

PTAB Patent Proceedings: Best Practices and Strategies You Must Know for 2017 & Beyond

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King Lit Wong, Ph.D.
Senior Counsel



**Buchanan Ingersoll &
Rooney PC**
Roger Lee
Counsel



**McAndrews, Held
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Christopher Scharff
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- Speakers, I will be giving out the secret words at randomly selected times. I may have to break into your presentation briefly to read the secret word. Pardon the interruption.
- We need your insights -- We are conducting some special research to improve The Knowledge Group for you.
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Seyfarth Shaw LLP has more than 850 attorneys and provides a broad range of legal services in the areas of intellectual property, labor and employment, employee benefits, litigation, corporate and real estate. With offices in Atlanta, Boston, Chicago, Houston, London, Los Angeles, Melbourne, New York, Sacramento, San Francisco, Shanghai, Sydney and Washington, D.C., Seyfarth's clients include over 300 of the Fortune 500 companies and reflect virtually every industry and segment of the economy. A recognized leader in delivering value and innovation for legal services, Seyfarth's acclaimed SeyfarthLean client service model has earned numerous accolades from a variety of highly respected third parties, including industry associations, consulting firms and media.



Buchanan Ingersoll & Rooney PC brings true partnership to their clients. With more than 500 attorneys and government relations professionals in 18 offices in the United States, Buchanan has formalized a model for consistently delivering the service attributes their clients most value. A nationally recognized firm, they provide a wide range of services in the areas of health care, financial services and banking, litigation, intellectual property, labor and employment, real estate, corporate and business law, tax, energy, and government relations.

For more information on Buchanan's Patent Office Litigation services, visit www.BIPC.com.

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Partner Firm:



McAndrews is an intellectual property law firm located in Chicago, Illinois. McAndrews, offers a deep bench of experts in patents, trademarks, copyrights, trade secrets, and unfair competition, with all of its attorneys having a degree in science or engineering. While best known for its record of litigation success, McAndrews is also recognized as a leading firm in IP procurement, post-grant proceedings, IP opinions and investigations, global portfolio management, IP development and licensing, M&A support, and design rights. McAndrews' clients include multinational corporations, Fortune 500 companies, startups, and world-renowned universities. It is continually recognized and honored by respected legal and business media and IP organizations for its achievements in intellectual property law.

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Brief Speaker Bios:



Seyfarth Shaw LLP
King Lit Wong, Ph.D.
Senior Counsel

King Lit Wong, Ph.D., is a senior counsel in the Intellectual Property Division of Seyfarth Shaw LLP's Washington, D.C. office. He has extensive experience managing worldwide patent portfolios as well as preparing and prosecuting patent applications, including re-examinations and reissues, related to pharmaceuticals, chemicals, polymers, nutraceuticals, biotechnology, diagnostics, biologics such as vaccines, antibodies, enzymes, and peptides, skin care products, cosmetics, nanotechnology, and fuel cells both in the United States and abroad. He also has extensive experience preparing, prosecuting and obtaining design and plant patents. Dr. Wong has provided freedom-to-operate, invalidity and patentability opinions for clients in the pharmaceutical, chemical and biotechnology industries. He has written extensively about PTAB proceedings.



Buchanan Ingersoll & Rooney PC
Roger Lee
Counsel

Roger Lee is Counsel at Buchanan Ingersoll & Rooney in Alexandria, VA. Roger specializes in post-grant patent proceedings before the U.S. Patent and Trademark Office including inter partes reviews and reexaminations. Roger regularly counsels clients on a variety of patent-related matters including patent prosecution and litigation in federal courts. He is experienced in a range of technologies including polymer chemistry, medical devices, pharmaceuticals, display devices, electro-mechanical devices, and semiconductor manufacturing.

Read Roger's insights on post-grant patent proceedings at [Buchanan PTAB Report](#).

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Brief Speaker Bio:



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Shareholder

Chris Scharff's practice includes all areas of intellectual property, with an emphasis on patent litigation through discovery, trial, and appeal to the Federal Circuit and U.S. Supreme Court, as well as inter partes review ("IPR") proceedings before the U.S. Patent and Trademark Office. Chris was recently recognized as one of the Top 100 most active IPR practitioners in the U.S. by Docket Navigator. He is also a regular columnist on IPR practice and procedure for InsideCounsel.com. Chris has represented clients in large-scale patent disputes on technologies as varied as orthopedic implants, surgical equipment, infusion pumps, spinal surgery devices, GPS hardware, chemical products, advanced materials, automotive technology, food processing and computer software.

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The introduction of Post-Grant Review (PGR), Inter Partes Review (IPR) and Covered Business Method (CBM) by the American Invents Act (AIA) has provided businesses with several additional pathways for challenging the validity of patents. These proceedings have become mainstay tools for defendants in patent cases before the Patent Trial & Appeal Board (PTAB).

In this LIVE Webcast, a panel of key thought leaders and professionals assembled by The Knowledge Group will provide a discussion for patent prosecuting and litigating attorneys and patent agents on PTAB patent proceedings and the best practices and strategies in PGR, IPR and CBM challenges.

Some of the major topics that will be covered in this course are:

- Inter Partes Review
- Post-Grant Review
- Covered Business Method
- Best Practices for Patentees & Third Parties
- Best Practices in Adapting to PTAB Challenges
- Recent Regulatory Updates

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Strategy on Expert Testimonies in Preliminary Responses

- Submitting expert testimony in Patent Owner (“PO”) Preliminary Response (“PR”)
 - Not permitted before May 2, 2016, former 37 CFR § § 42.107(c) and 42.207(c)
 - Permitted starting May 2, 2016, current 37 CFR § § 42.107(a) and 42.207(a)
- In this presentation, I will
 - Analyze some examples in IPR
 - Discuss pros and cons of submitting expert testimony in PO’s PR



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Strategy on Expert Testimonies in Preliminary Responses

