

# PTAB Strategies and Insights

August 2019



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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 articles covering:

- The Federal Circuit's decision in *VirnetX v. Apple and Cisco*, addressing reexamination estoppel issues when invalidity has been finally decided in a parallel district court litigation;
- A PTAB decision that partially based denial of institution because nearly identical issues were already resolved in a parallel ITC decision; and
- A series of POP and PTAB precedential and informative decisions dealing with Sections 315, 314, and 325.

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 Eisenberg

**Editor & Author:**



**Jason D. Eisenberg**  
Director

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## REEXAMINATIONS ARE TERMINATED BECAUSE INVALIDITY ISSUES WERE FINALLY RESOLVED IN COURT LITIGATION

By: [Jason D. Eisenberg](#)

The Federal Circuit recently decided a reexamination [case](#), *VirnetX v. Apple and Cisco*, that addressed two issues: (1) was requester estopped from maintaining its reexams under the pre-AIA version of 35 U.S.C. § 317(b) (2006) and (2) whether the '504 and '211 patents are invalid. Today's newsletter addresses the first issue – whether requester was estopped from filing an *ex parte* reexamination because they lost a similar issue in district court – all the way through Supreme Court cert denial and remand.

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## PTAB EXTENDS DISCRETIONARY DENIAL FACTORS TO PARALLEL ITC PROCEEDINGS

By: [Jason D. Eisenberg](#)

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By: [Jason D. Eisenberg](#)

[Jon Wright](#), co-chair of Sterne Kessler's Appellate Practice, was interviewed by *Law360* earlier this week regarding the POP's decision regarding the one year time bar for filing an IPR after serving a district court complaint. The decision clarified that even if a district court filing was flawed, the time bar clock started upon the date of first filing "regardless of whether the serving party lacked standing to sue or the pleading was otherwise deficient."

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## THE USPTO RECENTLY ISSUED TWO PRECEDENTIAL AND

# ONE INFORMATIVE DECISION REGARDING DISCRETIONARY DENIAL

By: [Jason D. Eisenberg](#)

The USPTO explained the significance of the cases as follows:

[\*Becton, Dickinson and Company v. B. Braun Melsungen AG\*](#), Case IPR2017-01586 (PTAB Dec. 15, 2017) (Paper 8) – (precedential as to section III.C.5, first paragraph (pages 17–18)).

This decision discusses non-exclusive factors considered by the Board under 35 U.S.C. § 325(d) when determining whether to institute an *inter partes* review. The Office previously designated Becton Dickinson as informative and now further designates a portion of that decision as precedential, consistent with guidance set forth in the July 2019 Update to the Trial Practice Guide, which included the Becton Dickinson factors.

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Requester argued “the decision is only final when there is no potential that the Supreme Court might someday examine the invalidity issue during a second appeal.” Patent Owner contended there is a “‘final decision’ on a party’s attempt to prove invalidity after the party fails to petition for certiorari within the 90-day period.” The Court held that “[t]wo reasons compel the conclusion that there has been a final decision on validity in this case.” The majority discussed why the similarities between the facts here and with their *Fairchild (Taiwan) Corp. v. Power Integrations, Inc.*, 854 F.3d 1364 (Fed. Cir. 2017) decision, among others, compelled termination of the reexaminations, while distinguishing the dissents arguments.

After much analysis of the issues raised by requester and in the dissent, the majority remanded the reexaminations with instructions to terminate with respect to specific claims and patents based on estoppel of the reexamination requester.

