almost a year to file the petition after being sued, the petitioner used the patent owner’s responses to the petitioner’s invalidity contentions as a roadmap for improving the petition, and the district court trial likely would conclude before a final decision was reached in the IPR.²³ The PTAB noted the petition was not time-barred and distinguished *NHK Spring*²⁴, noting that differences between the petition and the district court invalidity contentions meant the PTAB proceeding would “not be directly duplicative” of

¹⁶ *Advanced Bionics LLC v. Med-EL Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6, at 8 (Feb. 13, 2020) (precedential).

¹⁷ *Id.* at 8 n.9.

¹⁸ *Becton, Dickinson & Co. v. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (precedential). Those non-exclusive factors are: a) the similarities and material differences between the asserted art and the prior art involved during examination; b) the cumulative nature of the asserted art and the prior art involved during examination; c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; d) the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art or patent owner distinguishes the prior art; e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of prior art or arguments.

¹⁹ *Advanced Bionics*, IPR2019-01469, Paper 6, at 9-10.

²⁰ *Oticon Medical AB v. Cochlear Ltd.*, IPR2019-00975, Paper 15 (October 16, 2019) (precedential).

²¹ *Id.* at 9.

²² *Id.* at 20.

²³ *Id.* at 22-24.

²⁴ *NHK Spring Co. v. Intri-Plex Tech., Inc.*, IPR2018-00752, Paper 8 (Sep. 12, 2018) (precedential).

the district court proceeding and that the patent owner failed to provide a schedule from the district court with a trial date.²⁵ *Oticon* thus demonstrates that filing a petition close to the statutory bar is not necessarily fatal to institution and that it is important for patent owners who invoke *NHK Spring* to demonstrate the IPR will be duplicative of the district court proceeding **and** that the district court proceeding will actually conclude before a final decision will issue in the IPR.

The one decision designated as informative the same day denied institution under § 325(d). In *Puma North America, Inc. v. Nike, Inc.*,²⁶ the parties agreed that the art relied upon the petition was the same as that before the examiner, thus the determinative issue was whether the petitioner had demonstrated Office error. The PTAB determined the petitioner failed to do so, as the petitioner failed to address why the ordinary artisan would have wanted to make the proposed modification.²⁷

Public Availability of Printed Publications

The PTAB also designated one decision as precedential, along with four informative decisions, dealing with demonstrating the public availability of a reference, on April 7, 2020. The one precedential decision, *Ex parte Grillo-Lopez*,²⁸ involved an appeal of an examiner rejection. The PTAB, based on the examination framework of shifting burdens, concluded that a finding in an IPR that an FDA (U.S. Food and Drug Administration) transcript was not a

printed publication was not binding in an *ex parte* context.

The four informative decisions all deal with IPR proceedings. Thus, in *In-Depth Geophysical, Inc. v. Conocophillips Co.*,²⁹ the PTAB declined to institute review on the basis that the petitioner failed to make a threshold showing that one of the relied-upon references (a conference abstract) was a prior art printed publication as of the critical date.³⁰ The petitioner failed to present evidence that it was available before the date of the conference, while the patent owner provided a declaration of a member of the group where the paper was presented at the annual meeting stating that conference abstracts were only made available at the beginning of the conference.

Argentum Pharm. LLC v. Research Corp. Tech., Inc.,³¹ determined that the petitioner did not demonstrate a particular thesis was publicly available.³² Notably, the PTAB determined that a “Joint Statement of Uncontested Facts,” submitted at the district court wherein the patent owner agreed for purposes of the litigation that the thesis constituted a printed publication was not sufficient, as the patent owner may have stipulated to that to streamline matters for trial.³³

In contrast, in *Seabury North America, Inc. v. Lincoln Global, Inc.*,³⁴ the PTAB determined that the petitioner made a sufficient showing that a thesis was a printed publication. In that case, the petitioner presented a declaration from the thesis advisor in which the thesis advisor testified that the thesis

had been deposited at the library and was made available for retrieval by the public thereafter. Finally, in *Sandoz Inc. v. Abbvie Biotechnology Ltd.*,³⁵ the PTAB determined that the petitioner had sufficiently demonstrated for purposes of institution that a package insert constituted a printed publication. The petitioner had not only submitted a Wayback Machine screen shot, but one of its experts also testified as to the accessibility of drug inserts or label on the FDA website.³⁶

One important takeaway point here is the importance of submitting evidence at the petition stage. Thus, as petitioner, if it is unclear whether a reference constitutes a printed publication, the petitioner should submit evidence, such as from the Wayback Machine, declarations, etc., showing that the publication was publicly available as of the critical date, and thus constitutes a printed publication. And the patent owner, if arguing that a reference does not constitute a printed publication, should also attempt to submit evidence demonstrating that a reference does not constitute a printed publication.