- Pros
 - may prevent institution of IPR
 - may get two bites of the apple



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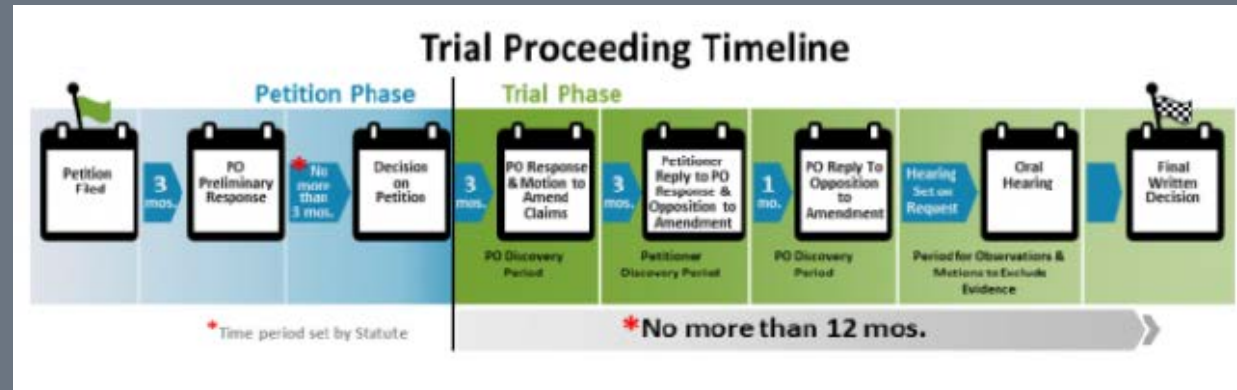
Strategy on Expert Testimonies in Preliminary Responses

- Cons
 - give Petitioner ("P") more time to prepare for reply to PO's expert testimony



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(Timeline taken from uspto.gov)

- PO may tip P off any major weaknesses in PO's case (settlement?)

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Strategy on Expert Testimonies in Preliminary Responses

Several Potential Situations

- (a) No petitioner's expert ("PE")
- (b) Petitioner relies on expert, but PE's testimony is conclusory
- (c) Petitioner relies on expert, but PE's testimony is otherwise defective
- (d) Petitioner relies on expert, and PE's testimony is proper



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Strategy on Expert Testimonies in Preliminary Responses

Examples of cases without PE

P Did Not Use Expert

Agarwal v. Immersion Corporation, IPR2016-00807, Paper 16 (PTAB, September 19, 2016)

- P: Rosenberg anticipates the challenged claims.
- P: Rosenberg discloses all the claim limitations except for the “lookup table” limitation.
- P: Rosenberg incorporates by reference the lookup table disclosed in the ‘281 application.
- **P did not use any expert to support the petition.**



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Strategy on Expert Testimonies in Preliminary Responses

Agarwal v. Immersion Corporation, IPR2016-00807, Paper 16 (PTAB, September 19, 2016)

- PO: The portion of Rosenberg cited by P incorporates by reference only portion of a housing disclosed in the '281 application, so Rosenberg does not incorporate by reference the lookup table disclosed in the '281 application.
- POE: The portion of the housing disclosed in the '281 application has nothing to do with any lookup table, so Rosenberg does not incorporate the lookup table by reference.
- PTAB: Agreed with PO and POE
- PTAB: P's argument of incorporation by reference was merely conclusory without sufficient evidence or explanation.
- PTAB: Rosenberg incorporates another patent application by reference "in the entirety."
- PTAB: Denied institution



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P Did Not Use Expert

Acronis, Inc. v. Uniloc USA, Inc., IPR2017-00301, Paper 12 (PTAB, May 26, 2017)

- P: Wolfe anticipates independent claim 15.
- Claim 15's limitation: the number of times an attempt has been made to obtain service data
- P: Citing Wolfe, **without relying on PE**, P argued that Wolfe teaches the limitation.
- PO: **Citing POE**, Wolfe counts only successful attempts, and Wolfe does not track both successful and unsuccessful attempts because the number of unsuccessful attempts is not meaningful in Wolfe.
- PTAB: Agreed with PO and POE
- PTAB: P did not establish a reasonable likelihood of prevailing on anticipation.



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Strategy on Expert Testimonies in Preliminary Responses

Majority of cases with PE

- PTAB refused to weigh testimony of patent owner's expert ("POE") versus contrary testimony of petitioner's expert ("PE"), e.g., in *Seabery North America Inc. v. Lincoln Global, Inc.*, IPR2016-00840, Paper 11 (PTAB, October 6, 2016).
- "a genuine issue of material fact created by such testimonial evidence will be viewed in the light most favorable to the petitioner solely for purposes of deciding whether to institute," 37 CFR § 42.108(c)
- PTAB often did not comment on merits of POE's testimony.
- If PTAB commented on the merits of POE's testimony, PO might get a peek into PTAB's thinking.



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Examples of cases with PE

Example of PE mischaracterizing prior art

Sandvine Corp. v. Packet Intelligence, LLC, IPR2017-00630, Paper 9 (PTAB, July 26, 2017)

- P: Engel anticipates the claims because, according to PE, Engel discloses computer routines to look up dialogs on a computer network.
- POE: Engel fails to anticipate because “dialogs” differ from the “conversational flow” limitation of the claims since “dialogs” in Engel mean collections of statistics across packets of information, while “conversational flow” in the claims requires relating bidirectional information for specific application activities.



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Strategy on Expert Testimonies in Preliminary Responses

Sandvine Corp. v. Packet Intelligence, LLC, IPR2017-00630, Paper 9 (PTAB, July 26, 2017)

- POE: Engel treats all dialogs the same and does not relate packets of information to specific application activities.
- PTAB agreed with PO and POE that “dialogs” are not “conversational flow.”
- PTAB: P failed to show a reasonable likelihood of prevailing on anticipation
- PTAB: No genuine issue of material fact created by POE against PE because POE explained that Engel does not disclose “conversational flow,” while PE did not point out that Engel does disclose “conversational flow” (merely discloses routines to look up dialogs).
- PTAB: Denied institution



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Example of PE mischaracterizing prior art

Blue Coat Systems, Inc. v. Finjan, Inc., IPR2016-01444, Paper 11 (PTAB, July 18, 2017)

- P: Relying on PE, P argued that Swimmer anticipates independent claim 42.
- Claim 42's limitation: "a database manager for retrieving security profile data for the incoming Downloadable from a database of Downloadable security profiles indexed according to Downloadable IDs"
- PE: Swimmer discloses code segments that identify the memory address of the Downloadable. Because each record entry includes the same code segment identifiers, indicating that the entries correspond to the Downloadable, the Downloadable security profiles are indexed according to Downloadable IDs.
- POE: The code segments in Swimmer represent only the memory address that a particular program is located, not where the Downloadable security profile data is located.



