

**UNITED STATES  
PATENT AND TRADEMARK OFFICE**



# Patent Public Advisory Committee Quarterly Meeting

## PTAB Update

David P. Ruschke

Chief Administrative Patent Judge

Scott Boalick

Deputy Chief Administrative Patent Judge

August 2, 2018

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PATENT AND TRADEMARK OFFICE



# Agenda

- Ex Parte Appeals
- AIA Trials
- Studies
- SAS Guidance
- Claim Construction Notice of Proposed Rulemaking
- Upcoming Events and Developments



# ***Ex Parte Appeals***

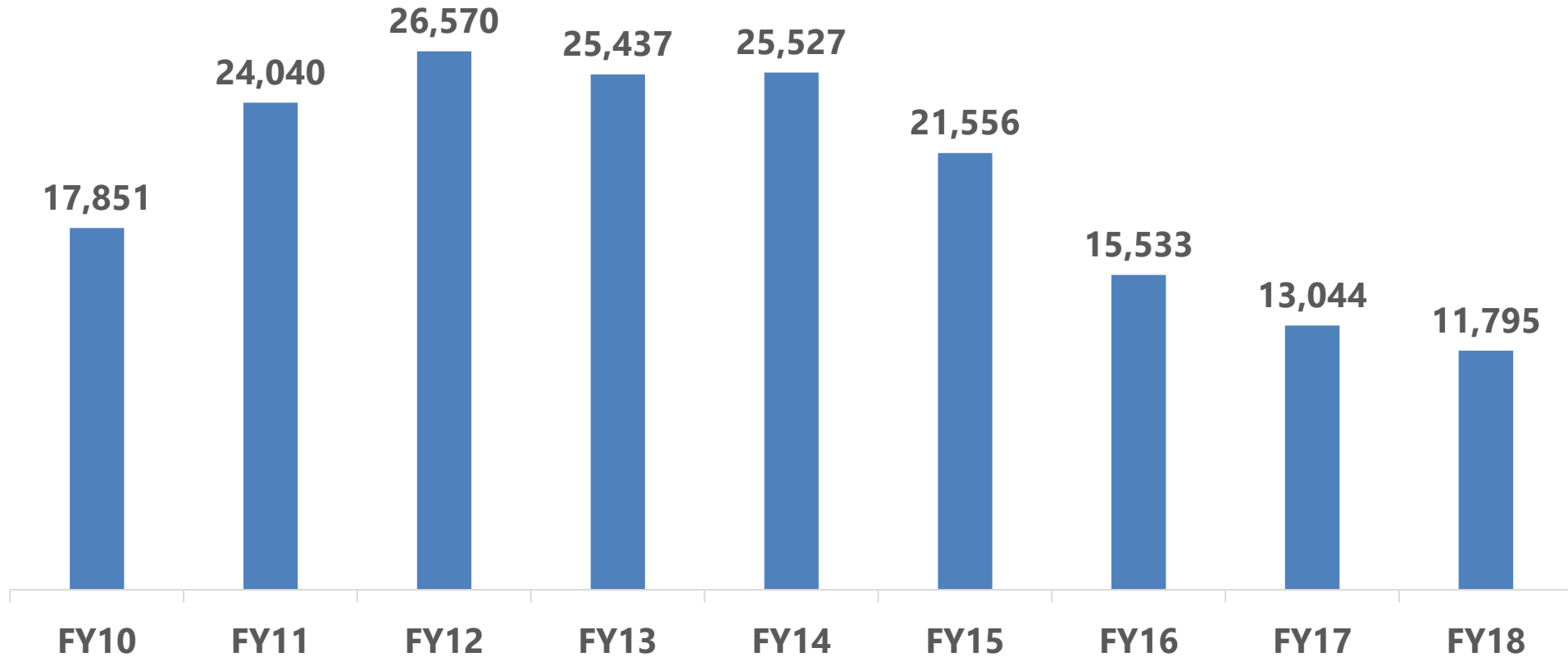
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**Question:** The ex parte inventory has been decreasing rapidly over the past few fiscal year. Will PTAB run out of work?

# Pending Appeals

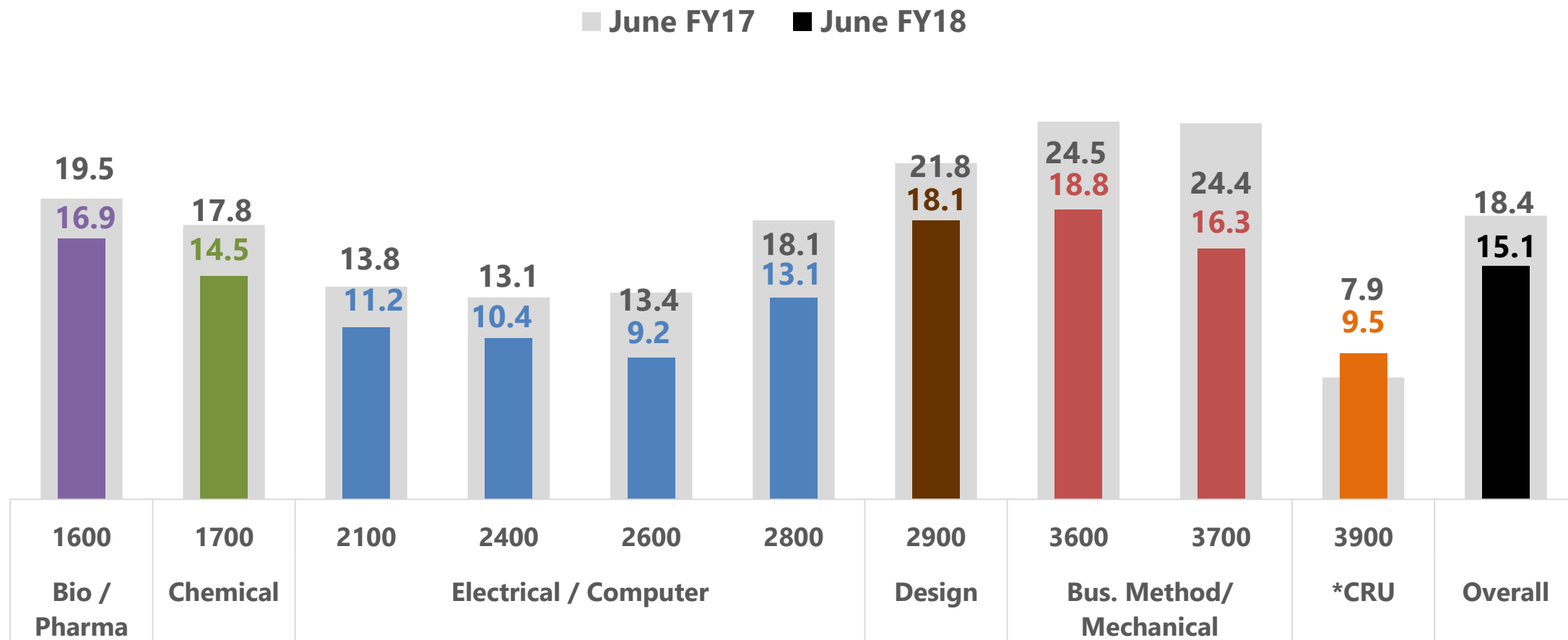
(FY10 to FY18: 9/30/10 to 6/30/18)



**Question:** Do Appellants still have to wait two and a half years for a decision on their ex parte appeal?

# Pendency of Decided Appeals in FY17 and FY18

(Pendency of appeals decided in June 2017 compared to June 2018 in months)



Pendency is calculated as average months from Board receipt date to final decision.  
 \*CRU (Central Reexamination Unit) includes ex parte reexams, inter partes reexams, supplemental examination reviews and reissues from all technologies.



