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USPTO Publishes Long-awaited Notice of Proposed Rulemaking with Updates to PTAB Practice and Procedure

On April 19, 2024, the USPTO published a long-awaited Notice of Proposed Rulemaking (NPRM) that followed its April 2023 Advance Notice of Proposed Rulemaking (ANPRM). The proposed rules package, **Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement**, includes updates to three areas of PTAB practice. 89 Fed. Reg. 28693 (April 19, 2024). Comments on the NPRM are due by June 18, 2024.

1. Discretionary Denial Factors

Proposed rules §§ 42.108(c)-(f) and 42.208(c), (e)-(g) address the exercise of the Director's discretion in determining whether to institute an AIA trial. The proposed rules include factors to be addressed when considering parallel petitions, serial petitions, and the Board's discretion under 35 U.S.C. § 325(d).

Definitions

Proposed rule § 42.2 provides definitions for "parallel petitions" and "serial petition." "Parallel petitions" are defined as two or more petitions filed by the same petitioner that challenge the same patent and are filed *on or before* the patent owner's preliminary response. A "serial petition" is defined as a petition challenging overlapping claims of the same patent already challenged by petitioner or petitioner's real party in interest or a privy thereof, and that is filed *after* the patent owner's preliminary response.

Parallel Petitions

Proposed rules §§ 42.108(d), 42.208(e) provide that the Board will not institute parallel petitions absent a threshold showing of good cause as to why more than one petition is necessary. Relevant factors include: (1) petitioner's ranking of their petitions, (2) explanation of the differences, (3) number of claims challenged and asserted, (4) whether there is a priority date dispute, (5) whether there are alternative claim constructions, (6) whether petitioner lacked information at the time of filing, and (7) complexity of the technology. These factors are generally consistent with current Board practice.

Serial Petitions

Proposed rules §§ 42.108(e), 42.208(f) provide that the Board may deny institution of any serial petition when it challenges overlapping claims of a patent challenged in a previous proceeding. The proposed rule codifies factors (2) through (5) from the Board's precedential decision *General Plastic Co. v. Canon Kabushiki Kaisha*, IPR2016–01357, Paper 19 (PTAB Sept. 6, 2017). These factors include: (1) whether petitioner knew or should have known of the prior art in the second petition at the time of the first petition, (2) whether the petitioner already received the patent owner preliminary response or Board institution decision for earlier petition, (3) length of time elapsed between discovering prior art and the petition, and (4) whether petitioner provides adequate explanation of delay.

§ 325(d) Discretion

Proposed rules §§ 42.108(f), 42.208(g) provide that the Board may deny a petition under § 325(d) if the same or substantially the same prior art or arguments were *meaningfully addressed by the Office* and with respect to the challenged patent or a related patent or application, unless the petitioner establishes *material error*. The “meaningfully addressed” requirement represents a change from current Office practice in determining circumstances to support § 325(d) discretion. The “material error” requirement codifies current Board practice from the precedential decision *Advanced Bionics, LLC v. Med-EI Elektromedizinische Geräte GmbH*, IPR2019–01469, Paper 6 (PTAB Feb. 13, 2020).

2. Separate Briefing for Discretionary Denial Issues

Proposed rules §§ 42.107(b), 42.207(b) provide for a new, separate briefing process for discretionary institution arguments. Under the proposed rules, a patent owner may file a 10-page request for discretionary denial no later than two months after the notice of filing date accorded (i.e., one month prior to the deadline for a patent owner preliminary response). Petitioner may file a 10-page opposition one month later, and patent owner may file a 5-page reply two weeks after the opposition. Further, the patent owner preliminary response shall *not* address discretionary denial unless authorized by the Board. The proposed rules clarify the Board may *sua sponte* raise discretionary denial

and, if so, will provide an opportunity for briefing.

3. Termination Due to Settlement

Proposed rules §§ 42.72 and 42.74 provide procedures for terminating pre- and post-institution proceedings. The proposed rule requires that pre-institution settlement agreements are filed with the Office, in the same way that post-institution settlement agreements are required by statute. This proposal is generally consistent with current Office practice.

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