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Strategy on Expert Testimonies in Preliminary Responses

Blue Coat Systems, Inc. v. Finjan, Inc., IPR2016-01444, Paper 11 (PTAB, July 18, 2017)

- PTAB: P gave insufficient reasoning to support its argument that Swimmer discloses Downloadable security profiles indexed according to the IDs of the Downloadable.
- PTAB: PE's conclusory statements vs. POE's detailed reasons to support his opinion
- PTAB: Insufficient basis to credit PE's testimony over that of POE under 37 CFR § 42.108(c)
- PTAB: P did not show a reasonable likelihood of prevailing on anticipation.



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Example of PE mischaracterizing prior art

Asustek Computer, Inc. v. Avago Technologies General IP (Singapore) PTE. Ltd., IPR2016-00647, Paper 7 (PTAB, August 12, 2016)

- P: Claim 12 anticipated by Cioffi
- PTAB: Claim 12 expressly requires transmission of synchronization signal as part of a frame of transmitted data.
- P: Cioffi discloses that “the downstream synchronization signal may be introduced to the downstream data stream at the encoder.”
- PO: P’s citation of Cioffi was misleading. Cioffi does not disclose combining the synchronization signals and data signals, let alone combining the synchronization signals and data signals within the same frame of the transmitted data (as supported by POE)
- PTAB: PO and POE were persuasive because Cioffi discloses that synchronization signals are transmitted on sub-channels, separated from data signals carried by sub-carriers.
- PTAB: P failed to establish a reasonable likelihood of prevailing on anticipation of claim 12.



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PE's unpersuasive argument of motivation to combine

Hamamatsu Corporation v. Sionyx, LLC, IPR2016-01910, Paper 22 (PTAB, March 30, 2017)

- P: Claim 1 obvious over Akahori in view of Mazur
- P: Akahori does not teach the “textured surface” limitation of claim 1, but Mazur teaches laser texturing.
- PE: OSITA would be motivated to experiment with texturing taught by Mazur on the substrate surface of Akahori.
- POE: Akahori teaches that any process other than oxide formation after thinning a silicon substrate would contaminate the silicon substrate.
- POE: Laser texturing of a silicon substrate in the presence of a gas can incorporate gas molecules into the silicon substrate → contamination
- PO: No motivation to combine Akahori and Mazur as supported by POE
- PTAB: Agreed with PO and POE; not persuaded by PE
- PTAB: P failed to show a reasonable likelihood of prevailing on obviousness of claim 1.



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Example of POE Not Persuasive

Whatsapp Inc. v. Triplay, Inc., IPR2016-00717, Paper 15 (PTAB, September 7, 2016)

- P: Claim 1 obvious over Coulombe, Bellordre, and Friedman
- PO: Claim 1 not obvious because Coulombe and Friedman do not disclose the limitation of generating an icon as part of message conversion (citing POE)
- PTAB: PO and POE not persuasive because they argued against only Coulombe and Friedman, but P relied also on Bellordre for disclosing the limitation.
- PTAB: P demonstrated a reasonable likelihood of prevailing on obviousness of claim 1.
- Another bite of the apple: PO could try to include arguments against Bellordre in PO Response.



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Example of POE Not Persuasive

Fox Factory, Inc. v. SRAM, LLC, IPR2016-01876, Paper 8 (PTAB, April 3, 2017)

- P: Hattan and Negano render the challenged claims obvious.
- PE: The combination would improve the operation of Hattan.
- POE: commercial success, licensing, and long-felt need
- PTAB: POE's secondary consideration arguments merely conclusory, no evidence of nexus, and no copy of license
- PTAB: Institution
- Another bite of the apple: PO could try to correct the deficiencies on secondary considerations in PO Response.



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Strategy on Expert Testimonies in Preliminary Responses

Situations where Submitting Expert Testimony in PO's Preliminary Response Likely Helpful

- (a) No petitioner's expert ("PE")
- (b) Petitioner relies on defective expert's testimony
 - conclusory (opinion lacking sufficient evidential basis or explanation)
 - PE mischaracterizes teachings of the reference
 - improper reason to combine



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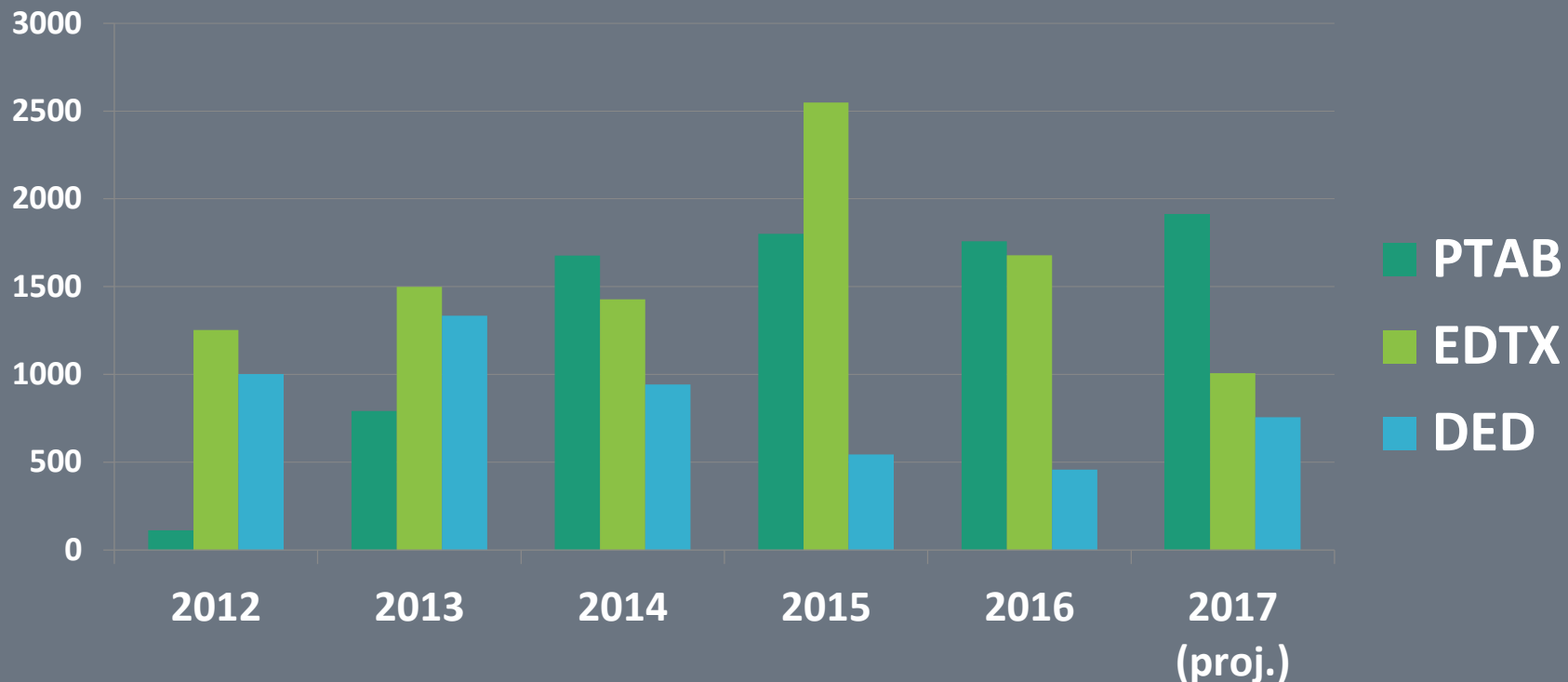
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New Patent Cases in the PTAB, EDTX, & DED



