

Once A Mystery, PTAB Remands Start To Take Shape

By **Matthew Bultman**

Law360, New York (February 9, 2017, 2:03 PM EST) -- It's been almost five years since the Patent Trial and Appeal Board was introduced, and attorneys are starting to get some answers to a long-standing question: What happens when the Federal Circuit sends a case back to the board?

Although inter partes reviews first became available in September 2012, the Federal Circuit didn't begin to rule on appeals from those proceedings until 2015. With no real guidance for remand, PTAB practitioners haven't really known what to expect when that happens.

But as more decisions start to cycle through the system, some trends have started to emerge.

No Rulebook

There are rules and statutes that outline how things are supposed to proceed during a trial before the PTAB. The America Invents Act keeps proceedings on a strict timeline, requiring that a final decision be made within a year of the decision to institute review.

But remand is different. There are no timelines, deadlines or procedures — nothing that would give the parties involved any sort of guidance about what to do once the Federal Circuit mandate issues and the case is kicked back to the PTAB.

To date, there have been nearly 20 inter partes reviews remanded back to the board, according to data collected by attorneys at Knobbe Martens. There has also been at least one instance of the court remanding a covered business method review.

W. Karl Renner, co-chair of the post-grant practice group at Fish & Richardson PC, said the absence of rules governing remands was recognized relatively early on, but it was thought that some degree of flexibility could be beneficial.

"The flexibility [has] afforded the presiding panel in the PTAB the ability to assess cases one by one and react to them and their special circumstances," he said.

That's not to say the PTAB won't decide to issue at least some formal guidance as the board matures.

Jason Stach, who leads the PTAB trial practice at Finnegan Henderson Farabow Garrett & Dunner LLP,

said a skeleton framework would be helpful. These rules could address, for instance, a time frame for parties to request a conference call after the mandate issues from the Federal Circuit.

"Something like that to give people some guidance and the board some guidance, at least to give a little bit of uniformity to the proceedings," he said. "But after that, the remands are going to potentially vary widely in what they cover. So I think at that point it's going to be a panel-specific, case-specific decision on how the remand is going to proceed."

A Not-So-Speedy Process

By all accounts, the PTAB seems intent on keeping a narrow focus during remand.

Although the board has generally been receptive to additional briefing from the two sides, it is often limited to five to 15 pages explaining the effect of the Federal Circuit's decision, attorneys said. And it seems new evidence won't often be allowed.

"They've been very disciplined about keeping the scope of remand proceedings focused on the error that was identified by the Federal Circuit and denying parties the ability to go beyond that," said Pauline Pelletier, an attorney at Sterne Kessler Goldstein & Fox PLLC.

The amount of time it takes for the board to issue a decision on remand has varied between cases. But the Knobbe Martens review found the average time from the Federal Circuit ruling to a board decision was 7.4 months.

"I don't consider it out of line for the board to be careful in its deliberation, to give parties ample time to do good quality briefing and ... to try to get the remand right," said Kerry Taylor, a partner at Knobbe Martens and co-author of the report.

Still, when Congress passed the America Invents Act it envisioned the PTAB proceedings as a speedy alternative to challenging patents in district court.

Already it takes about 18 months between filing a petition and getting a final decision. Factor in an appeal, which can take over a year, and then remand, and the two sides could be looking at almost 3½ years before the dispute is resolved — and that's provided there are no additional appeals.

"All of a sudden it doesn't look so speedy anymore," Stach said.

"There's not really anything they can do about that," he added, "but I do think one thing people are watching is timing on remand."

Outcomes

Of the cases to be returned to the PTAB, the board has issued eight final decisions on remand. While the sample size is small, the data shows that a victory at the Federal Circuit doesn't necessarily translate to a slam dunk at the PTAB.

Four times, the board stuck with its original decision regarding the validity of a patent. Three times it reached the opposite conclusion, and once it issued a mixed result.

"Just because you won at the Federal Circuit does not mean that you are necessarily going to win on remand," Stach said. "You still need to do your job and persuade the PTAB, they're still going to look at it with a careful eye."

But there do appear to be at least some indicators of when success is likely on remand. The final outcome at the PTAB seems to be largely driven by the instructions in the Federal Circuit's decision, Taylor said.

"The PTAB is unlikely to deviate from its initial final written decision unless the [Federal Circuit's] instructions on remand provide strong impetus to do so," he and co-author Clayton Henson wrote in the Knobbe Martens report.

For example, twice when the board came to a different conclusion on remand, the Federal Circuit had found errors with the board's original claim construction.

On the other hand, occasions where the appeals court comes down on the PTAB for not better explaining its reasoning — which became something of a trend over the last year — seem less likely to significantly alter the board's final conclusion.

Jon Wright, a director at Sterne Kessler who has also studied PTAB remands, also said it appears the reason for the remand could likely determine the outcome.

"If they got claim construction wrong, maybe the outcome is going to be different," he said. "But if it's just a case of the board not explaining its decision well enough, chances are it's going to end up being the same, just a lot more explanation."

Attorneys have already started to use this sort of information while thinking about ways to frame their cases at the Federal Circuit. Fish & Richardson's Renner is among those who have taken it a step further, thinking about these issues even when at the PTAB the first time around.

"As you're framing your case for consideration, I think it's very important to acknowledge, what does the possibility look like for an adverse outcome? And if that were to come to fruition, what does the case look like in terms of the possibilities for appeal?" he said.

--Editing by Mark Lebetkin and Brian Baresch.