Nexus for Objective Indicia of Non-Obviousness

Finally, the PTAB designated one IPR decision as precedential and two *ex parte* decisions as informative on April 14, 2020, relating to objective indicia of non-obviousness. In *Lectrosomics, Inc. v. Zaxcom, Inc.*,³⁷ the PTAB determined that the patent owner failed to show a nexus between the objective indicia of non-obviousness as to the original

²⁵ *Oticon Medical*, IPR2019-00975, Paper 15, at 23-24.

²⁶ IPR2019-01042, Paper 10, at 11 (Oct. 31, 2019) (informative).

²⁷ *Id.* at 16.

²⁸ App. No. 2018-006082 (Jan. 31, 2020) (precedential).

²⁹ IPR2019-00849, Paper 14 (Sep. 6, 2019) (informative).

³⁰ *Id.* at 5.

³¹ IPR2016, 00204, Paper 19 (May 23, 2016) (informative).

³² *Id.* at 9.

³³ *Id.* at 10-11.

³⁴ IPR2016-00840, Paper 11, at 7 (Oct. 6, 2016) (informative).

³⁵ IPR2018-00156, Paper 11, at 13 (Jun. 5, 2018) (informative).

³⁶ *Id.* at 10.

³⁷ IPR2018-01129, Paper 33, at 31-32, 61 (Jan. 24, 2020) (precedential).

claims but determined that there was a nexus between the amended claims and the objective indicia. The PTAB thus granted the motion to amend.³⁸ Thus, a motion to amend may be used not only to distinguish the teaching of a prior art reference, but also may be used to limit a claim to establish nexus to the objective indicia of non-obviousness.

The two informative cases, *Ex parte Thompson*,³⁹ and *Ex parte Whirlpool Corp.*,⁴⁰ reversed the decision of the examiner based on the failure of the examiner to give the proper weight to the submitted evidence of objective indicia. Again, the PTAB discussed the nexus of the evidence to the rejected claims. Thus, in the *ex parte* context it

is also important to consider whether there is a nexus between the claims and the evidence in support of the objective indicia, and to make that argument to the examiner.

³⁸ *Id.* at 72.

³⁹ Appeal 2011-011620 (Mar. 21, 2014) (informative).

⁴⁰ Appeal 2013-008232 (Oct. 30, 2013) (informative).

Estoppel Considerations for Simultaneous Petitions

A recent final written decision from the PTAB highlights a significant pitfall that petitioners may encounter when they file multiple petitions challenging the same claims of a patent. In *Intuitive Surgical, Inc. v. Ethicon LLC*,⁴¹ the panel addressed the applicability of 35 U.S.C. § 315(e)(1)'s estoppel provision on simultaneously-filed petitions. The case illustrates that, even when a petitioner intends for multiple petitions to proceed in parallel through simultaneous filing, any gap that may arise between final written decisions may result in estoppel attaching to the later-issued decisions.

The case arose from one of three petitions simultaneously filed by the petitioner. The three petitions challenged various, but somewhat overlapping, claims of the same patent. Due to staggered scheduling, one proceeding lagged behind the other two proceedings by almost a month. Thus, by the time a final written decision was due, the panel had issued final written decisions in the other two proceedings. Taken collectively, the earlier decisions determined the petitioner had failed to meet its burden in establishing the unpatentability of the same claims challenged in the remaining proceeding.

The estoppel provision of § 315(e)(1) provides “[a] petitioner in an inter partes review of a claim in a patent . . . that results in a final written decision . . . may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” In its final written decision for the remaining proceeding, the panel considered the effect of this provision on two issues: 1) whether § 315(e)(1) required termination of the petitioner from the proceeding; and 2) whether the provision also required termination of the proceeding itself.

As to the first issue, the panel concluded that, by remaining a party to the proceeding, the petitioner was “request[ing] or maintain[ing] a proceeding before the Office with respect to” the challenged claims on grounds that it “raised or reasonably could have raised during” the two earlier proceedings. The panel was unpersuaded by the petitioner’s arguments that the grounds presented could not have been raised in the other petitions due to word-count limitations in view of the substantial differences between the sets of claims challenged across the