Source: Docket Navigator
(9/27/2017)

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PTAB and District Court Comparison



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- **PTAB**
 - Only validity issues considered
 - Broadest reasonable interpretation
 - Invalidity by preponderance of evidence
 - No presumption of validity
 - Limited discovery
 - Administrative patent judges
- **District Court**
 - Infringement and validity considered
 - Plain and ordinary meaning (*Phillips* construction)
 - Invalidity by clear and convincing evidence
 - Presumption of validity
 - Broader discovery

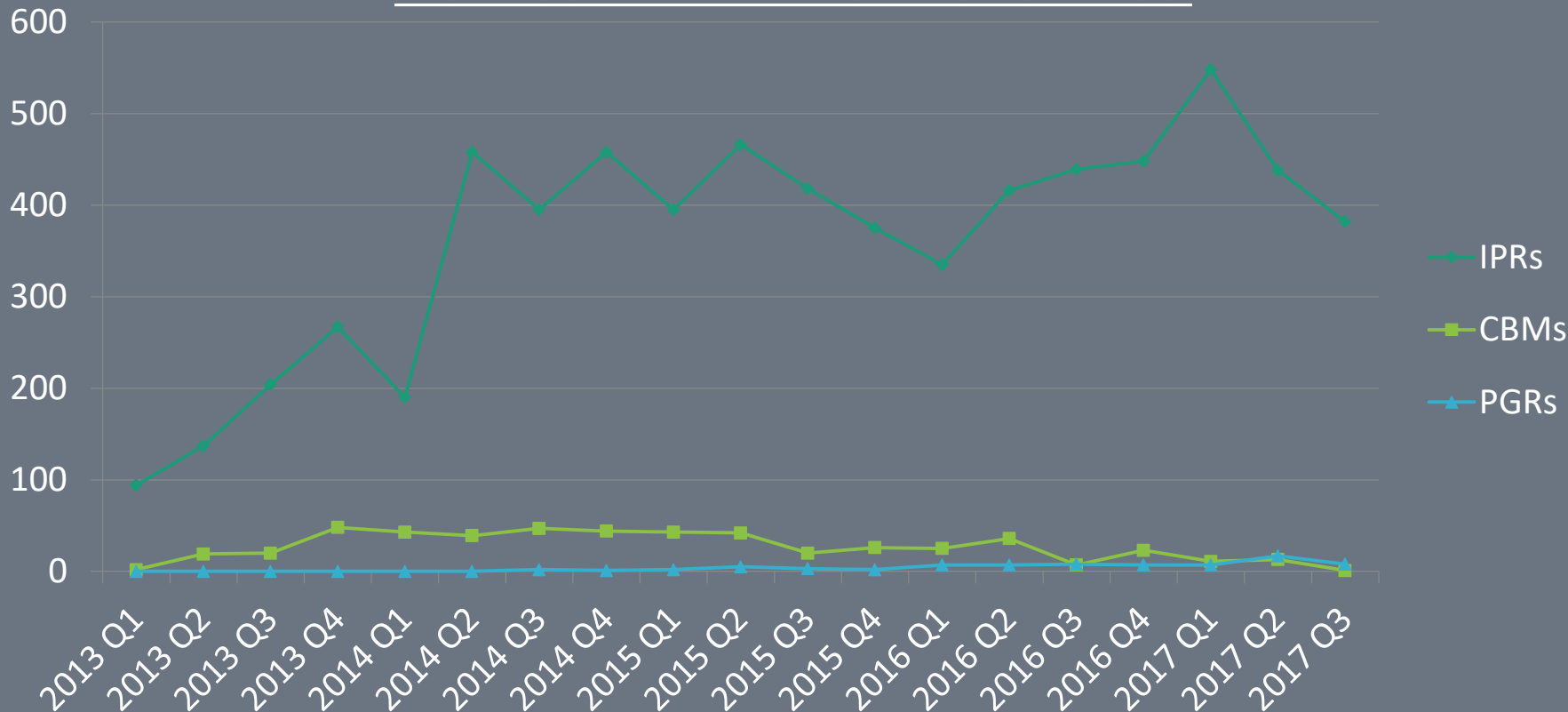
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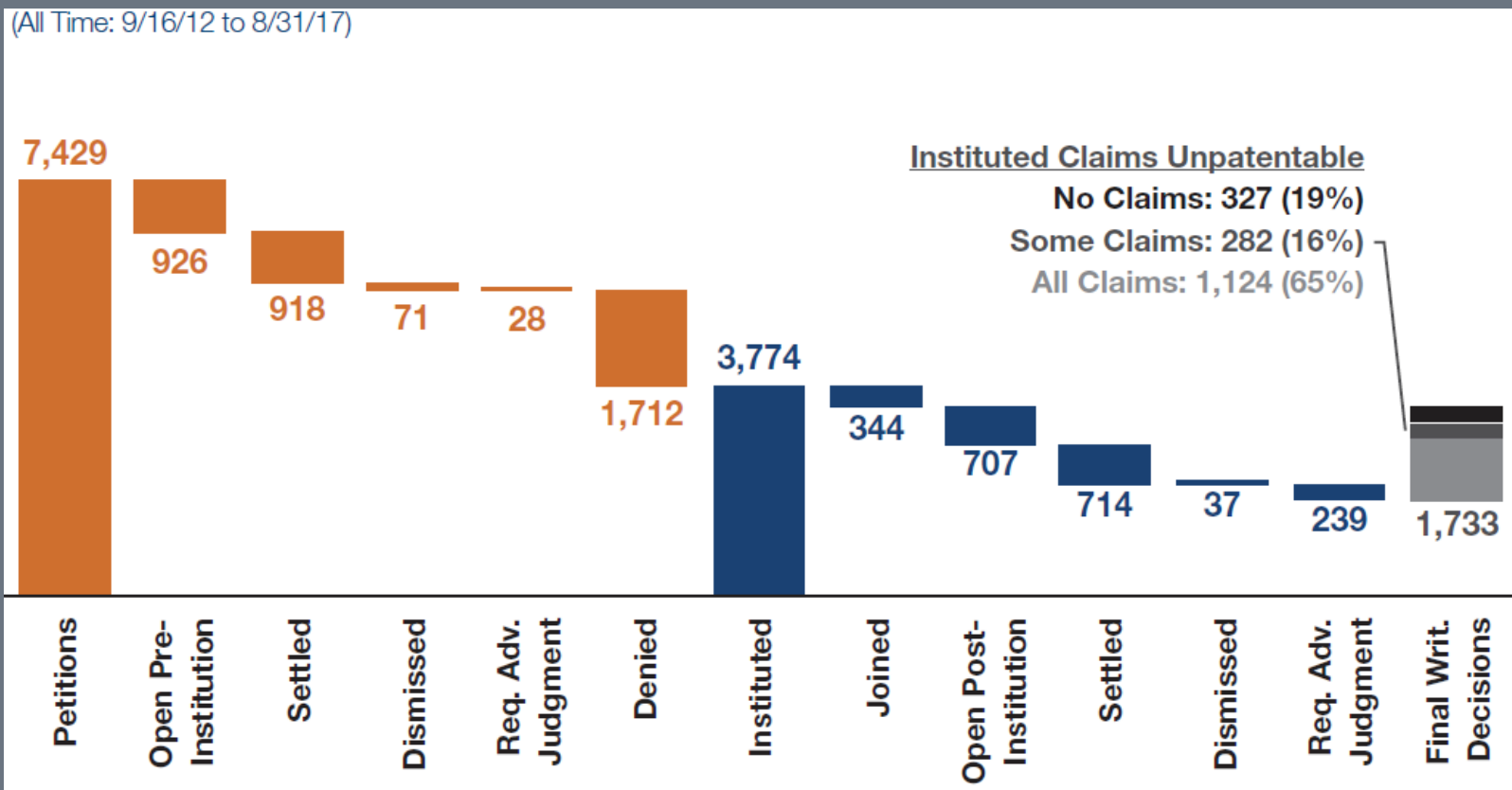
Number of AIA Petitions Filed