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The PTAB provided the following factors it considered to deny institution:

Specifically, in view of the fact that the ITC proceeding involves (a) the same parties here, (b) a challenge to the validity of the same independent claim of the '024 patent challenged here, (c) application of the same claim construction standard that would be applied in an *inter partes* review, (d) consideration of the same prior art set forth in the grounds presented in the Petition, i.e., Saxonov, Church, and Hinz, (e) consideration of the testimony from the same declarants relied upon here, i.e., Drs. Metzker and Dear, and, particularly, (f) the ALJ's recent issuance of the ID analyzing and discussing the teachings of that prior art and testimony, in the context of addressing a validity challenge to the '024 patent claims, we determine that, even if the Petition would have met the threshold standards for institution, instituting a trial would be an inefficient use of Board resources. Accordingly, we exercise our discretion to independently and additionally deny institution under § 314(a).

['567](#), Paper 23 at 29-30.

Thus, at least one panel has now made a clear decision to deny institution at least partially based on the findings at the ITC regarding patent validity – at least in cases where the arguments raised are substantially the same.

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The POP's decision rests primarily on a Federal Circuit ruling in *Dex Media Inc. v Click-to-Call Technologies*, which is still subject to Supreme Court review. However, the Supreme Court is addressing whether the Federal Circuit can review PTAB institution decisions at all. The question of time bar is secondary to that Supreme Court review. As Jon notes in the article, "If the court determines that the Federal Circuit should not have reviewed (*Click-to-Call*), then these precedential decisions become even more important, because they are effectively the final word" on issues involved in institution decisions.

You can find the entire *Law360* discussion of the POP's time bar decision [here](#).

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This decision discusses non-exclusive factors considered by the Board under 35 U.S.C. § 325(d) when determining whether to institute an *inter partes* review. The Office previously designated Becton Dickinson as informative and now further designates a portion of that decision as precedential, consistent with guidance set forth in the July 2019 Update to the Trial Practice Guide, which included the Becton Dickinson factors. The portion of the decision that is precedential identifies six non-exclusive factors that the Board considers in evaluating whether to exercise discretion under § 325(d), when a petition includes the same or substantially the same prior art or arguments that previously were presented to the Office.

1. The similarities and material differences between the asserted art and the prior art involved during examination;
2. The cumulative nature of the asserted art and the prior art evaluated during examination;
3. The extent to which the asserted art was evaluated during examination;
4. The extent of the overlap between the arguments made during examination and the manner in which a petitioner relies on the prior art or a patent owner distinguishes the prior art;
5. Whether a petitioner has pointed out sufficiently how the office erred in evaluating the asserted prior art; and
6. The extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

*Valve Corporation v. Electronic Scripting Products, Inc.*, Case IPR2019-00064, -00065, -00085 (PTAB May 1, 2019) (Paper 10) (“Valve II”) (precedential)

This decision concerns the denial of institution of an *inter partes* review based on 35 U.S.C. § 314(a), after applying the General Plastic factors. This decision provides further guidance following *Valve Corp. v. Elec. Scripting Prods., Inc.*, Case IPR2019-00062, -00063, -00084

(PTAB Apr. 2, 2019) (Paper 11) (“Valve I”), previously designated as precedential, explaining that the Board considers any relationship between petitioners when weighing the General Plastic factors. Particularly, the decision states that the first General Plastic factor (“whether the same petitioner previously filed a petition directed to the same claims of the same patent”) applies to the petitioner because the petitioner joined a previously instituted *inter partes* review proceeding and, therefore, is considered to have previously filed a petition directed to the same claims of the same patent. The decision further explains that the Board’s application of the General Plastic factors is not limited to instances in which a single petitioner has filed multiple petitions.

[Adaptics Limited v. Perfect Company](#), Case IPR2018-01596 (PTAB Mar. 6, 2019) (Paper 20) (informative)

This decision concerns the denial of institution of an *inter partes* review, based on 35 U.S.C. § 312(a)(3), after determining that the petition lacks particularity in identifying the asserted challenges and that the lack of particularity results in voluminous and excessive grounds. The decision also determines that, in the interests of the efficient administration of the Office and the integrity of the patent system, and as a matter of procedural fairness to the patent owner, the petition should be denied under 35 U.S.C. § 314(a).

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