4 Things To Know About The New PTAB Trial Practice Guide

By Ryan Davis

Law360 (July 18, 2019, 9:40 PM EDT) -- The newest edition of the Patent Trial and Appeal Board's Trial Practice Guide for America Invents Act reviews calls for those who file multiple petitions challenging a patent to justify their filings, among other new guidelines. Here's what attorneys need to know about the update.

The 64-page guide unveiled July 15 is the first update to PTAB procedures since August and highlights several opinions the board has recently made precedential. But it also includes some new guidelines that experienced PTAB attorneys said they hadn't seen before and that litigants should keep in mind.

"I think these guides are helpful. While most of it is things we've all heard before and reflect our understanding of day-to-day practice at the PTAB, there are a few nuggets in here that are definitely worth our attention and will drive how we practice going forward," said Matthew Johnson, a patent litigation partner at Jones Day.

Multiple Petitions

Perhaps the most notable section of the new guide deals with the phenomenon of companies that file multiple petitions challenging the same patent, a practice the board has recently been trying to clamp down on.

The guide says that "to aid the board in determining whether more than one petition is necessary," anyone filing two or more petitions should now file a paper of up to five pages ranking the petitions in the order they want them to be considered and providing a "succinct explanation" of how they are different and why they decided to file multiple petitions.

"That puts the onus on the petitioner to say why they need more than one," Johnson said.

The ranking and justification of multiple petitions is not necessarily a requirement now that it's in the guide, although the board has ordered such a filing in at least one recent case. Nevertheless, petitioners will likely be happy to have an opportunity to explain their rationale for multiple petitions, said David Cavanaugh, chair of WilmerHale's post-grant proceedings group.

"As a practitioner, I can say almost without fear of contradiction that petitioners will provide those five pages," he said. "This is helpful for the board. It provides reasons that might be opaque or not
transparent to the board about why there are five petitions, for example, and sometimes there might be very good reasons."

In some cases, petitioners might break their arguments up into multiple petitions because they don't feel they have enough space to make them all in one filing, or they believe they have stronger arguments in one petition than in another. Laying out those differences should aid the board in making decisions about which petitions to institute and discourage multiple filings driven by gamesmanship.

"It's going to help people recognize those circumstances where multiple petitions are warranted and maybe clean out the ones where they're maybe less justifiable," Cavanaugh said.

Having to justify their strategy to the board is "going to make people more hesitant to try to pull off tricks because you're going to have to explain your work, and if you can't give a good explanation, you're going to start off the matter on the wrong foot, looking like you're playing games from the outset," Johnson said.

The guidance could encourage petitioners to file more streamlined petitions focusing on their strongest arguments, he said.

**Remand Procedures**

The AIA dictates that reviews must be completed within one year of when they are instituted, but there is no similar time limit for the PTAB to issue a decision on remand from the Federal Circuit. The updated guide makes clear the board wants to get such rulings out swiftly.

The guide says the board has a goal of issuing decisions within six months, and encourages parties to set up a conference call with the board within 10 days of the issuance of the appeals court's mandate to discuss whether additional briefing and discovery is necessary.

Any party seeking to reopen the evidentiary record is also asked to explain why that is necessary. Finally, the guide stresses that the board generally will not stay the remand proceeding, even if one party appeals to the U.S. Supreme Court.

"The new thing here is that they're not going to grant stays," said Bob Steinberg, chair of Latham & Watkins LLP's PTAB practice group. "They want to move this forward quickly and they don't want to have delays. ... Nothing is set in stone, but you're going to have to have to show pretty good cause and a very peculiar scenario in your writ to get a stay."

The guide also makes clear that it's not going to be the board's standard practice to allow additional discovery on remand, Cavanaugh said.

"They're not going to be entirely excited about reopening the evidentiary record, but they would consider it in limited and appropriate circumstances," he said.

When the Federal Circuit first started sending cases back to the PTAB, some of them dragged on for some time since there wasn't a clear process for determining how to proceed. The new guide should help speed them along, Johnson said.
"The PTAB is trying to expedite them. They want the parties to confer and map out what remand should look like," Johnson said. "I think there's some nice guidance here."

**Claim Construction**

The guide emphasizes that the board will strive to resolve claim construction issues in AIA reviews before deciding whether to institute a review, and encourages petitioners to lay out their case for how claims should be construed at the outset of a proceeding.

To that end, it states that if a petitioner believes a claim requires construction, they "must include a statement identifying a proposed construction" and any evidence that supports that reading. In addition, once a patent owner files a response to a petition, the petitioner can respond to any claim construction issues raised by the patent owner "but cannot raise new claim construction issues that were not previously raised in its petition."

"To me, this is a new thing," Steinberg said. "What they're saying is, if you don't raise arguments in the petition, you can't raise it later. That's new. It's not encouraging people to do it, it's saying this is what you do."

The guidance seems to be an effort by the board to front-load claim construction issues at the institution stage and "avoid late claim gamesmanship during the trial," he said.

The board appears to have seen instances where petitioners are making new claim construction arguments after seeing the position taken by the patent owner, and wants to discourage that.

"There's always been a push for petitioners to lay out their entire case in the petition," Johnson said. "There are fairness issues in construing claims at a very late stage."

**Testimonial Evidence**

The PTAB began allowing patent owners to submit expert declarations in their responses to petitions several years ago, but it is still not a common practice. The board appears to be trying to encourage more patent owners to do it with a part of the new guidance that allows such testimony to be withdrawn.

If the patentee submits expert testimony in an effort to get the board not to review a patent and is unsuccessful, the patent owner can choose not to rely on that testimony after the review is instituted, the guide states. That "can be done by affirmatively withdrawing the testimony in the patent owner response," it says, and the expert "will usually not be subject to deposition."

Steinberg said the board seems to be sending a message to patent owners that, "if you want to submit testimony, don't think it's the endgame."

"It's an interesting strategy, and we'll have to see how that works," he added.

After institutions, patent owners might see an advantage in no longer having to rely on testimony that didn't persuade the board to deny review. However, if an expert's declaration is withdrawn and replaced with a new one, it could raise questions about the expert's credibility, Steinberg said.
"The board is going to want to see, if there's a change in their position and it's the same expert, why did their position change," he said.

Since the guide will govern how PTAB proceedings play out going forward and highlights important recent decisions as well as some new wrinkles, it will be advantageous for anyone practicing at the board to become familiar with it.

"This is a pretty important trial practice guide for people to read," Steinberg said.

--Editing by Breda Lund and Aaron Pelc.

*Correction: An earlier version of this article incorrectly stated when petitioners must file a paper explaining why they filed multiple petitions. The error has been corrected.*