Source: USPTO, Docket Navigator
(9/30/2017)

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Outcomes of AIA Petitions



Source: USPTO (8/31/2017)

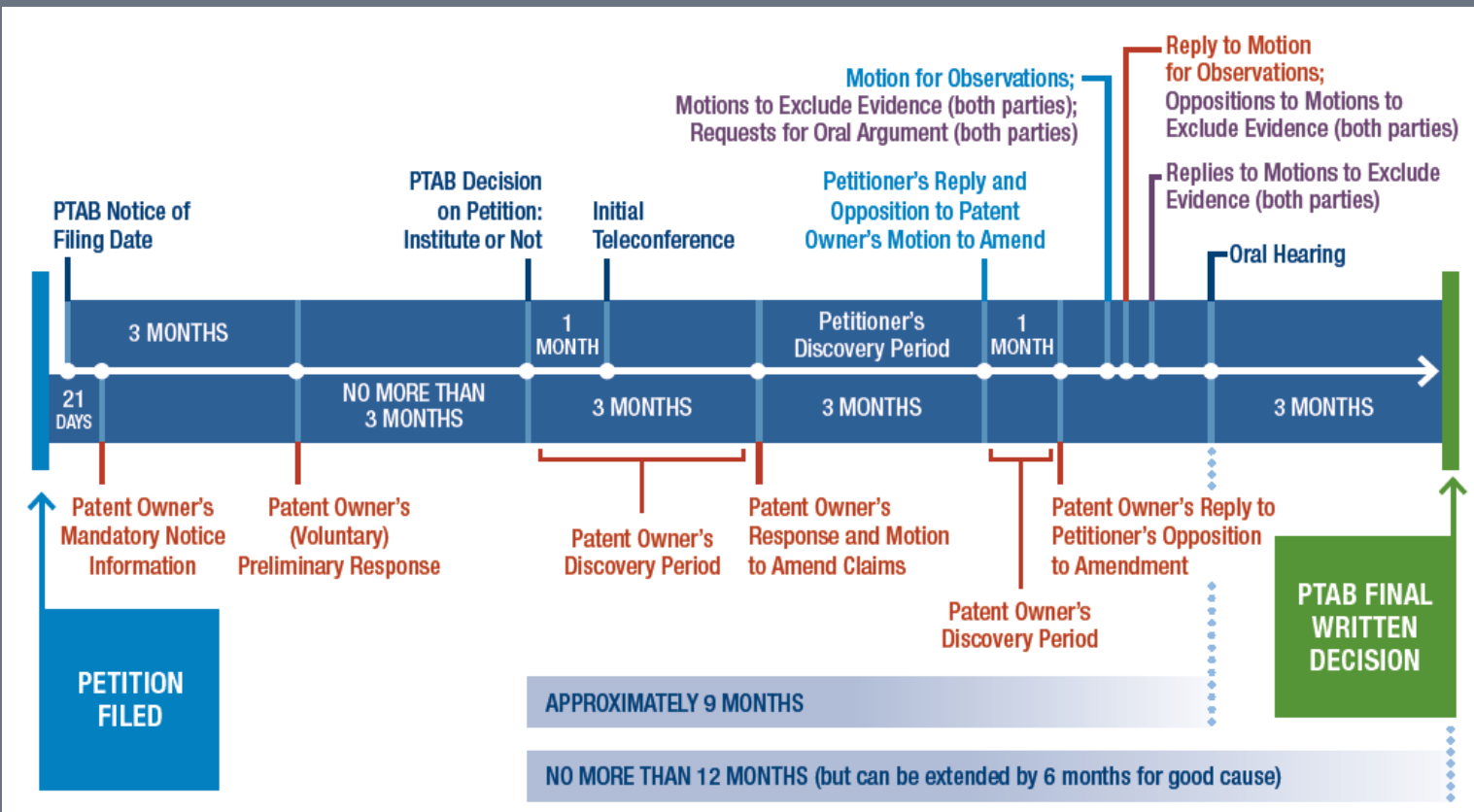


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Timeline of AIA Trials

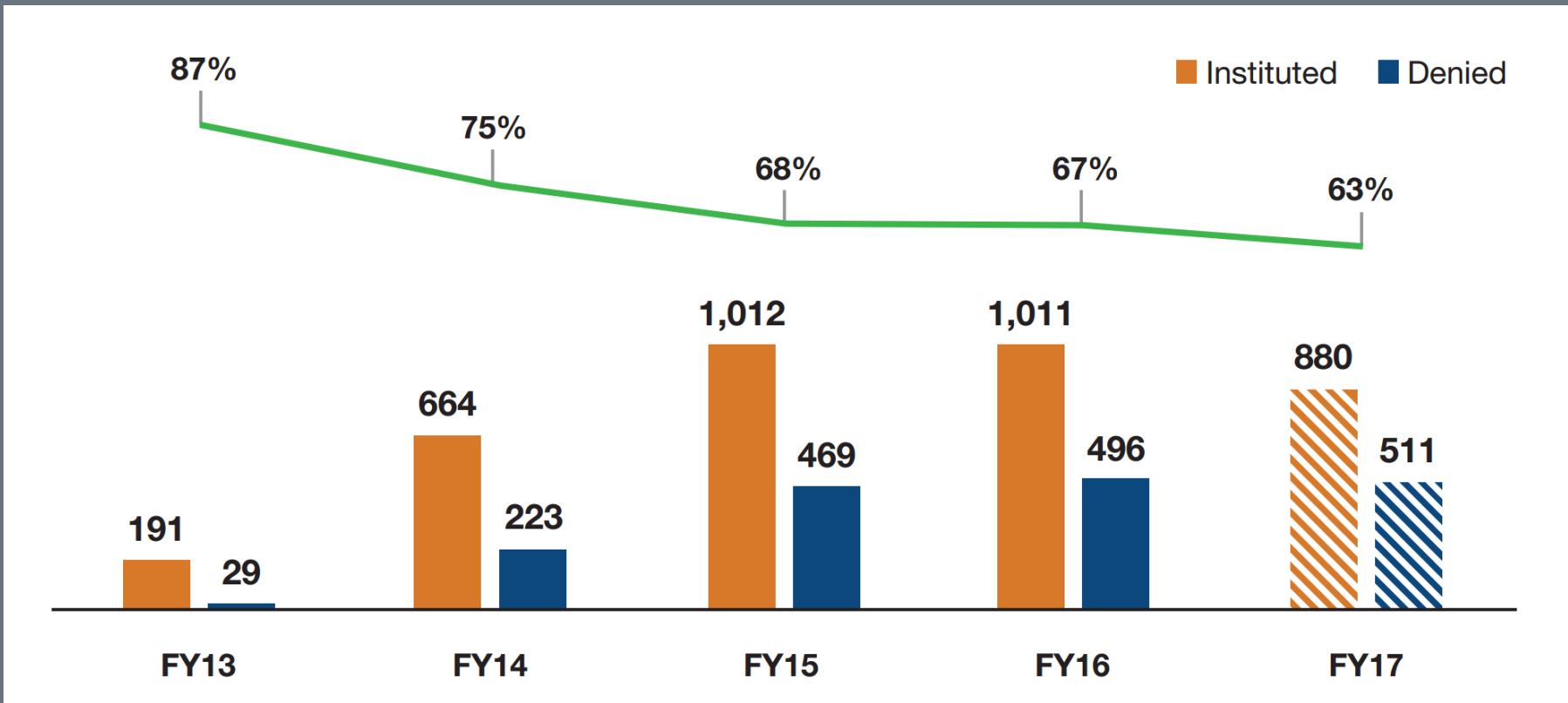


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Institution Rates at the PTAB



Source: USPTO (8/31/2017)



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Pre-Filing Considerations

- How PTAB fits into overall litigation strategy
 - Non-infringement positions and claim construction
 - Other potential grounds of invalidity (e.g., § 101, § 112)
 - Settlement
- Number of patents and claims to be challenged
- Strength of prior art positions
- Potential impact of prior art search
 - PTAB discretion to not institute trial (*General Plastic*, IPR2016-01357, Paper 19)
 - Estoppel under 35 U.S.C. § 315(e)(2) (“raised or reasonably could have raised”)



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Pre-Filing Considerations: Petition & Expert Report

- Burden of persuasion
 - *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364 (Fed. Cir. 2016)
- Statutory requirements
 - 35 U.S.C. § 312(a) (fee, RPI, claims challenged, grounds of challenge, supporting evidence, expert reports)
- Claim construction
 - Petitioner must explain how claims are to be construed, 37 C.F.R. § 42.104(c)
 - Consider potential impact on overall litigation strategy
 - “it may be sufficient for a party to provide a simple statement that the claim terms are to be given their broadest reasonable interpretation.” Office Patent Trial Practice Guide, 77 Fed. Reg. 48764
 - Means plus function claims, 37 C.F.R. § 42.104(c)
- Expert testimony
 - 37 C.F.R. § 42.65(a): “Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.” (IPR2015-01654, Paper 9)