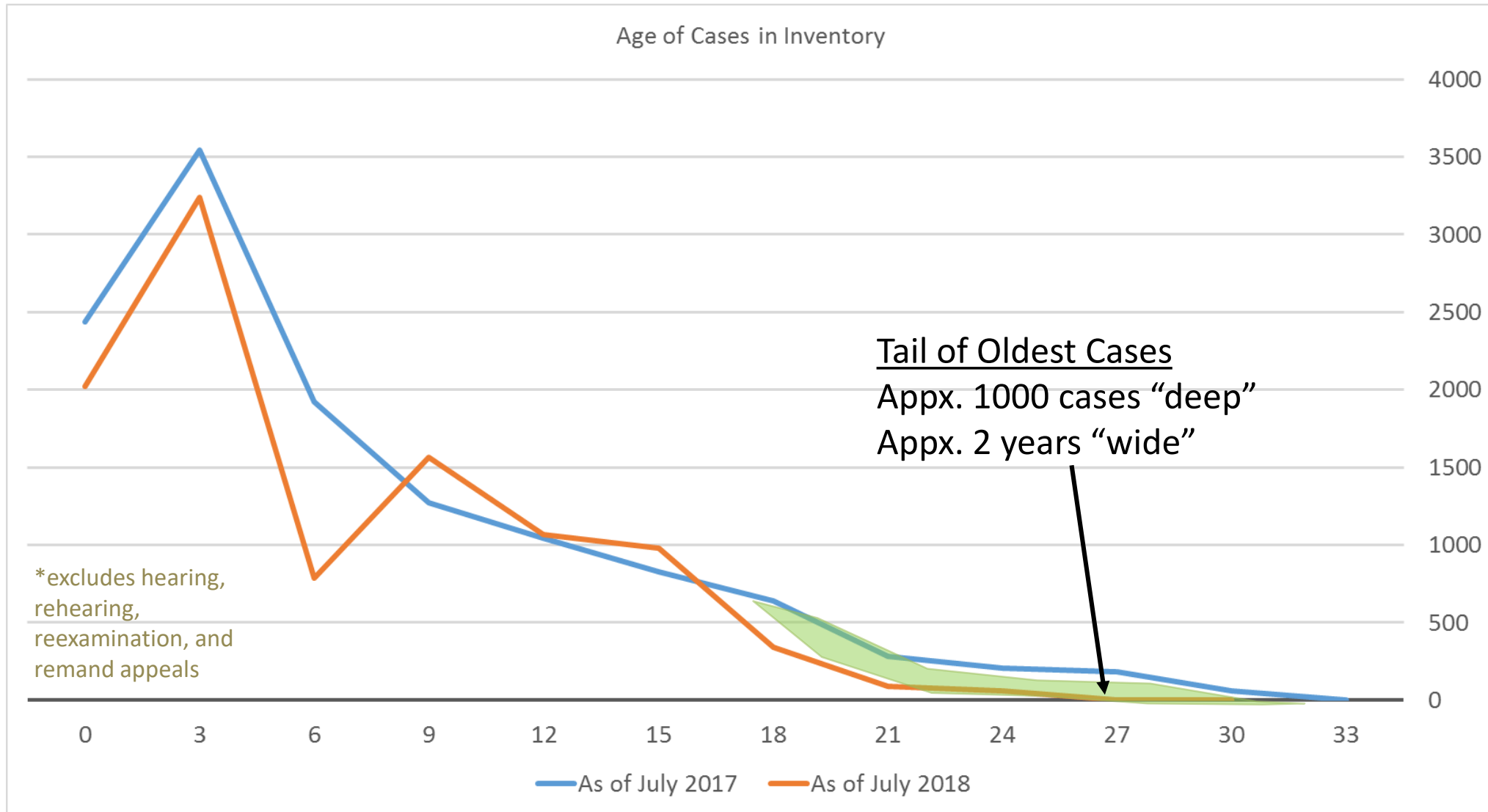


**Question:** How has the PTAB been able to reduce appeal pendency?

# Quarterly Appeals Close-out: Goal

- Target the oldest cases in the inventory for decision to reduce the maximum pendency of appeals
- Began 6 months ago (January 1, 2018)

# Ex Parte Appeal Inventory



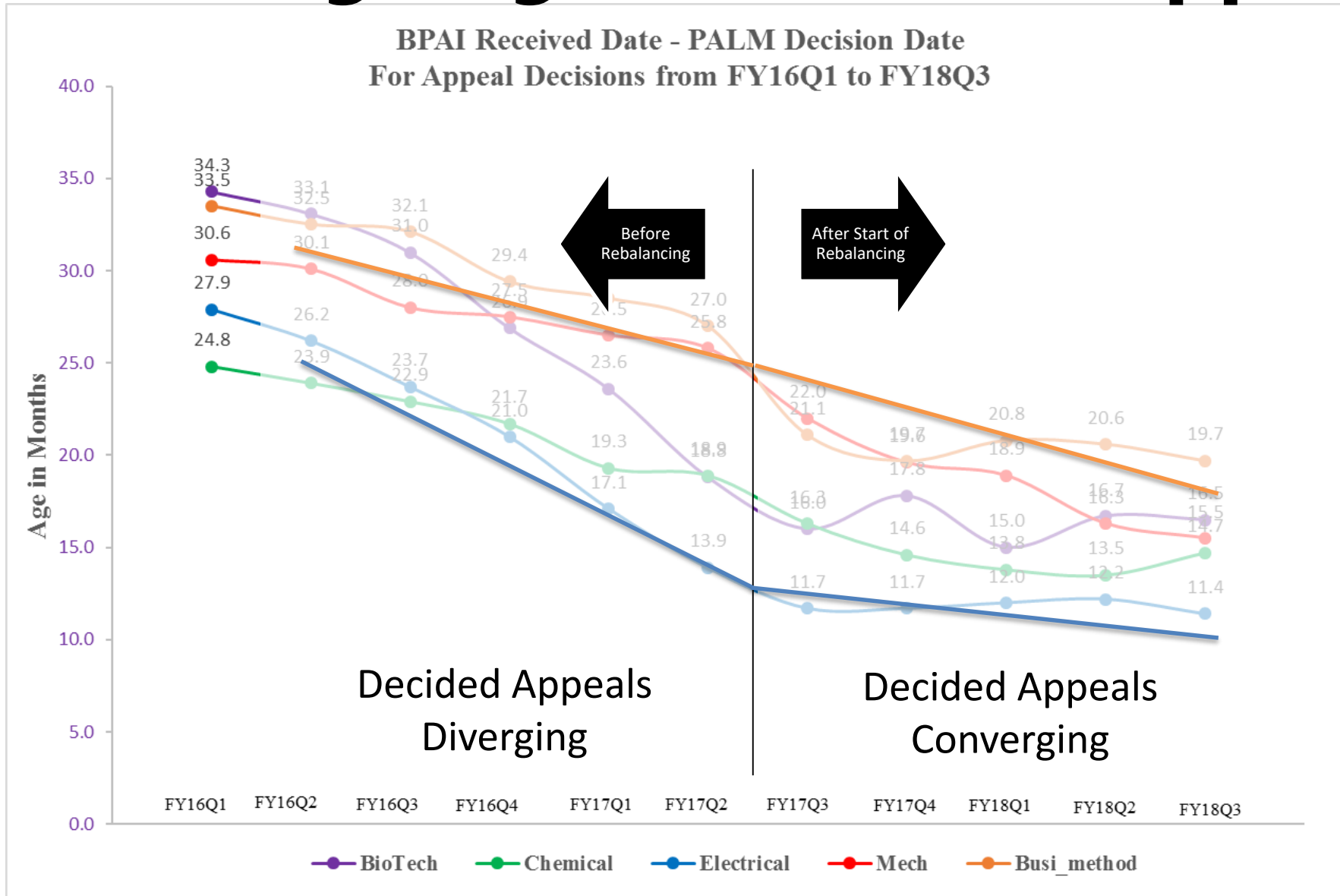
# Quarterly Appeal Close-out: Results

- Successfully targeted oldest appeals
- Reduced maximum pendency from about 36 months to about 25 months

