

PTAB Strategies and Insights

December 2018



VISIT WEBSITE

CONTACT US

SUBSCRIBE

FORWARD TO A FRIEND

The *PTAB Strategies and Insights* newsletter provides timely updates and insights into how best to handle proceedings at the USPTO. It is designed to increase return on investment for all stakeholders looking at the entire patent life cycle in a global portfolio.

This month, we cover three topics:

- A deeper dive into the newly proposed motion to amend procedures, including a discussion of a case that could have benefited from the new procedure;
- With no assignor estoppel at the PTAB, patent owners need to use employee and exit agreements to stop ex-employees from challenging their own patents;
- A discussion of the collateral estoppel implications of Rule 36 affirmances of PTAB decisions.

We welcome feedback and suggestions about this newsletter to ensure we are meeting the needs and expectations of our readers. So if you have topics you wish to see explored within an issue of the newsletter, please reach out to me.

To view our past issues, as well as other firm newsletters, please click [here](#).

Thank you.

IN THIS ISSUE

Proposed New Motion to Amend Procedure Gives Patent Owners a Fighting Chance at Success

Federal Circuit Holds No Assignor Estoppel in AIA Proceedings

Precedential Opinion Says Rule 36 Creates Collateral Estoppel Despite Its Ambiguous Nature

Happy Holidays!

[DOWNLOAD](#)

Best regards,
Jason

Editor & Author:



Jason D. Eisenberg
Director
jasone@sternekessler.com

Author:



Graham C. Phero
Associate
gphero@sternekessler.com

PROPOSED NEW MOTION TO AMEND PROCEDURE GIVES PATENT OWNERS A FIGHTING CHANCE AT SUCCESS

By: [Graham C. Phero](#)

With their proposed new procedure, the USPTO hopes to make claim amendments via a motion to amend more of a reality for patent owners in PTAB trials.

[Read More](#)

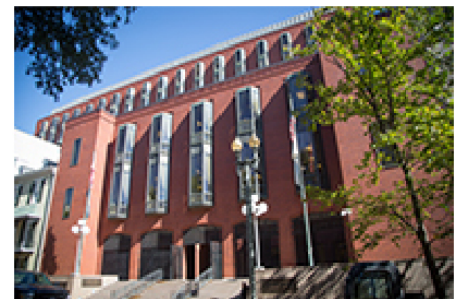


FEDERAL CIRCUIT HOLDS NO ASSIGNOR ESTOPPEL IN AIA PROCEEDINGS

By: [Jason D. Eisenberg](#)

Recently, the Federal Circuit [held](#) that an ex-employee (of Cisco) who founded a competitor (Arista) can challenge their own assigned patent, finding that, after assignment, they are not the patent owner. The Court held that only the actual patent owner, and not an assignee, is barred from challenging their own patent under 35 USC 311(a).

[Read More](#)



PRECEDENTIAL OPINION SAYS RULE 36 CREATES COLLATERAL ESTOPPEL DESPITE ITS AMBIGUOUS NATURE

By: [Jason D. Eisenberg](#)

Rule 36 is a single sentence affirmance. Yet to explain the impact of a Rule 36 decision on later filed cases, the Court needed to issue a [7-page precedential decision](#). In *Virnetx v Apple* the Court held Rule 36 creates collateral estoppel for everything decided below, in this case whether

a document was a printed publication under the law.

[Read More](#)

HAPPY HOLIDAYS!

Wishing you a happy holiday season and a wonderful New Year!



The information contained in this newsletter is intended to convey general information only, and should not be construed as a legal opinion or as legal advice. Sterne, Kessler, Goldstein & Fox P.L.L.C. disclaims liability for any errors or omissions, and information in this newsletter is not guaranteed to be complete, accurate, and updated. Please consult your own lawyer regarding any specific legal questions.

© 2018 Sterne, Kessler, Goldstein & Fox P.L.L.C

[Click Here](#) to opt-out of this communication

Technical Minds. Legal Muscle.

PTAB Strategies and Insights

December 2018



VISIT WEBSITE

CONTACT US

SUBSCRIBE

FORWARD TO A FRIEND

PROPOSED NEW MOTION TO AMEND PROCEDURE GIVES PATENT OWNERS A FIGHTING CHANCE AT SUCCESS

By: [Graham C. Phero](#)

With their proposed new procedure, the USPTO hopes to make claim amendments via a motion to amend more of a reality for patent owners in PTAB trials.