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Pre-Filing Considerations: Indefinite Claims

- What about claims that may be indefinite?
 - Grounds of challenge based on § 112 are not permitted in IPRs. 35 U.S.C. § 311(b).
 - Institution can be denied if the claims are indefinite, because the differences between the claims and the prior art cannot be ascertained (IPR2015-01830, Paper 11; IPR2016-00324, Paper 11; IPR2016-01787, Paper 15).
 - District courts are split on whether to follow PTAB indefiniteness determinations.
 - *Via Vadis, LLC v. Amazon.com, Inc.*, No. 14-cv-0813 (W.D. Tex. Sept. 20, 2016) (court did not give weight to PTAB's indefiniteness ruling)
 - *Cayenne Medical, Inc. v. Medshape, Inc.*, 14-cv-0451, Dkt. No. 138 (D. Ariz. May 6, 2016) (PTAB finding on indefiniteness should be "given great weight" by court)
 - Which argument is stronger: the indefiniteness challenge or prior art challenge?



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Pre-Filing Considerations: PTAB Discretion

- Discretion under 35 U.S.C. § 325(d)
“In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.”
- Arguments previously presented during prosecution
 - *Agrinomix, LLC v. Mitchell Ellis Products, Inc.*, IPR2017-00525, Paper 6 (PTAB Jun. 14, 2017)
- Arguments previously presented in an *ex parte* reexamination
 - *Front Row Techs., LLC v. MLB Advanced Media, L.P.*, IPR2015-01932, Paper 7 (PTAB Mar. 25, 2016)
- Arguments previously presented in an AIA petition
 - *NetApp Inc. v. Crossroads Sys., Inc.*, IPR2015-00773, Paper 13 (PTAB Sep. 9, 2015)
- Arguments previously presented in a third party submission
 - *Cultec, Inc. v. Stormtech LLC*, IPR2017-00777, Paper 7 (PTAB Aug. 22, 2017)



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Pre-Filing Considerations: PTAB Discretion

Discretion under 35 U.S.C. § 314(a)

“The Director may not authorize an inter partes review to be instituted unless . . .”

General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha, IPR2016-01357, Paper 19 (PTAB Sep. 7, 2017)

- Whether the same petitioner previously filed a petition directed to the same claims of the same patent
- Whether the petitioner knew or should have known of the prior art asserted in the later petition when it filed its earlier petition
- Whether at the time of filing of the later petition, the petitioner already received the patent owner’s preliminary response to the first petition or received the PTAB’s decision on whether to institute review in the earlier petition
- The length of time that elapsed between when the petitioner had the patent owner’s or PTAB’s analysis on the earlier petition and when petitioner filed the later petition
- Whether the petitioner provides adequate explanation why the PTAB should permit another attack on the same claims of the same patent
- The finite resources of the PTAB
- The requirement to issue a final determination not later than one year after institution

Consider addressing these factors in follow-on petitions



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SAS Institute: Scope of Appeal and Estoppel

SAS Inst., Inc. v. Lee, 825 F.3d 1341 (Fed. Cir. 2016), *cert. granted*, 137 S. Ct. 2160 (2017)

- The Office Patent Trial Practice Guide, 77 Fed. Reg. 48765:
 - In instituting a trial, the Board will streamline the issues for final decision by authorizing the trial to proceed only on the challenged claims for which the threshold standards for the proceeding have been met. Further, the Board will identify, on a claim-by claim basis, the grounds on which the trial will proceed. Any claim or issue not included in the authorization for review is not part of the trial.
- SCOTUS to review PTAB's practice of "partial" institutions
- Safe harbor from estoppel: *Shaw Indus. Grp. v. Automated Creel Sys.*, 817 F.3d 1293, 1296 (Fed. Cir. 2016)
- *SAS Institute's* potential impact on scope of appeal and estoppel.



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Talking Points

- Post-institution strategies, including: depositions, patent owner responses, motions to amend (in light of the Federal Circuit's recent *Aqua Products* decision), petitioner replies and how to challenge new arguments or evidence, motions to exclude, and oral argument.



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The Board Has Instituted Your IPR—Now What?



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- Typical scheduling order:
 - No initial conference call generally
 - Prior to Due Date 1, deposition of Petitioner's expert
 - Due Date 1 (3 months) – Patent Owner's Response, Patent Owner's Motion to Amend
 - Prior to Due Date 2, deposition of Patent Owner's expert
 - Due Date 2 (6 months) – Petitioner's Reply to Response, Opp. to Motion to Amend
 - After Due Date 2, deposition of Petitioner's expert again (if submitted Reply declaration)
 - Due Dates 3-6 (7-9 months) – Patent Owner's Reply to Motion to Amend, Motion for Observations, Motions to Exclude, Request for Oral Argument, etc.
 - Due Date 7 (9 months) – Oral Argument

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Depositions

- Not a discovery deposition, more akin to trial testimony
- Entire transcript must be filed with Board, so do not ask fishing questions; seek soundbites and admissions
- Objections:
 - Must be short, non-talking and non-suggestive to the witness (e.g., “objection – foundation,” “objection - form,” “objection – outside the scope”)
 - “Objection – relevance” is a proper objection in IPRs (see Trial Practice Guide)
- If deposing attorney is clearly seeking to introduce a new argument or theory through questions of expert, consider stopping deposition and moving for a protective order (has been successful)



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Patent Owner Response

- May raise any argument or theory—not limited to POPR arguments (which is optional to file)
- May include expert declaration (including a new one if already submitted one with POPR)
- **Best strategies:** raise clear legal arguments (e.g., no inherent disclosure of claim limitation in prior art under the law) or raise clear technical arguments (e.g., prior art does not disclose what Petitioner alleges, alleged motivation to combine is technologically impossible, combining prior art would render primary reference unsuitable for its intended purpose, alleged modification to prior art is redundant of already-existing prior art capability)
- **Less likely to succeed:** dueling conclusory expert opinion



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Patent Owner Motion to Amend

- Before *Aqua Products v. Matal*, slip op. 2015-1177 (Fed. Cir. Oct. 4, 2017):
 - Patent Owners carried the burden of affirmatively proving that proposed amended claims are patentable over not just the prior art cited in the petition, but any other art of which the patent owner is aware
 - Patent Owners had to convince the Board of patentability; Petitioners could just point out flaws in Patent Owner's argument or proof
 - As a result, a February 2017 study noted that the Board had only granted six motions to amend in IPRs. See Amending Claims at the PTAB—A Fool's Errand?, Managing Intellectual Property (Feb. 24, 2017), <http://www.managingip.com/Article/3663698/Amendingclaims-at-the-PTABa-fools-errand.html>.