# Technology Rebalancing: Goal

- Redistribute firepower (aka judge resources) to bring the pendency difference between appeals from different technologies into closer alignment
- Before rebalancing, there was:
  - too much electrical firepower relative to intake, so pendency was rapidly dropping
  - insufficient business method firepower relative to intake, so pendency was rapidly increasing
- Began a little over 1 year ago (May 15, 2017)

# Average Age of Decided Appeals



\*excludes pendency of cases which are docketed at the Board multiple times, e.g., remands, and excludes stayed reexaminations



# AIA Trials

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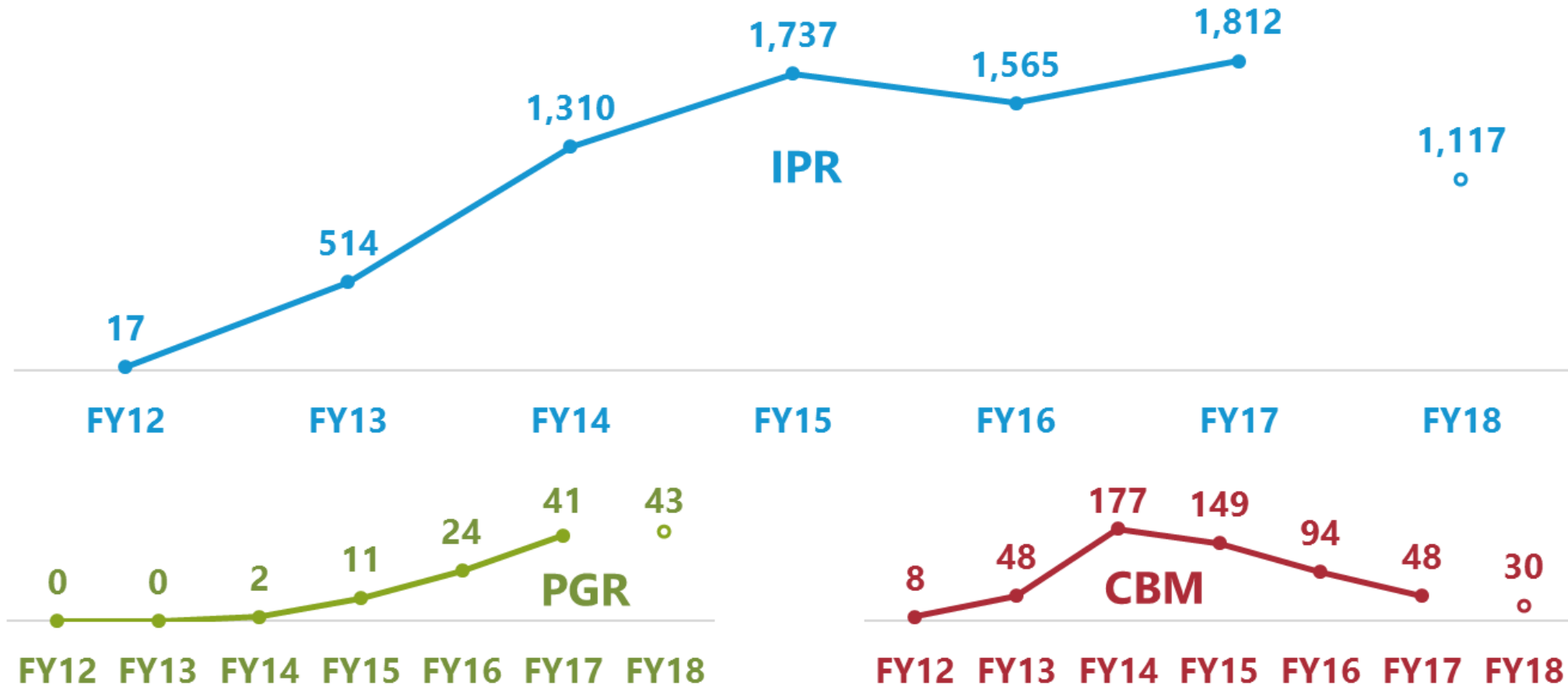
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**Question:** IPR filings continue to grow. Are third parties filing any PGRs or CBMs?



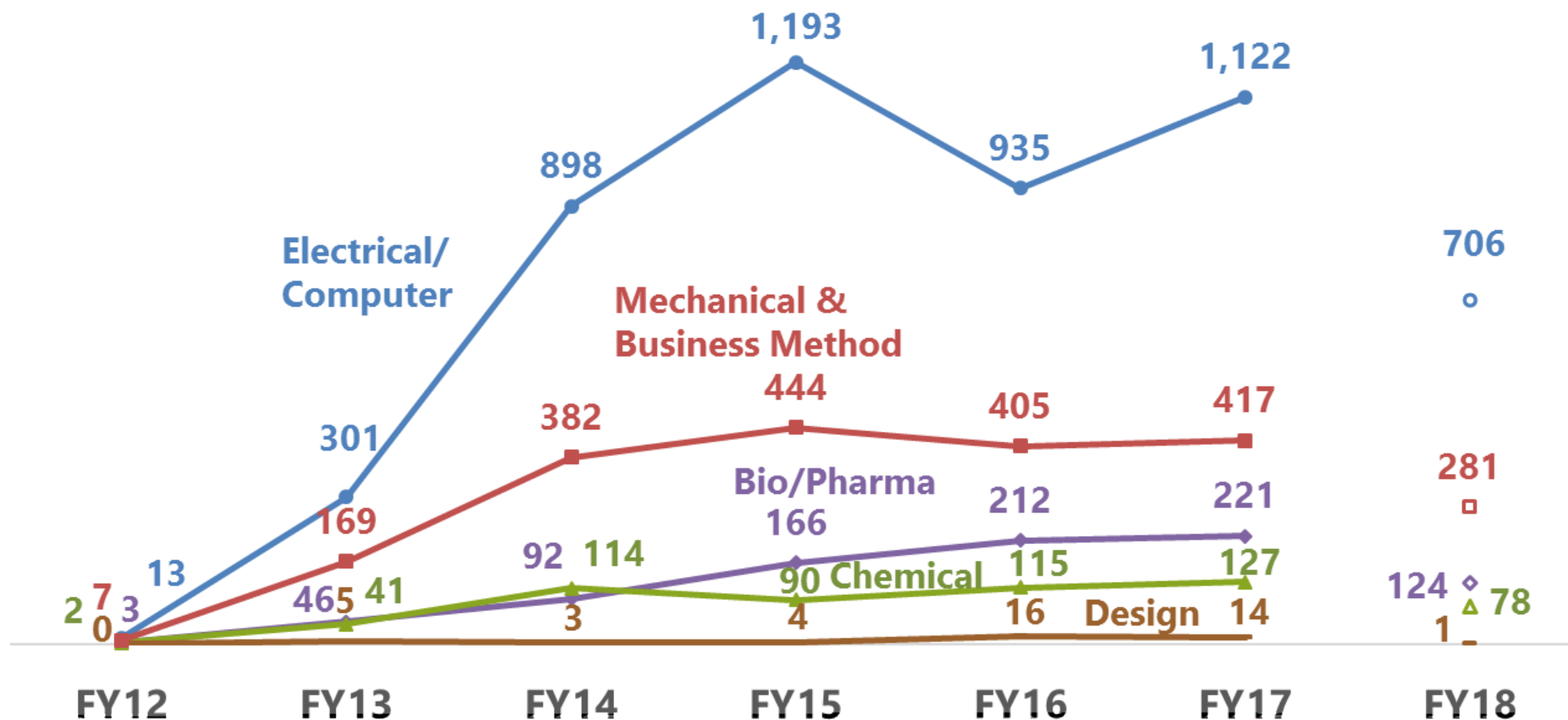
# Petitions Filed by Trial Type and Fiscal Year