A crucial difference from the current motion to amend procedure is the addition of a preliminary decision. As proposed, a motion to amend may be filed within 1.5 months of an institution decision and a petitioner's opposition is due 1.5 months after filing of the motion. The PTAB will issue a preliminary decision on the motion to amend within one month of a petitioner's opposition. This preliminary decision will provide an indication of whether the patent owner has satisfied their statutory and regulatory requirements and whether petitioner is likely to prevail in establishing the unpatentability of the proposed substitute claims. Much like an institution decision, this preliminary decision is not binding on a final written decision.

After the preliminary decision, a patent owner has one month to respond to the preliminary decision via a reply or a revised motion to amend. Petitioner then has one month to file a sur-reply to patent owner's reply or to oppose the revised motion.

In their PTAB trial, patent owner, Alacritech, Inc., could have benefitted from this new procedure. *Intel Corp. v. Alacritech, Inc.*, Case IPR2017-01391 (FWD Paper No. 81, November 26, 2018). After institution, Alacritech filed a contingent motion to amend several of the claims. A contingent motion to amend is only addressed by the Board in the PTAB trial if the claims are found unpatentable. The Board found Alacritech's claims unpatentable and thus considered the contingent motion. While petitioner has the burden of showing unpatentability of substitute claims under *Western Digital*^[i] and *Aqua Products*^[ii], patent owner must still satisfy the statutory and regulatory requirements under 35 U.S.C. § 316(d) and 37 C.F.R. § 42.121. Unfortunately for Alacritech, the Board found that the substitute claims failed to meet these provisions.

Specifically, in the FWD the Board found that Alacritech's motion to amend did not include sufficient explanation to establish adequate written description for the substitute claims. While Alacritech provided written description support in its claim charts, petitioner argued and the PTAB agreed that Alacritech did not adequately explain how the substitute claims were supported by the provided string citations that referenced figures and paragraphs of the disclosure. While that finding would have been enough to deny the motion to amend, the Board also determined that a proposed substitute claim would improperly broaden the scope of the claim. Thus the Board found an additional reason to deny Alacritech's motion to amend.

As a result of the PTAB trial, the challenged claims are unpatentable and Alacritech was unable to salvage substitute claims via the motion to amend. Yet had the proposed procedure been available to Alacritech, the preliminary decision to the motion to amend would have alerted Alacritech to the deficiencies with their motion. Alacritech could have then fixed these issues via a revised motion to amend.

The time period for the request for comments on the proposed motion to amend procedure ended December 21st and the new procedure is expected to soon take effect in the new year in the form of a pilot program. Once underway, the new motion to amend procedure will apply to all trials instituted after commencement of the pilot program.

Please also see our [article](#) from last month outlining the basics of the proposed motion to amend procedures.

[\[i\]](#) *Western Digital Corp. v. SPEX Techs., Inc.* Case IPR2018-00082 (Paper 13) (PTAB April 25, 2018) (Designated Informative on June 1, 2018).

[\[ii\]](#) *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

The information contained in this newsletter is intended to convey general information only, and should not be construed as a legal opinion or as legal advice. Sterne, Kessler, Goldstein & Fox P.L.L.C. disclaims liability for any errors or omissions, and information in this newsletter is not guaranteed to be complete, accurate, and updated. Please consult your own lawyer regarding any specific legal questions.

© 2018 Sterne, Kessler, Goldstein & Fox P.L.L.C

[Click Here](#) to opt-out of this communication

Technical Minds. Legal Muscle.

