

Client Alert

August 2019

July 2019 Update to the US Patent and Trademark Office Patent Trial Practice Guide

This client alert provides recommendations on how companies and practitioners should consider the Patent Office's recent update to the [Patent Trial Practice Guide](#), which affects all trials before the Patent Trial and Appeal Board, including *inter partes* review (IPR), post grant review (PGR), covered business method review (CBM), and derivation proceedings.

The Practice Guide was first published in 2012 to discuss best practices in patent trials, and was previously updated in August of 2018. The updates illustrate the current standards of practice before the Board, reflecting feedback from stakeholders, transparency in the Board's decision-making, and recent decisions from the Federal Circuit and Supreme Court. Highlights of the July 2019 Practice Guide update are noted below:

Increased Protection for Confidential Information

With this update, the Patent Office seeks to make parties feel comfortable submitting confidential information by eliminating the risk of the information becoming public. To seal confidential information, the rules require a party to file a motion to seal and a proposed protective order. While the motion is pending, the confidential information remains sealed.

The current update provides that if a motion to seal is denied, the party can have the confidential information expunged from the record without being made public. This should give parties additional comfort when presenting confidential information to the Board.

Encouraging Patent Owner's to Include Expert Declarations in Preliminary Responses

This update makes it easier for patent owners to submit witness testimony to support a preliminary response to a PTAB petition (*e.g.*, an expert declaration as to why a trial should not be instituted). Many patent owners were reluctant to do so out of concern that if trial were instituted despite expert testimony, it would be difficult to avoid negative inferences associated with that testimony in the case record.

The current update provides that if a trial is instituted, the patent owner may withdraw any testimony submitted in support of a preliminary response. If the patent owner does so, the witness cannot be deposed by the petitioner. This may give patent owners more flexibility presenting arguments in the pre-institution phase, and create uncertainty for petitioners.

Procedure for Demonstrating Rare Appropriate Circumstances for Parallel Petitions

This update clarifies the Board's discretion to institute or deny trials where petitioners have filed multiple petitions against the same patent. With respect to subsequent petitions, the Board has always had discretion to deny review of patents (i) that have already been subject to a PTAB trial (pursuant to 35 U.S.C. §§ 314(a) or 324(a)) or (ii) where the petition is based on the same prior art or arguments

previously presented in a PTAB trial (pursuant to 35 U.S.C. § 325(d)). The previous update discussed this in detail.¹

The current update addresses parallel petitions filed against the same patent, at the same time. As described in the update, multiple petitions against one patent at the same time are generally unnecessary, except for “rare” circumstances. In those cases, the petitioner should submit a separate five-page paper prioritizing the petitions, describing the differences between them, and explaining why the Board should institute multiple trials. The update suggests that the patent owner, permitted a five-page response, may avoid multiple trials by stipulating that certain claim elements are not disputed, or that certain references qualify as prior art.

The Board has always urged petitioners to present only the strongest arguments, and has been reluctant to institute multiple trials against the same patent, so this update is in line with the Board’s longstanding practice. Petitioners should continue to think twice before submitting parallel petitions, and patent owners should consider where a stipulation can simplify proceedings to avoid defending a patent in multiple trials.

Petitioner Retains Burden of Persuasion in Motions to Amend

Amendments to patent claims in PTAB trials remain rare, but petitioners should be aware of the burden of persuasion with respect to a patent owner’s motion to amend claims in an IPR proceeding, particularly given the short (three-month) time for petitioner to respond.

The current update states that, in a patent owner’s motion to amend, the burden remains with the petitioner, echoing the Federal Circuit’s decision in *Aqua Products*.² The petitioner must show that the substitute claims are unpatentable by a preponderance of the evidence.³ Notably, in derivation proceedings, a patent owner must show good cause to amend the claims.

Extremely Limited Circumstances for Late Joinder

With this update, a party may request joinder of its own IPR proceeding, even if the time to petition under 35 U.S.C. § 315 has expired. However, the Board will only permit joinder in “extremely limited circumstances,” where fairness requires it and to avoid undue prejudice. Petitioners should consider this option if, e.g., a patent owner later asserts new claims, but should not expect the Board to permit joinder to cure the petitioner’s own mistakes or omissions.

Additional Practice Guide Changes in the July 2019 Update

In addition to the above, the current update also discusses the following:

- Additional discovery. In IPR and derivation proceedings, a party must demonstrate that additional requested discovery is in the interest of justice, while in PGR and CBM proceedings, a party must only demonstrate good cause for additional discovery.
- Live testimony. The update sets forth factors for permitting live testimony by witnesses at trial, such as if the witness is a fact witness whose testimony is case-dispositive.
- Claim construction. The update sets forth procedures for submitting claim construction decisions from other proceedings if they occur while a PTAB trial is ongoing.

¹ The August 2018 Practice Guide update laid out the *General Plastic* factors for the Board’s consideration of so-called “follow on” petitions challenging a previously challenged patent, and the *Becton Dickinson* factors for the Board’s consideration of petitions relying on prior art or arguments previously presented. *General Plastic CO., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (Paper 19) (precedential); *Becton Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586 (PTAB Dec. 15, 2017 (Paper 8) (informative)).

² *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017).

³ The petitioner may rely on grounds of patentability not typically permitted in IPR proceedings, such as lack of patentable subject matter under 35 U.S.C. § 101 or failure to meet the specification requirements of 35 U.S.C. § 112.

- Institution decisions. Institution decisions will provide analysis of the strengths and weaknesses of all challenges presented in a petition, and the Board may deny a petition even if one or more grounds of unpatentability meets the criteria for institution.

The current Practice Guide update includes more detailed discussions of all of the above and other topics, and practitioners should review the entire update to understand its full scope.

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