

**UNITED STATES
PATENT AND TRADEMARK OFFICE**



New AIA Trial Rules and Their Practical Implications

Lead Administrative Patent Judge Michael Tierney
Erin Dunston, Buchanan Ingersoll
Jon Wright, Sterne Kessler

Patent Trial and Appeal Board
Webinar Series (Special Addition)
April 27, 2016

UNITED STATES
PATENT AND TRADEMARK OFFICE



Boardside Chats

Date	Time	Topic	Speakers
Tuesday, June 7	Noon to 1 pm Eastern Time	Best practices to present argument related to patentability and unpatentability before the PTAB	Judges Jay Moore and Kit Crumbley
Tuesday, August 2		Presentation of prior art in an AIA trial	Judges Barry Grossman and Kevin Chase
Tuesday, October 4		Use of demonstratives and/or live and/or oral testimony at oral argument Presenting your case at oral argument to a panel including a remote judge	TBD

Agenda

Topics	Presenter
Amendments to the AIA Trials Rules	Lead Judge Michael Tierney
Practical Implications of the AIA Trial Rule Amendments	Erin Dunston Jon Wright
Q&A with audience	Janet Gongola (moderator)

New AIA Trial Rules

Lead Judge Michael Tierney

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AIA Rulemaking

- In response to stakeholder requests, the Office moved forward with two rule packages:
 1. A first final rule package that encompassed less difficult “quick-fixes” based upon both stakeholder comments and internal PTAB suggestions, including more pages for briefing for motions to amend and for petitioner’s reply brief; and
 2. A second proposed rule package published August 20, 2015, and the final rules published April 1, 2016 (<https://www.federalregister.gov/articles/2016/04/01/2016-07381/rules-of-practice-for-trials-before-the-patent-trial-and-appeal-board>).

New Rules - Summary

- Patent Owner Preliminary Response
- Claim Construction for Expiring Patents
- Word Count
- Rule 11-Type Certification

New Rules – Preliminary Response

- Eliminates prohibition of new testimonial evidence
- Petitioner may seek leave to file a reply
 - Requires showing of “good cause”

New Rules – Claim Construction

- A party may request district court-type (Phillips) construction
- Must certify patent will expire within 18 mos. from entry of Notice of Filing Date
- Motion and certification must be filed within 30 days from filing of Petition

New Rules – Word Count

- Petitions for IPRs: 14,000 words.
- Petitions for PGR/CBM: 18,700 words.
- Petitions requesting DER: 14,000 words.
- Preliminary Response and Response: same as Petition.
- Reply to Patent Owner Responses: 5,600 words

New Rules – Word Count

- New Exclusions in Petitions:
 - Mandatory notices
 - Certificate of word count
- Other Exclusions:
 - Table of contents
 - Table of authorities
 - Certificate of service
 - Appendix of exhibits or claim listings

New Rules – Rule 11-Type Certification

- Signature Requirements
 - Incorporate 37 C.F.R. 11.18(a)
 - Board may expunge unsigned submissions
- Representations
 - Incorporate 37 C.F.R. 11.18(b)(2)
- Sanctions
 - 21-day cure provision

New Rules – Sanctions Motions

- Requires a separate motion
- Motion must describe specific conduct
- Board must authorize filing
- Moving party must serve motion 21 days before seeking authorization
- No motion if opposing party “cures”

Proposed Single Judge Pilot Program

Proposed Pilot Program Exploring an Alternative Approach to Institution Decisions

published August 25, 2015

- Goal is to explore efficiency of modifying the approach to institution
- Petition would be assigned to a single judge
- If instituted, two additional judges would be added
- The period for public comment closed on November 18, 2015. Comments were received from 18 entities including Government Agencies, Intellectual Property Associations, Corporations, Law Firms, and Individuals
- Based upon the comments received, the Office has decided not to go forward with the proposed pilot program at this time.



New AIA Rules for Pre-Trial Evidence at the PTAB

Jon Wright

Md
Medical Devices

Na
Nanotechnology

Ds
Data Security

Bt
Biotechnology

S
Software

C
Chemistry

New Testimonial Evidence in Preliminary Response

- Non-institution is a highly desirable outcome for patent owners.
 - Most efficient and economical way to “win”
 - Leverage in parallel enforcement action
- But there was a perceived imbalance in the pre-trial phase w.r.t. declaratory evidence.
- Patent owners complained. The PTO listened. The previous restriction is gone.
- So... what did patent owners actually get?

Four Key Strategic Factors

- Genuine issues of material fact are resolved in favor of petitioner.
- Deposition of any pre-institution declarant is likely, but probably not until the trial phase.
- The Office provided little guidance for where replies might be granted.
- There is no negative inference for not presenting new testimony.

Why not to do it?

- For the most part, there is no clear benefit given presumption in favor of petitioner
 - On the merits of a petition, under what scenario would the Board rely on a PO's expert and then *deny* institution?
- There are genuine risks for PO.
 - Showing all your cards in pre-trial phase gives petitioner a roadmap for deposition prep
 - Opens up possibility of reply that “cures” a deficiency in a petition
 - Have to assume any declarant will be deposed during trial phase
- Practical challenges at pre-trial phase

Why do it?

- Given the strategic factors, it may make sense in certain limited circumstances.
 - Claim construction
 - Confirm/bolster what the intrinsic evidence already shows
 - Explain documentary evidence showing state of the art
 - Threshold issues
 - CBM eligibility – expert testimony
 - Statutory bar – fact testimony
 - The PTAB may be willing to engage in a “mini-trial” for threshold issues

Two Questions for Judge Tierney

- Can you provide general guidance on when replies will be authorized?
 - If liberally authorized, less likely that PO's will submit evidence; if replies are rare, then perhaps more likely
 - What appetite does the Board have for a “pre-trial trial” on threshold issues?
- Can you provide general guidance on when deposition of pre-trial witness will be allowed?
 - What factors would you consider?
 - If allowed, when will depositions occur?

Practice Tips

- Patent owner
 - Do not assume you can withdraw testimony
 - Assume the expert or witness will be deposed
 - Be sure about substantive positions, because pre-trial to post-trial shifts will be scrutinized (and fairly so)
 - Proceed with caution
- Petitioner
 - Be swift in requesting relief – *e.g.*, reply or immediate deposition

Questions?

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Thank You