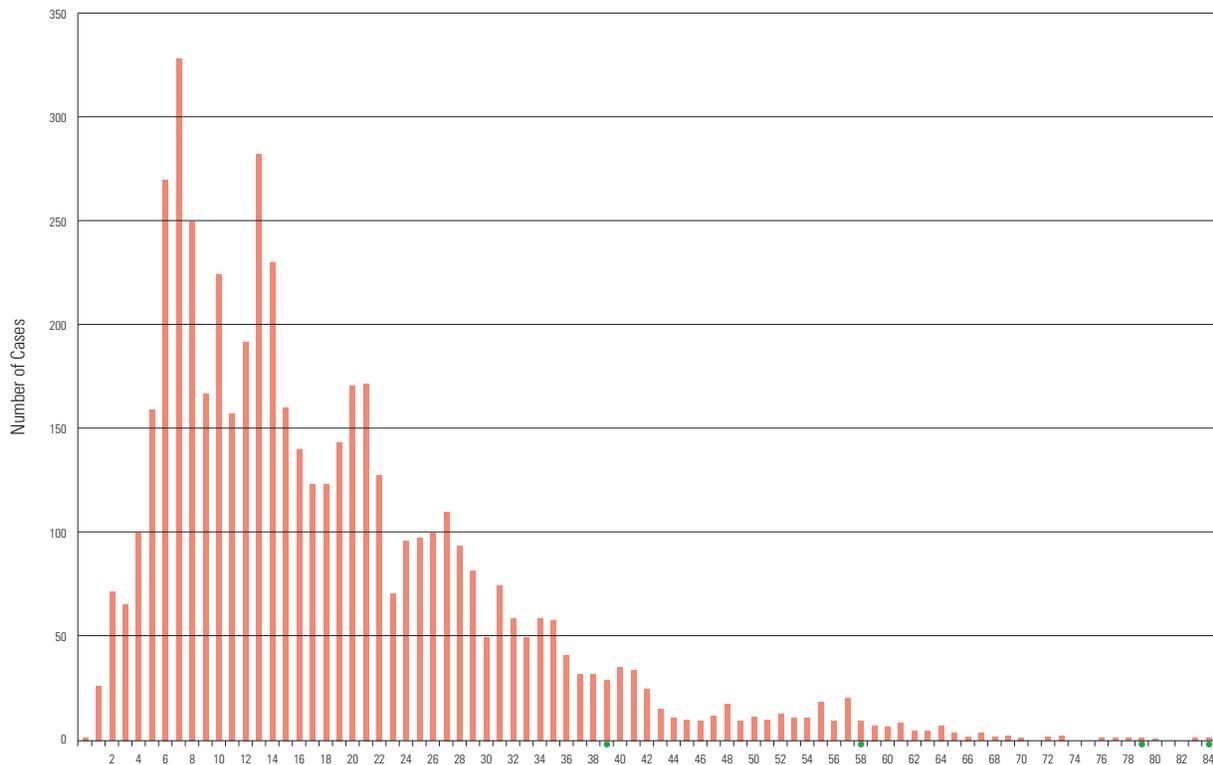
petitions. Moreover, the panel found that simultaneous petition filing does not preclude application of § 315(e)(1). Instead, once it became apparent that staggered decisions would be issued, the onus was on the petitioner to ensure the re-harmonization of the proceedings, either through a request for consolidation or a request to synchronize schedules to ensure decisions would issue at the same time. In failing to do so, estoppel attached once the earlier decisions had issued. Thus, the panel terminated the petitioner as a party from the ‘248 proceeding. As to the second issue, however, the panel found that § 315(e)(1) did not require termination of the proceeding. Instead, invoking its discretionary authority to proceed to a final written decision under § 317(a) even absent a petitioner, the panel moved on to the merits of the case, finding the challenged claims not unpatentable.

This case demonstrates a significant consequence of § 315(e)(1)'s effect on staggered decisions arising from simultaneously-filed petitions. With the petitioner terminated, there is no longer an interested party who can appeal the panel’s merits decision. And, with a final written decision issued, subsequent petitioners very likely would be denied

⁴¹ IPR2018-01248, Paper 34 (Feb. 6, 2020) (hereinafter “the ‘248 proceeding”).

PTAB Days to Docketing for Review Proceedings Filed between 2016–2018

(data from DocketNavigator)



from pursuing the same or substantially the same grounds per the PTAB's discretionary authority under § 325(d). This, in effect, results in a decision on the patentability of the challenged claims that is largely insulated from appellate review.

To avoid such a result, petitioners should consider several strategies when seeking to file multiple petitions challenging the same patent. For instance, because estoppel only attaches on a claim-by-claim basis, careful thought should be given to addressing every challenge to a particular claim in a single petition. If multiple grounds on the same claims are pursued, petitioners should be prepared to make a strong case as to why grounds could not have been reasonably raised in a single petition—an explanation that a petitioner must provide per the Trial Practice Guide July 2019 Update.

Finally, petitioners must be diligent in ensuring that schedules remain synchronized across multiple proceedings. As this case demonstrates, filing petitions simultaneously does not guarantee simultaneous scheduling. For instance, schedules in post-grant proceedings are often dictated by Office clerical procedures. In *Intuitive Surgical*, the lag arose when the Office accorded a filing date to one petition almost a month after the other two petitions. Because statutory deadlines are largely dictated by this date, the month-long gap remained through institution and the final written decision. The chart above illustrates that most petitions are accorded filing dates within a month of filing, but the green dots represent at least one situation where simultaneously filed petitions were accorded filing dates months apart.

Thus, the lesson learned here is that petitioners must be proactive early on and voice the need for simultaneous final written decisions throughout a proceeding. If simultaneously-filed petitions for a single patent claim are accorded different filing dates, petitioners should request simultaneous institution decisions to guarantee the same one-year deadline for final written decisions. After institution, requests to consolidate or align schedules should be pursued as soon as possible. Most importantly, petitioners should ensure that all requests are adequately captured in the record. That way, if the requests are denied, petitioners can show good-faith attempts to synchronize final written decisions, which should help in deterring a panel from applying estoppel in a later-issued decision.

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