

# PTAB Strategies and Insights

June 2020



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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 you will find three articles covering:

- Will *Thryv* be extended to bar appeals on CBM eligibility of a patent?;
- Patent owner's delay in district court causes the PTAB to reverse course; and
- Board's inconsistency on next-business day rule

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](#).

Best,  
Jason D. Eisenberg

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## **WILL *THRYV* BE EXTENDED TO BAR APPEALS ON CBM ELIGIBILITY OF A PATENT?**

By: [Jason D. Eisenberg](#)

On June 15, 2020, the Supreme Court issued an Order in *Emerson Elec Emerson Electric Co., Petitioner v. SIPCO, LLC*, Case 19-966, stating “Petition GRANTED. Judgment VACATED and case REMANDED for further consideration in light of *Thryv, Inc. v. Click-to-Call Technologies, LP*, 590 U. S. \_\_\_\_ (2020).



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## **PATENT OWNER'S DELAY IN DISTRICT COURT CAUSES THE PTAB TO REVERSE COURSE AND GRANT A REHEARING AND A TRIAL AFTER INITIAL DENIAL**

By: [Jason D. Eisenberg](#)

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By: [Jason D. Eisenberg](#)

Different Board panels have made inconsistent decisions on the next-business day rule under 35 [U.S.C. § 21\(b\)](#); 37 [C.F.R. § 1.7](#) depending on whether the due date is statutory or stipulated by the parties.



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In its [cert petition](#), Emerson has requested the Supreme Court determine “Whether 35 U.S.C. 324(e) permits review on appeal of the Director’s threshold determination, as part of the decision to institute CBM review, that the challenged patent qualifies as a CBM patent.” And Emerson requested “[t]he Petition for a writ of certiorari should be held pending this Court’s decision in *Thryv* and either granted, vacated, and remanded in light of *Thryv* or granted and set for hearing on the merits, if the issues are not disposed of in *Thryv*.”

Emerson argued that “[t]his Court has repeatedly held it is inappropriate for an appellate court to review a tribunal’s preliminary determination as opposed to its merits determination (which is on a full record) that subsumes the preliminary issue.” Explaining “[i]nstitution determinations that are subsumed by merits determinations should not be reviewed on appeal. Rather, with the benefit of the entire record, appellate courts should review the merits determination alone. See *Ortiz v. Jordan*, 562 U.S. 180, 183-184 (2011). Congress adopted that same approach in the AIA, even going so far as to expressly preclude appellate review of the Board’s decision to institute proceedings. 35 U.S.C. 324(e).”

I think most practitioners have thought this should be the case. But we will wait and see what the Federal Circuit does with this case.

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After the denial, Petitioner filed a rehearing and a POP request. The POP request was denied. And before deciding the rehearing, the Board requested supplemental briefing based on the evolving facts of the case. In the end, rather than relying on *NHK*, the Board relied on *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (March 20, 2020) (precedential) and instituted trial. For example, each side was required to brief the *Fintiv* factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits

One factor leading to granting rehearing was the “evolving schedule, which indicates a continuing degree of recognized uncertainty of the court’s schedule by the court. Ex. 2004 (original trial date was Apr. 27, 2020, changed to July 20, 2020 (or as available)); Ex. 1012 (updated trial date of Sept. 28, 2020 (or as available) changed to Nov. 9, 2020 (or as available)). Since the parties’ supplemental briefing and evidence was submitted on April 13, 2020, the district court again amended its scheduling order in the related litigation; the jury trial is now indicated as scheduled to begin February 8, 2021 (or as available).”

The Board also noted that, unlike the District Court “barring exceptional circumstances, the Board adheres to a one-year statutory deadline prescribed by 35 U.S.C. § 316(a)(11) for entry of final decisions in instituted *inter partes* reviews. And, even in the extraordinary circumstances

under which the entire country is currently operating because of the COVID-19 pandemic, the Board continues to be fully operational. *See* Ex. 1013. The Board’s judges and staff continue to operate on their normal schedules, albeit remotely, and Board oral hearings continue to be conducted on schedule.” So the Board’s schedule was more certain than the district court.

Going through the factors the Board noted many were close calls, but tended to side with Petitioner that institution was warranted.

Finally, the Board stated “we consider six factors when taking ‘a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.’ Fintiv, Paper 11 at 6. For the reasons discussed above, the Fintiv factors weigh against invoking our discretion to deny institution. Considering the Fintiv factors as part of a holistic analysis, we are not persuaded that the interests of the efficiency and integrity of the system would be best served by invoking our authority under 35 U.S.C. § 314(a) to deny institution of a potentially meritorious Petition.”

This appears to be an extension of the global pandemic and lends itself to showing that it may be harder and harder for patent owner’s to obtain denial under *NKH* in the near future.

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## PURPOSELY PICKING WEEKEND OR HOLIDAY WHEN STIPULATING TO NEW DUE DATES MAY VOID NEXT BUSINESS DAY RULE

By: [Jason D. Eisenberg](#)

Different Board panels have made inconsistent decisions on the next-business day rule under [35 U.S.C. § 21\(b\)](#); [37 C.F.R. § 1.7](#) depending on whether the due date is statutory or stipulated by the parties.

For example, when the due date is a statutory bar date, the Board has more often than not adhered to the next business day rule. *See, e.g.*, IPR2018-01468, Institution Decision, Paper 10, 13-19. In [Samsung](#) Petitioner filed the Petition on a Monday when the § 315(b) bar date was a Saturday. The Board held “§ 21(b)’s provisions regarding due dates for taking ‘any action’ before the PTO include the timing of filing petitions for inter partes review, and nothing in the Patent Act suggests that the filing of such petitions is exempt from the provisions of § 21(b)” and that “§ 21(b) creates a statutory grace period that applies to ‘any action’ in the PTO.” *Id.*, 17-18.

In contrast, at least one panel found that when the due date was a date chosen by a party and submitted as a stipulation to move due dates during trial, the next business day rule did not apply. *See* IPR2014-00233, Final Written Decision, Paper 56, 42-44. The Board discussed that because the Board chose a day after Martin Luther King, Jr. Day for a due date and the parties stipulated to change the due date to fall on that holiday a late filing was not allowed. *Id.* The Board held “[w]e understand that the [§21(b)] statute applies to deadlines set by statute, rule or order; not to different dates stipulated to by the parties. Similarly, under 37 C.F.R. § 1.7(a), when a deadline falls on a Federal holiday, action may be taken ‘on the next succeeding business day.’ Section 1.7, however, applies to deadlines ‘fixed by statute or by or under this part’ of this chapter. *See* 37 C.F.R. § 42.1(a) ([Section 1.7] of this chapter also appl[ies] to proceedings before the Board, as do other sections of part 1 of this chapter that are incorporated by reference into this part.)... Within these limits, the Board observes stipulated dates, and stipulated dates are binding on the parties by their agreement.” *Id.*

So be aware when choosing stipulated due dates that you may not get to take advantage of the next business day rule if you choose a weekend or holiday.

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