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Patent Owner Motion to Amend

- *Aqua Products Holding:*
 - 35 U.S.C. § 316(d) is unambiguously clear – it does not put the burden of proof on patent owners to show patentability; that burden always rests with the Petitioner
 - The requirement of a “motion to amend” does not mean that the Patent Owner as the movant bears the burden of proof and persuasion on substantive patentability
 - A motion to amend need only clear the initial hurdle of showing that the amended claims “(1) do not impermissibly enlarge the scope of the claims, and (2) do not introduce new subject matter”
 - If proposed amended claims meet that showing, they are then entered into the proceeding and “[o]nce entered into the proceeding, the amended claims are to be assessed for patentability alongside the original instituted claims . . . Thus, any propositions of substantive unpatentability for amended claims are assessed . . . under the standards that apply to all claims in the proceeding”



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Patent Owner Motion to Amend



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- **Motions to Amend After *Aqua Products*:**
 - Likely to be much more frequently attempted by Patent Owners
 - Likely to be somewhat easier to establish by Patent Owners (comparable to having originally issued claims survive IPR challenge)

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Petitioner Reply



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- May reply to arguments and evidence raised in Patent Owner Response
- New evidence is permissible so long as it is “responding” directly to something argued by the Patent Owner (e.g., evidence to show that what Patent Owner argues is wrong or that Patent Owner’s evidence is inaccurate)
- “Respond,” in the context of the Rules, “does not mean embark in a new direction with a new approach as compared to the position originally taken in the Petition.” *Duk San Neolux Co., Ltd. v. Idemitsu Kosan Co., Ltd.*, Case IPR2016-00148, Paper 35 (P.T.A.B. March 29, 2017).
- **Reply may not:** raise new invalidity grounds (e.g., new obviousness combination), change theories (e.g., what in the prior art corresponds to a claim element or obviousness rationale), or cite to “better” evidence that could have been previously cited

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Patent Owner Challenges to New/Changed Petitioner Arguments in Reply



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- Proper way for Patent Owner to challenge new arguments or evidence is by requesting a Board call (not via a motion to exclude). See, e.g., *Corning, Inc. v. DSM IP Assets B.V.*, IPR2013-00047 (P.T.A.B. May 1, 2014) (“The proper way to challenge ‘new’ evidence in a reply is to bring it to the Board’s attention in a conference call or during oral argument.”); *Dish Network LLC v. TQ Beta LLC*, IPR2015-01756, Paper 15 (P.T.A.B. March 23, 2016) (“If an issue arises with regard to a paper being out of proper scope, e.g., belatedly raising new issues or belatedly submitting new evidence, the parties shall contact the Board in a timely manner to raise the matter.”).
- The Board may:
 - Hear the parties positions on the call (usually just one alleged new argument) and rule
 - Request the Patent Owner to file a “listing” of improper new evidence (without argument)
 - Permit the Patent Owner to file a separate motion to strike or to file a sur-reply

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Motion for Observation on Cross Examination



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- If Petitioner files a second declaration in its Reply, Patent Owner may depose the expert again
- Second deposition is limited to the scope of the second declaration
- Patent Owner must subsequently file “observations” on the testimony – concise, single paragraph explanations of what the testimony was, what it relates to, and why it is relevant
- If testimony is not included in observations, risk that Board may preclude reliance on the testimony in oral argument demonstratives

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Motions to Exclude

- Only for excluding evidence that is inadmissible under the Federal Rules of Evidence
- **Commonly raise:** lack of authentication, hearsay (e.g., Internet documents that do not fall within a hearsay exception), relevance
- **May raise:** any objectionable deposition questions/answers that opponent relied on in its papers (if previously objected to at the deposition)—waived if not raised in motion to exclude
- **May raise :** *Daubert* objections to expert witness testimony (although a search did not reveal any IPR decisions in which the Board granted a motion to exclude expert testimony under *Daubert*). See *Nestle Healthcare Nutrition, Inc. v. Steuben Foods, Inc.*, IPR2015-00249, Paper 76 (P.T.A.B. June 2, 2016) (“The policy considerations for excluding expert testimony, such as those implemented by the gatekeeping framework established by the Supreme Court in *Daubert v. Merrell Dow Pharm., Inc.*, 509 U.S. 579 (1993), are less compelling in bench proceedings such as *inter partes* reviews than in jury trials.”)



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Request for Oral Argument



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- Typical argument time is 45 minutes per side (1.5 hrs total)
- If multiple IPRs, consider requesting consolidated argument for overlapping/similar ones, if the Board has not already consolidated them
- For consolidated arguments or numerous claims, consider requesting additional time (e.g., 60 minutes per side)

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Demonstratives for Oral Argument



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- Must be exchanged (not filed) 7 days prior to oral argument
- Most common to prepare demonstratives as a front-to-back PowerPoint presentation with cut-and-past quotes to relevant evidence
- Some early Board decisions did not allow argumentative slides (*CBS Interactive*)
- Today, the Board does allow argument in slides, but prohibits *new* argument or evidence
- Consider *not* using overly argumentative, descriptive slides for strategic reasons – you will otherwise be giving the other side a roadmap of your argument
- Include useful figures, charts, drawings if included in prior submissions or expert report
- Include guideposts (e.g., label “argument 1, argument 2, etc.”)

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Oral Argument



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- Most panels allow attorneys to present their PowerPoint presentation largely uninterrupted, reserving questions for the end or interposing few (<10 questions)
- But be prepared for a panel that may ask extensive questions if the legal or technical issues are complicated; be sure to allocate time accordingly and be prepared to skip certain slides
- Be clear and concise; use artful analogies
- Answer all panel questions

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