(All Time: 9/16/12 to 6/30/18)



# Petitions Filed by Technology and Fiscal Year

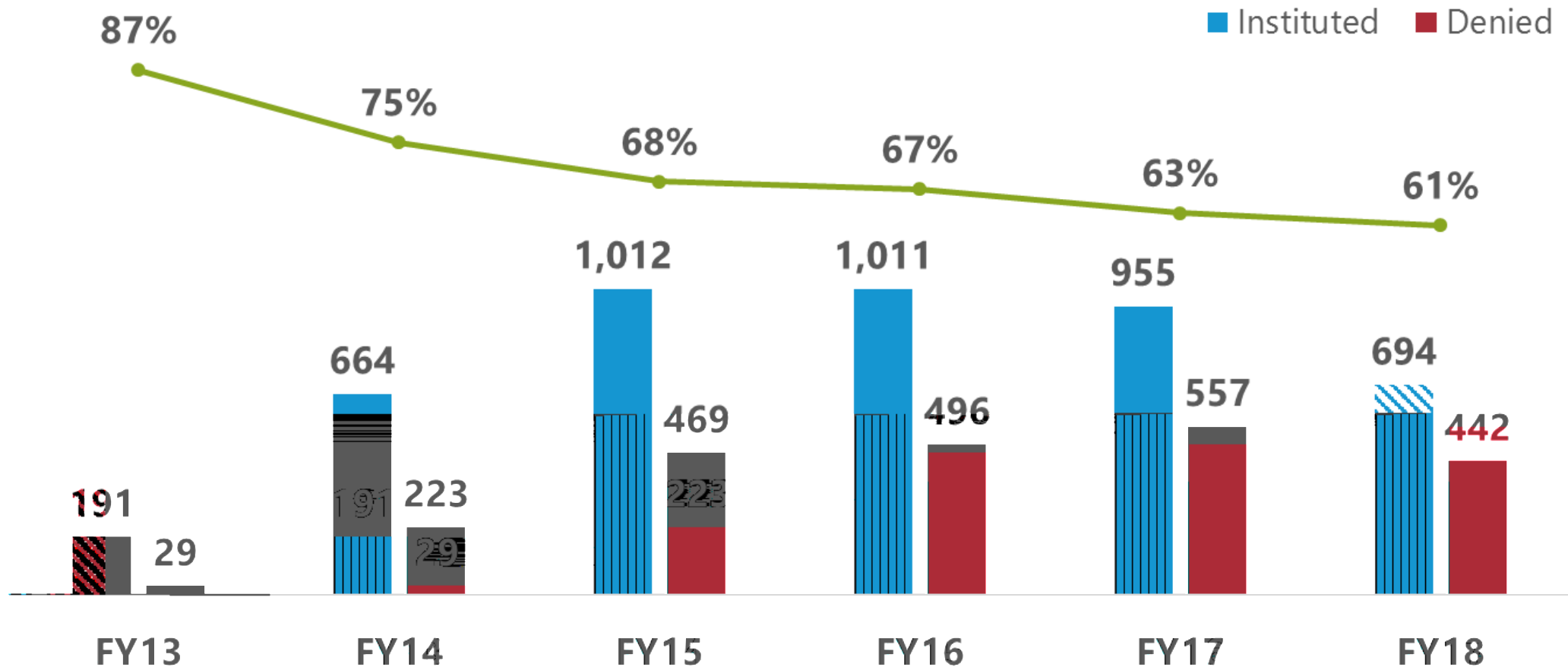
(All Time: 9/16/12 to 6/30/18)



**Question:** Is the AIA trial institution rate as high as it was when the Board started conducting trials nearly six years ago?

# Institution Rates

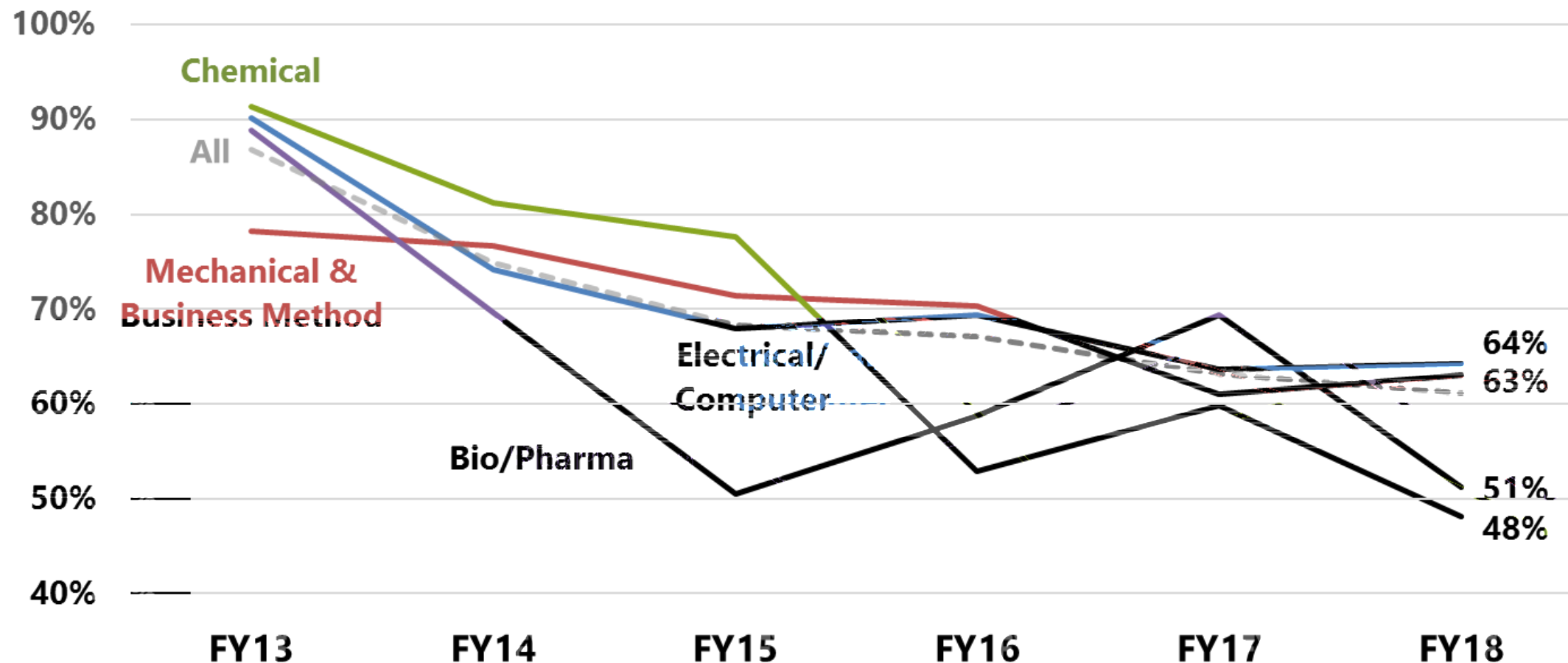
(FY13 to FY18: 10/1/12 to 6/30/18)



Institution rate for each fiscal year is calculated by dividing petitions instituted by decisions on institution (i.e., petitions instituted plus petitions denied). The outcomes of decisions on institution responsive to requests for rehearing are excluded.

