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PTAB issues post-SAS guidance

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On April 26, 2018, the Patent Office issued initial guidance on the impact of the Supreme Court's recent decision in *SAS Institute Inc. v. Matal*, 16-969 (Apr. 24, 2018). Two days earlier, the Supreme Court in *SAS* struck down the Patent Office's regulation allowing the Patent Trial and Appeal Board ("PTAB") to institute trial on fewer than all patent claims challenged in a petition, a practice known as "partial institution." Before *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.

The Patent Office's guidance sets forth how the PTAB will follow *SAS*. Basically, the Board will now institute trial for all of the challenged claims or for none of the challenged claims. But more interestingly, the guidance also states that the PTAB will modify trials that have already been instituted to consider all challenges raised in a petition. The PTAB explains how it will proceed (1) in cases where the PTAB has not yet issued an institution decision (pre-institution); and (2) in cases that have been instituted but the PTAB has not yet issued a final written decision (post-institution). Notably, the Patent Office did not issue guidance for cases in which the PTAB has issued a final written decision, including cases that have been appealed to the Federal Circuit.

Pre-Institution

For cases not yet instituted, the guidance states that: "the PTAB will institute as to all claims or none," and "if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition." In other words, the PTAB will follow a binary approach to trial institution: a petition will either be granted in its entirety or denied in its entirety.

Post-Institution

For cases in which the PTAB has already instituted trial on all challenged grounds and claims, the trial will proceed as normal. The more interesting cases are those in which the PTAB has instituted on fewer than all challenged claims, or on fewer than all challenged grounds. In such cases, PTAB panels may issue an order *sua sponte* to institute trial on all challenges raised in the petition. The PTAB panel may then take further actions to manage the proceeding, including allowing additional briefing, further discovery, additional oral arguments, and extending the time periods set forth in the scheduling order. If necessary, the PTAB will extend the 12 month statutory deadline for issuing a final written decision. In cases where the PTAB panel does not act *sua sponte*, the guidance suggests that the parties can request additional briefing and schedule adjustments. It also explains that the parties are expected to work together to make such requests and to resolve disputes.

This situation is continuing to develop. The notice indicated that the PTAB is continuing to assess the impact of the SAS decision, and will provide further guidance if appropriate. As always, we are available to answer any questions.

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