PTAB Strategies and Insights

December 2018



VISIT WEBSITE

CONTACT US

SUBSCRIBE

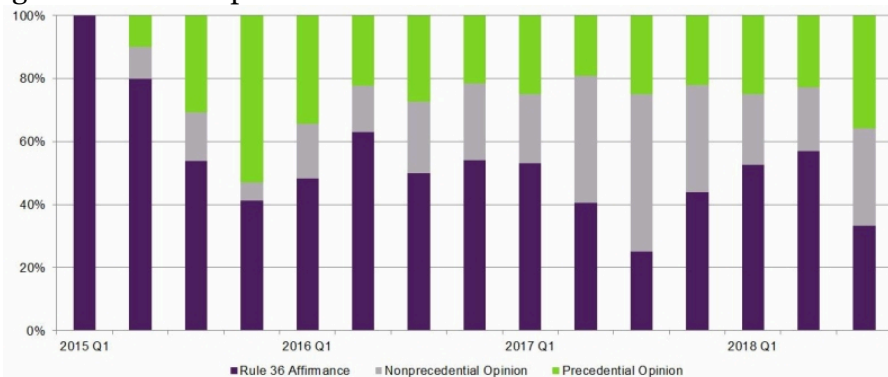
FORWARD TO A FRIEND

PRECEDENTIAL OPINION SAYS RULE 36 CREATES COLLATERAL ESTOPPEL DESPITE ITS AMBIGUOUS NATURE

By: [Jason D. Eisenberg](#)

Rule 36 is a single sentence affirmance. Yet to explain the impact of a Rule 36 decision on later filed cases, the Court needed to issue a [7-page precedential decision](#). In *Virnetx v Apple* the Court held Rule 36 creates collateral estoppel for everything decided below, in this case whether a document was a printed publication under the law.

With the continued disposition of a large percentage of appeals by Rule 36, both sides of the “v” need to be cognizant of the impact the lower tribunal’s words have on future cases.



If the lower tribunal failed to fully articulate its positions clearly or includes ambiguous language, their decision can haunt both parties when a Rule 36 decides their appeals. It might be worth a request for reconsideration or rehearing to have the lower tribunal clarify ambiguous positions.

For more discussion on Rule 36, please refer to our February newsletter on [Rule 36](#) and our client’s [cert petition](#) and its related [amicus brief](#).

The information contained in this newsletter is intended to convey general information only, and should not be construed as a legal opinion or as legal advice. Sterne, Kessler, Goldstein & Fox P.L.L.C. disclaims liability for any errors or omissions, and information in this newsletter is not guaranteed to be complete, accurate, and updated. Please consult your own lawyer regarding any specific legal questions.

© 2018 Sterne, Kessler, Goldstein & Fox P.L.L.C

[Click Here](#) to opt-out of this communication

Technical Minds. Legal Muscle.

PTAB Strategies and Insights

December 2018



VISIT WEBSITE

CONTACT US

SUBSCRIBE

FORWARD TO A FRIEND

FEDERAL CIRCUIT HOLDS NO ASSIGNOR ESTOPPEL IN AIA PROCEEDINGS

By: [Jason D. Eisenberg](#)

Recently, the Federal Circuit [held](#) that an ex-employee (of Cisco) who founded a competitor (Arista) can challenge their own assigned patent, finding that, after assignment, they are not the patent owner. The Court held that only the actual patent owner, and not an assignee, is barred from challenging their own patent under 35 USC 311(a). In holding that assignor estoppel does not apply, the Court also expanded issues that are appealable and reviewable by the Federal Circuit by relying on the *WiFi One*, *SAS*, and *Cuszzo* decisions. The Court found assignor estoppel was reviewable on appeal because “assignor estoppel, like the § 315(b) time-bar, ‘is unrelated to the Director’s preliminary patentability assessment or the Director’s discretion not to initiate an IPR even if the threshold ‘reasonable likelihood’ is present.”

Lesson learned:

Patent owners typically spend considerable time and money building their portfolios. Parallel to that effort, patent owner employers need to be diligent in preparing, and having their employees or contractors execute, employment agreements or employment exit agreements that ensure assigning inventors cannot later challenge their own patents. Without this additional contractual effort, employers will not be able to use patent law to protect their ROI from attacks by ex-employee inventors.

The information contained in this newsletter is intended to convey general information only, and should not be construed as a legal opinion or as legal advice. Sterne, Kessler, Goldstein & Fox P.L.L.C. disclaims liability for any errors or omissions, and information in this newsletter is not guaranteed to be complete, accurate, and updated. Please consult your own lawyer regarding any specific legal questions.

© 2018 Sterne, Kessler, Goldstein & Fox P.L.L.C

[Click Here](#) to opt-out of this communication

Technical Minds. Legal Muscle.