# Institution Rates by Technology

(FY13 to FY18: 10/1/12 to 6/30/18)

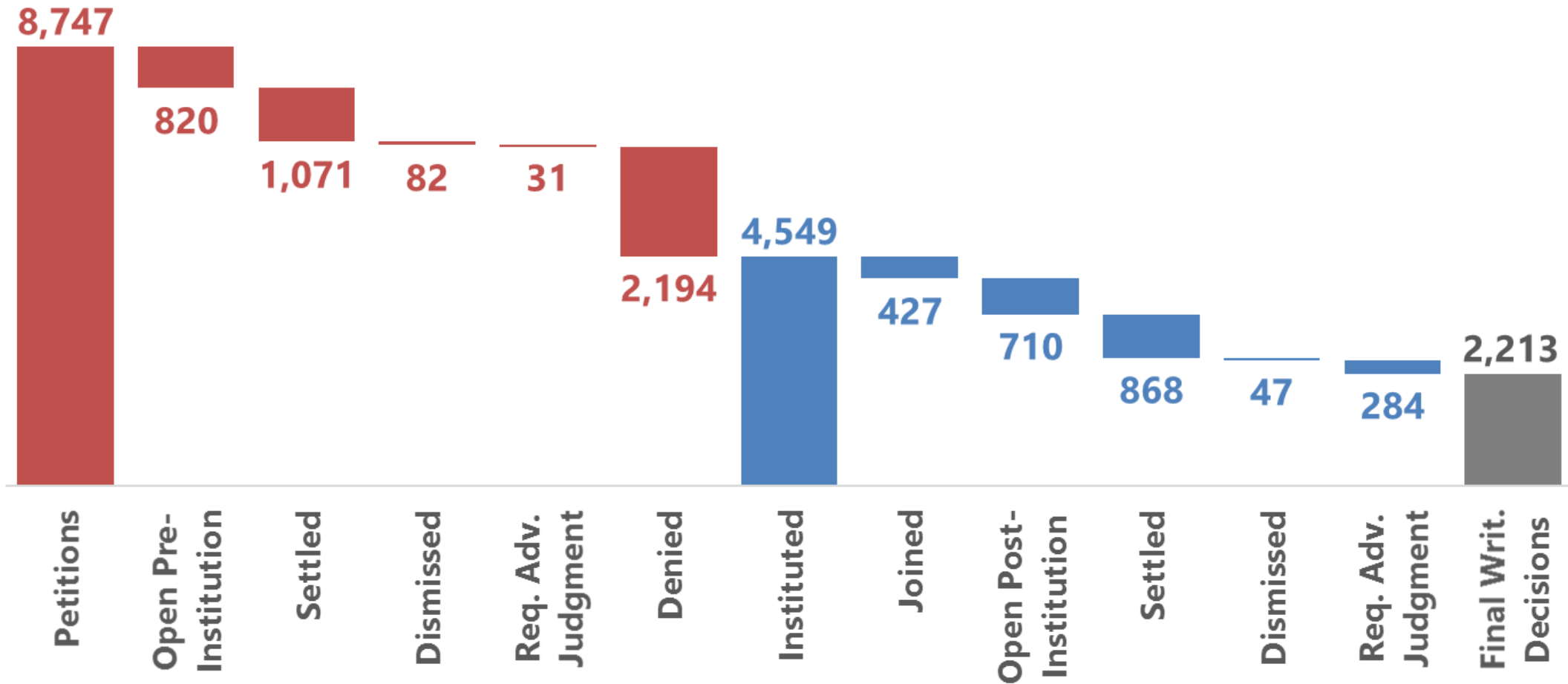


Institution rate is calculated by dividing petitions instituted by decisions on institution in each fiscal year, excluding requests for rehearing. The Design technology is not displayed due to insufficient numbers of decisions on institution.

**Question:** Is PTAB invalidating nearly all challenged patents?

# Status of Petitions

(All Time: 9/16/12 to 6/30/18)

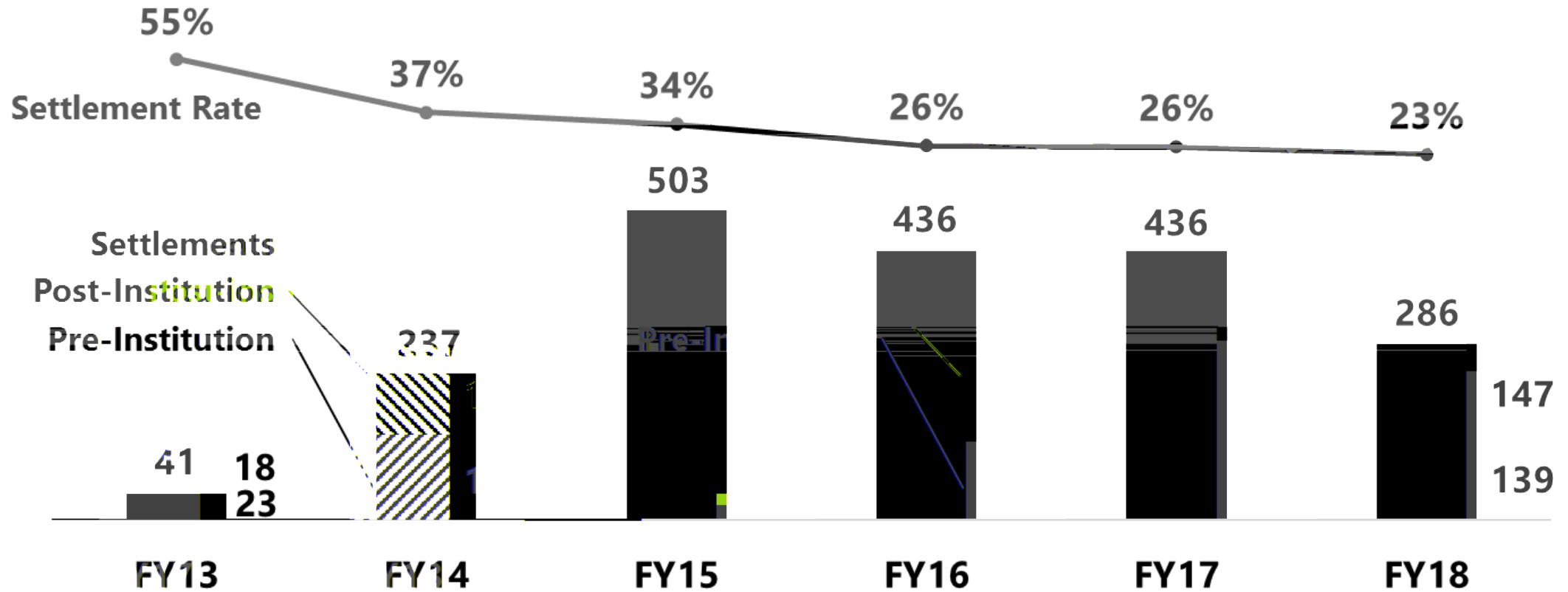


These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.



