

## PTAB Unveils AIA Review Plans After High Court Shakeup

By Ryan Davis

*Law360 (April 26, 2018, 10:13 PM EDT)* -- The Patent Trial and Appeal Board revealed Thursday how America Invents Act reviews will be conducted now that the U.S. Supreme Court has ordered the board to decide the validity of every challenged patent claim, but attorneys say more about the new-look reviews will need to be fleshed out in future rulings.



The PTAB issued a memo outlining its procedures for reviewing patents in the future, as well as how it will handle cases that are already pending, in light of the high court's Tuesday ruling. (AP)

The board issued a memo outlining its procedures for reviewing patents in the future, as well as how it will handle cases that are already pending, in light of the high court's Tuesday ruling that the previous PTAB practice of selecting a subset of challenged claims to review is not allowed under the AIA.

First, the board made clear that the days of petitioners challenging a wide swath of patent claims in inter partes review petitions and having the board institute review on only some of them are over.

"As required by the decision, the PTAB will institute as to all claims or none," the board said. "At this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition."

In addition, the board's final decisions will now address "all patent claims challenged by the petitioner and all new claims added through the amendment process," the memo said.

In the many pending cases where the board instituted review on less than all of the challenged claims, "the panel may issue an order supplementing the institution decision to institute on all challenges raised

in the petition," it said.

Those orders may permit additional time, briefing, discovery or argument so that every claim challenged in the initial petition can be considered in the review, the board said. The panel can extend the due dates for filing briefs and its own one-year deadline for completing the review "if required to afford all parties a full and fair opportunity to be heard," it said.

The parties can decide to waive the opportunity for more briefing, and the board may not order it if it is not requested, the memo said.

The high court's ruling marks a significant change in how the PTAB operates. The memo starts to provide insight on how things will now work, although other issues will remain unclear until the board starts issuing decisions, said Bob Steinberg of Latham & Watkins LLP.

"There are going to be some differences here for the PTAB and its resources and, frankly, for the parties," he said.

One notable aspect of the memo is that it says the board will institute review on "all challenges raised in the petition," Steinberg said. That appears to indicate that the board will review not only every claim of the patent challenged by the petitioner, but also every argument the petitioner makes, he said.

The Supreme Court's decision dealt only with whether the board must review every challenged claim and did not address whether it must also review every ground in the petition. Petitioners often argue that certain claims are invalid for several different reasons, some of which the board has in the past declined to review.

The memo suggests the board will now take up everything in the petition, which could streamline the process, Steinberg said. In the past, grounds the PTAB declined to review could be raised again in district court, but it appears from the board's memo that petitioners will have one shot in their PTAB petition to make all their invalidity arguments.

"What seems clear is they really do want to fully evaluate the challenges raised," he said. "That has been a point of frustration, and not only for petitioners. Patent owners didn't like the idea that some grounds could all of a sudden pop back up in litigation."

How the board will handle other aspects of the new landscape was not made explicit in the memo, such as what institution decisions will look like going forward.

The PTAB had previously issued lengthy and detailed decisions when it decided to review a patent. Some attorneys expect that since the board must now issue decisions on every challenged claim, it may cut its workload by reducing those decisions to one word — "instituted" or "denied" — and leave the heavy lifting for the final decision.

"It's likely that what the PTAB is going to do is issue much shorter decisions, either it is or it isn't," said Ian Walsworth of Lewis Brisbois Bisgaard & Smith LLP.

If that were to happen, "neither party would get insight into the strengths and weaknesses of their petition the way they do now," said Clint Wilkins of Haynes and Boone LLP. "The trial could become more complex."

Karl Renner of Fish & Richardson PC said it's extremely helpful for attorneys to understand the board's thinking at the outset of the review, so "my hope would be that they continue to give us the benefit of the robust analysis they've given in the past."

Rather than issue bare-bones institution decisions, the PTAB could "take the opposite tack and very strongly telegraph its views on the challenged claims," said Bas de Blank of Orrick Herrington & Sutcliffe LLP.

It could issue institution decisions saying "we believe claim X is likely invalid, but claim Y likely is not," he said. That "could result in a very strong correlation between those institution decisions and the final written decision," he said, provided the board enforces the rule barring petitioners from raising new arguments after institution.

The board could also decide to review fewer patents as a result of the high court decision, instituting review only when it believes most of the challenged claims are invalid and sparing itself from writing lengthy final decisions that mostly find patents valid.

"PTAB will simply institute fewer AIA trials to manage its workload," said Marshall Schmitt of Michael Best & Friedrich LLP. "The statute is clear that, even if the petitioner meets the burden of proof as to one claim, institution is discretionary."

Attorneys said they will also be watching to see what final decisions by the board will look like under the new system, but expect that they will necessarily have to be even more comprehensive than they have been in the past.

The decisions will need to address issues that had previously been stripped out at the institution stage as not being worthy of consideration, a decision that was not appealable. Final decisions on every claim will now be reviewed by the Federal Circuit, and petitioners will be barred from raising them in district court. The board will therefore need to carefully explain its decision to uphold some claims in order to withstand appeal, said Brian LaCorte of Ballard Spahr LLP.

"There's no question that there will be lengthier decisions," he said. "There will be more in the final decision, which will mean more work the PTAB and for the Federal Circuit as well."

PTAB Chief Judge David Ruschke will host a webinar on Monday at noon on the USPTO website to discuss the high court's decision and answer questions, which could shed more light on how reviews will change under the high court ruling.

The Supreme Court's decision "is likely to have a dramatic impact on how IPRs are litigated, but it remains to be seen what direction that impact will take," de Blank said.

--Editing by Philip Shea and Alanna Weissman.