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PTAB Chief Judge Addresses Impact of SAS

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On April 30, 2018, the Patent Trial and Appeal Board (PTAB) held a “Chat with the Chief” webinar to discuss the impact of [SAS Institute Inc. v. Matal](#), 16-969 (Apr. 24, 2018). The webinar was widely attended, drawing about 700 online attendees. Vice Chief Judge Janet Gongola moderated a panel consisting of PTAB Chief Judge David Ruschke and Vice Chief Judges Scott Weidenfeller and Timothy Fink. The panel reiterated the PTAB’s [initial guidance on the impact of SAS](#) and then engaged in a lengthy question-and-answer session with the online attendees.

The Supreme Court issued SAS last week striking down the Patent Office’s regulation allowing the PTAB to institute trial on fewer than all patent claims challenged in a petition, a practice known as “partial institution.” Pre-SAS, the PTAB also regularly engaged in another form of partial institution—instituting trial on fewer than all challenges (*i.e.*, grounds of invalidity) presented in a petition. Two days after SAS, the PTAB issued initial guidance on the impact of SAS, indicating that the PTAB’s policy “at this time” is to no longer engage in either form of partial institution. Rather, following the language in SAS, institution will now be a “binary choice—either institute or not.” According to the webinar, the “all claims” issue affects only about 18 to 20 percent of the 800 pending trials. The PTAB does not currently have statistics on how many cases are affected by the “all grounds” issue.

During the webinar, the Chief Judge reiterated and elaborated on the PTAB’s initial guidance. He explained that SAS was clear on the “all claims” issue: the PTAB must consider all claims challenged during instituted trials. He stated however that SAS does not clearly resolve the “all grounds” issue. In view of that possible ambiguity, the agency made a policy decision to address not only all challenged claims when it issues a final written decision, but also all grounds set forth in the petition. Importantly, the Chief Judge emphasized that the PTAB’s current policy regarding the “all grounds” issue may change in the future. He explained that the PTAB is working diligently to address questions from stakeholders, and to provide as much guidance as possible. So stakeholders should watch for additional guidance from the Patent Office, and for PTAB decisions designated “precedential” or “informative,” as this area of law continues to develop.

The webinar panel addressed many other issues, but here are a few key takeaways:

(1) For trials that have been instituted on fewer than all challenges, but have not yet reached final written decision, the PTAB’s initial guidance indicates that the parties “may” receive an order that supplements the institution decision to institute trial on all challenges. Asked to explain the “may” qualifier, the webinar panel further explained that, in certain circumstances, the PTAB may revisit an institution decision and exercise its discretion to deny a petition that was previously instituted, ending trial. It explained, for example, if a large number of claims were challenged but trial was instituted on only a small subset of those

claims, the PTAB may exercise its discretion to deny institution to, e.g., conserve limited resources.

(2) The webinar also addressed how parties should proceed for cases that are between final written decision and appeal to the Federal Circuit. Parties in this situation may jointly file request for rehearing to waive additional claims or grounds that were challenged in the petition but not instituted. The Chief Judge also made it clear that the panels would be flexible with respect to deadlines for requesting rehearing of a final written decision, including waiver of such deadlines if appropriate.

(3) The Chief Judge stated that a revised institution decision would *not* restart the statutory clock for issuing a final written decision—rather, the PTAB will use the statutory six-month extension of that deadline that is available for good cause.

(4) Another notable takeaway came when the Chief Judge was asked whether the Patent Office was considering asking Congress to draft legislation authorizing the PTAB to engage in partial institution, or whether the Patent Office was considering proposing new rules. It has not done either yet; the PTAB is currently focused on the day-to-day implementation of SAS. However, the Chief Judge indicated that the new director is looking to revamp PTAB proceedings from all directions. So new rulemaking is certainly a possibility, he said, and is on the table for the issues raised by SAS as well as other issues.

Stay tuned as the SAS fallout continues to develop. Please reach out if you have questions.

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