# Settlements by Fiscal Year

(FY13 to FY18: 10/1/12 to 6/30/18)

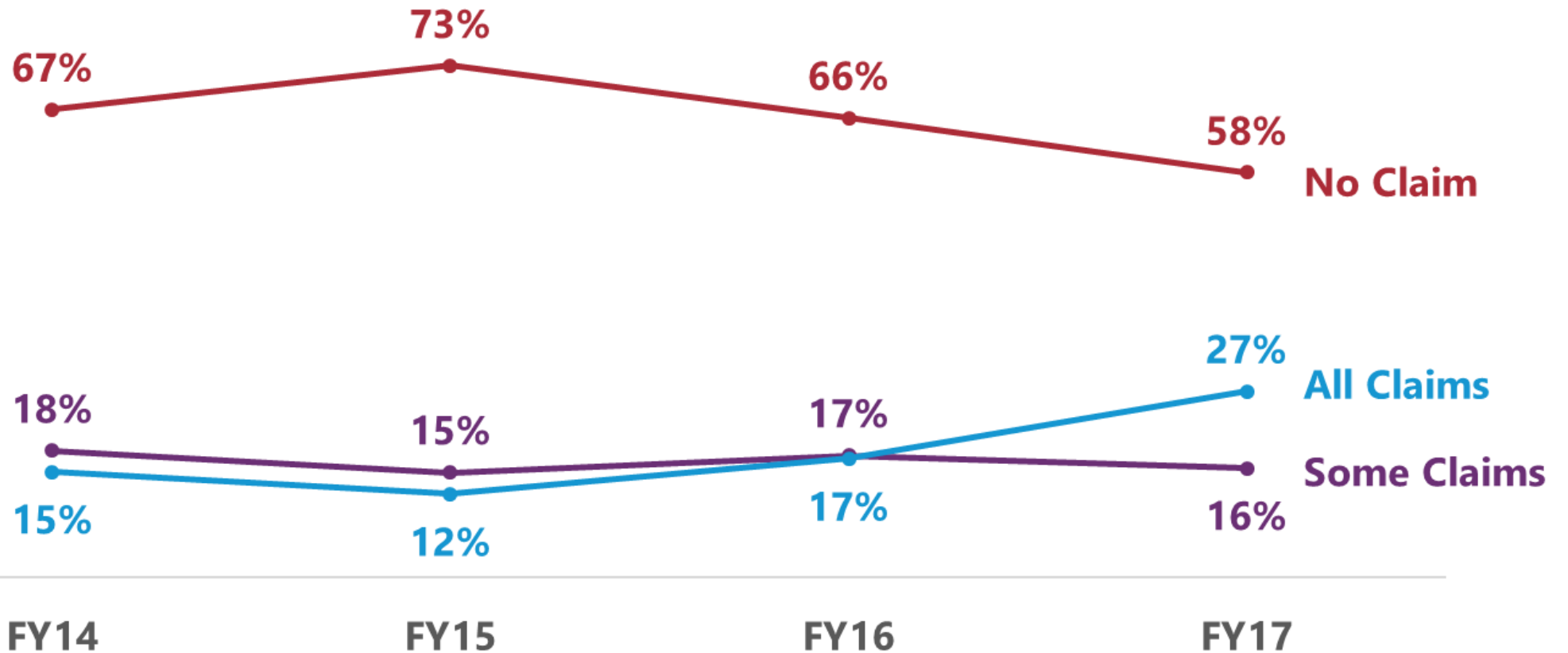


Settlement rate is calculated by dividing total settlements by terminated proceedings in each fiscal year (i.e., settled, dismissed, terminated with a request for adverse judgment, denied institution, and final written decision), excluding joined cases.



# Final Written Decisions

Percent of Decisions by Instituted Claims Remaining Patentable by Fiscal Year



Joined cases are excluded.

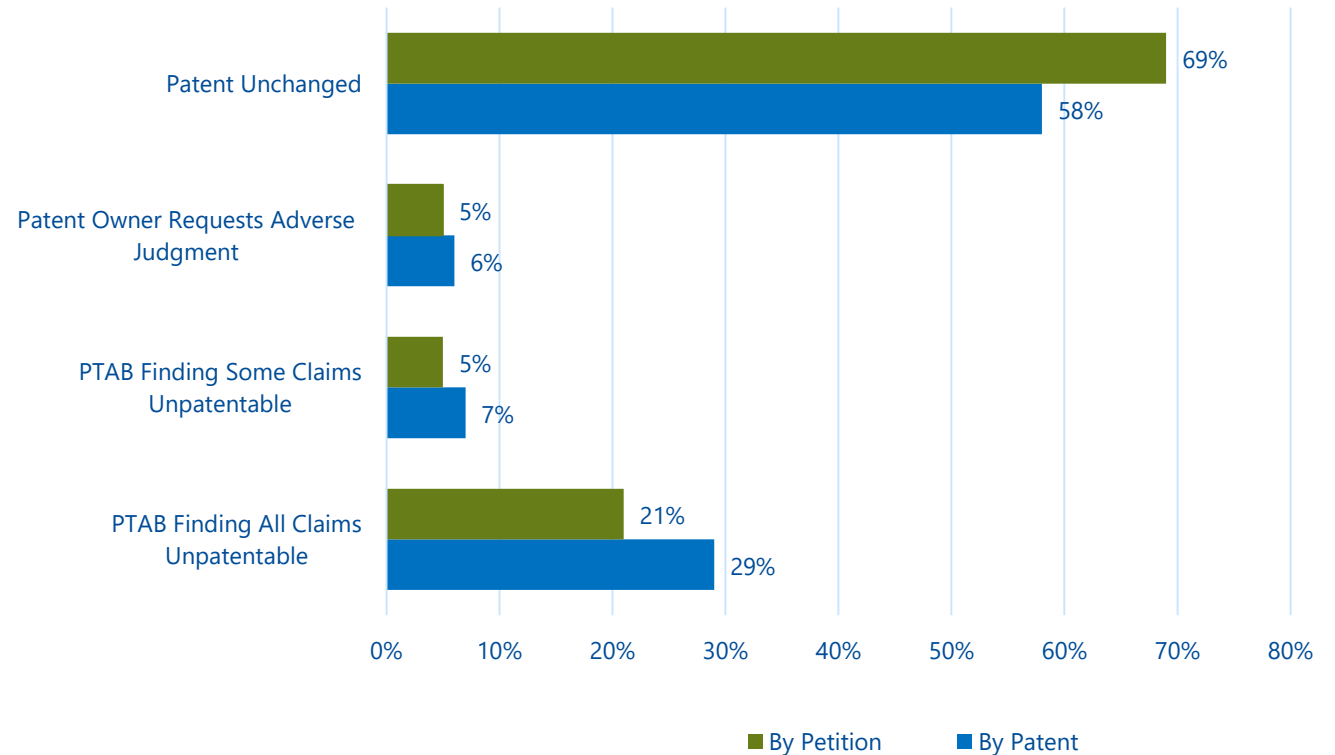
\*Data Through 9/30/17



## Ultimate Outcome for Patents in AIA Trials

- *69% of all petitions result in a patent being unchanged; 58% of patents are unchanged at the end of one or more AIA proceedings*
- *“By patent” accounts for whether any one petition against particular patent results in any unpatentable claims*
- *“By petition” accounts for whether a particular petition results in any unpatentable claims*

Outcomes in AIA Trials



A technical drawing of a mechanical assembly, possibly a multi-stage turbine or compressor, shown in a cutaway view. The drawing is rendered in light gray lines on a white background. It features numerous numbered callouts (e.g., 22, 24, 26, 30, 32, 34, 36, 40, 48, 50, 52, 68, 80, 82, 84, 86) pointing to various components. The drawing is oriented horizontally and occupies the upper two-thirds of the slide.

# Motions to Amend Study

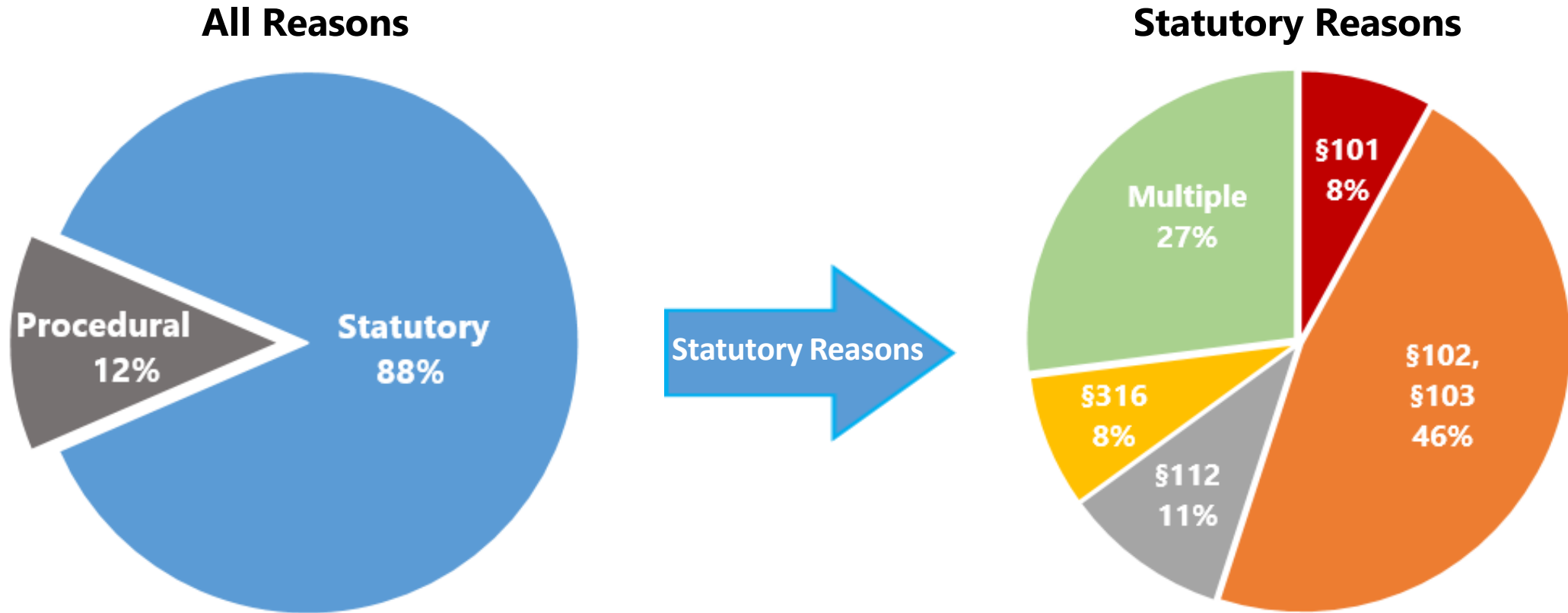
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**Question:** Under what circumstances will the PTAB grant a motion to amend?

# Reasons for Denying Entry of Substitute Claims

(FY13 to FY18: 10/1/2012-3/31/2018)



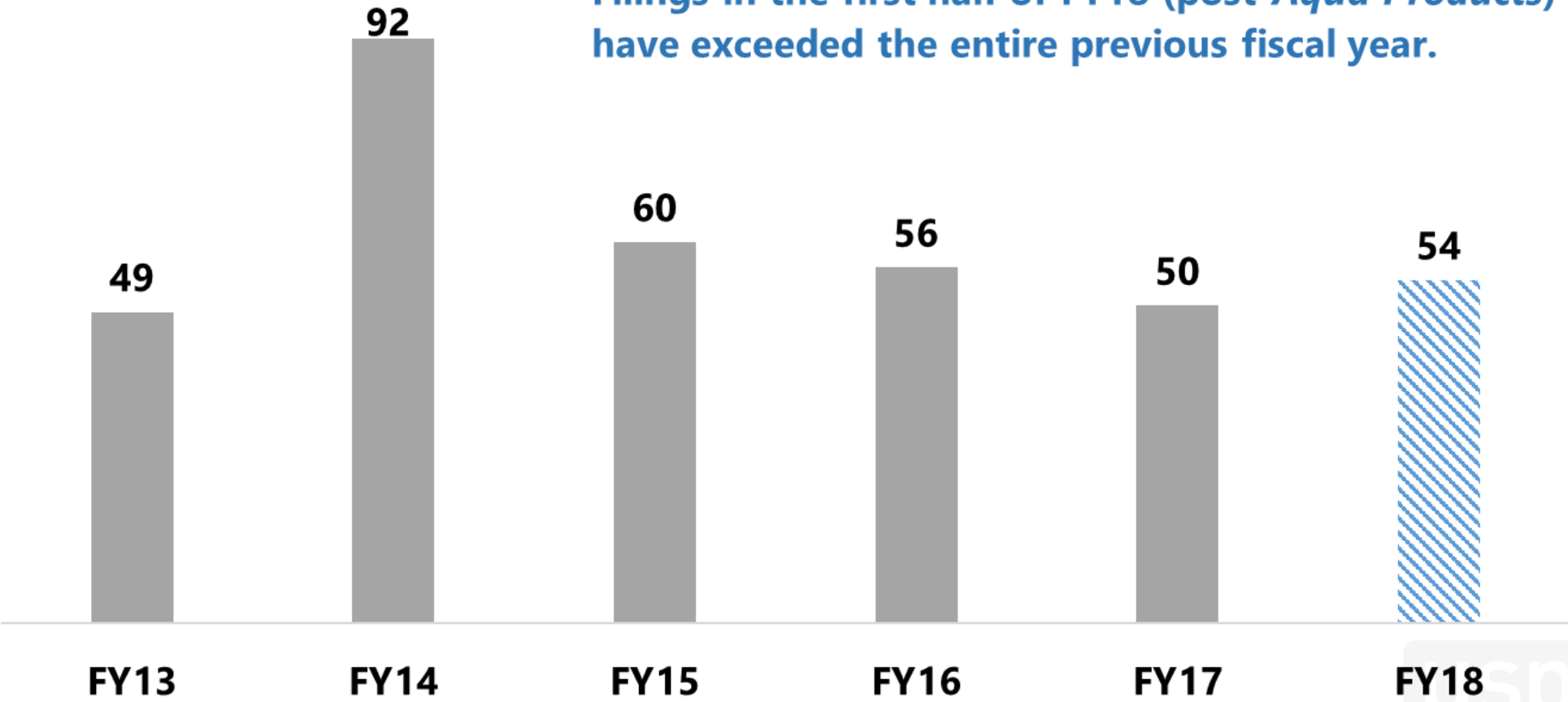
\* All but one of the cases in which multiple statutory reasons were provided for denying entry of substitute claims included §§ 102, 103 and/or 112 as a reason for denial.



# Motions to Amend Filed by Fiscal Year

(FY13 to FY18: 10/1/12 to 3/31/18)

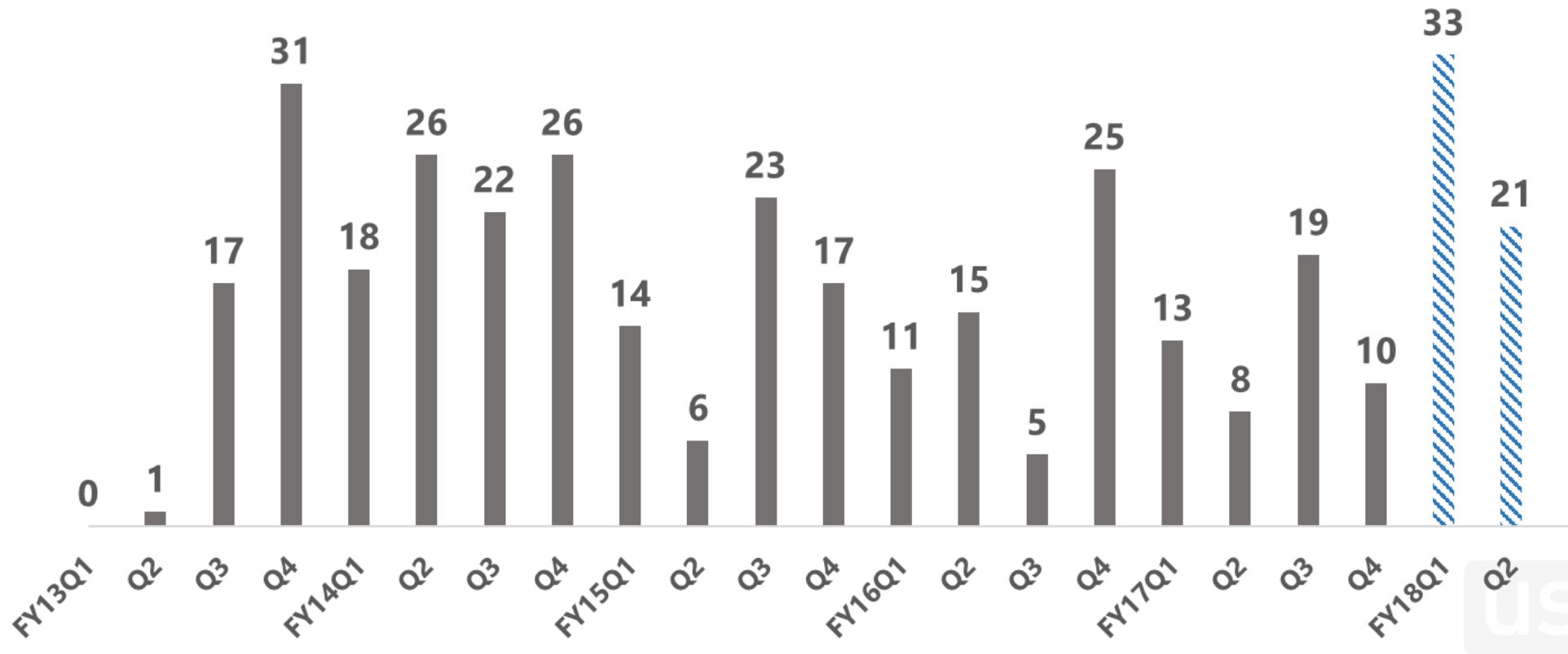
Filings in the first half of FY18 (post-Aqua Products) have exceeded the entire previous fiscal year.



# Motions to Amend Filed by Fiscal Quarter

(FY13 to FY18: 10/1/12 to 3/31/18)

Filings in the first half of 2018 (post-Aqua Products) exceeded any other two consecutive quarters.



# ***Western Digital v. SPEX Techs.***

***IPR2018-00082 -00084 (PTAB Apr. 25, 2018) (Paper 13) (Informative)***

- Order provides guidance and information regarding statutory and regulatory requirements for a motion to amend in light of Federal Circuit case law (e.g., *Aqua Products*), including on:
  - contingent motions to amend;
  - burden of persuasion that the Office applies when considering the patentability of substitute claims;
  - requirement that a patent owner propose a reasonable number of substitute claims;
  - requirement that the amendment respond to a ground of unpatentability involved in the trial;
  - scope of the proposed substitute claims;
  - requirement that a patent owner provide a claim listing with its motion to amend;
  - default page limits that apply to motion to amend briefing; and
  - duty of candor



A technical drawing of a mechanical assembly, possibly a multi-layer printed circuit board (PCB) or a similar electronic component. The drawing is rendered in a light gray line-art style against a white background. It features numerous cross-sectional views of various components, including what appears to be a central core, multiple layers of conductive material, and various mounting structures. Numerous callout numbers are scattered throughout the drawing, such as 80, 86, 84, 82, 40, 36, 22, 26, 68, 24, 30, 86, 34, 32, 52, and 50. The drawing is oriented horizontally and occupies the upper two-thirds of the page.

# Multiple Petitions Study

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**Question:** Are gang tackling and serial petitioning prevalent at the PTAB?

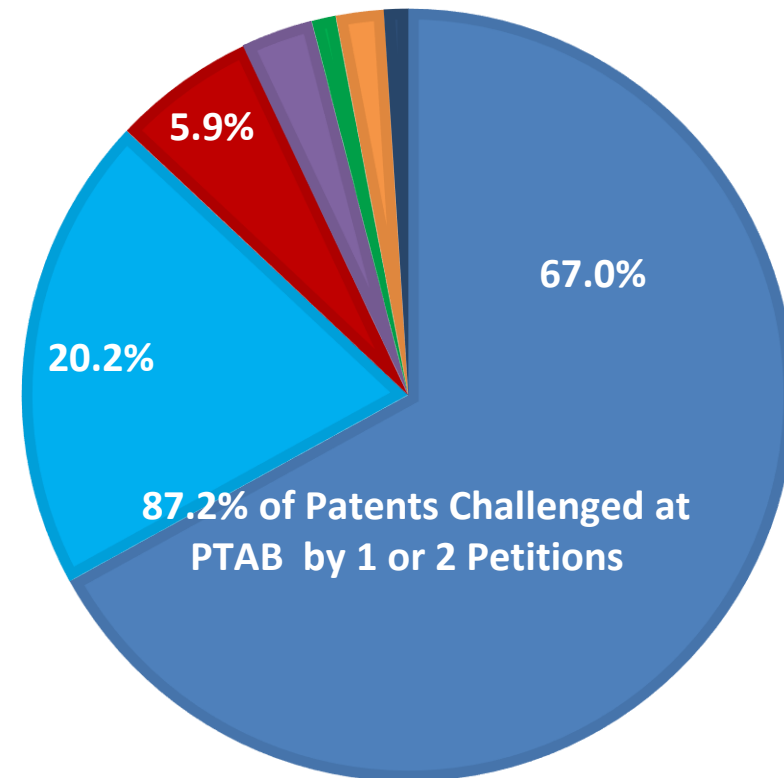
# Multiple Petition Study

## *Petitions Per Patent*

No. of Petitions per Patent	Patents	% of Total
1	2932	67.0%
2	885	20.2%
3	256	5.9%
4	142	3.2%
5	54	1.2%
6	52	1.2%
7 or more	55	1.3%
Total	4376	100%

### NUMBER OF PETITIONS PER PATENT

■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 ■ 7 or more



Data Through 6/30/17



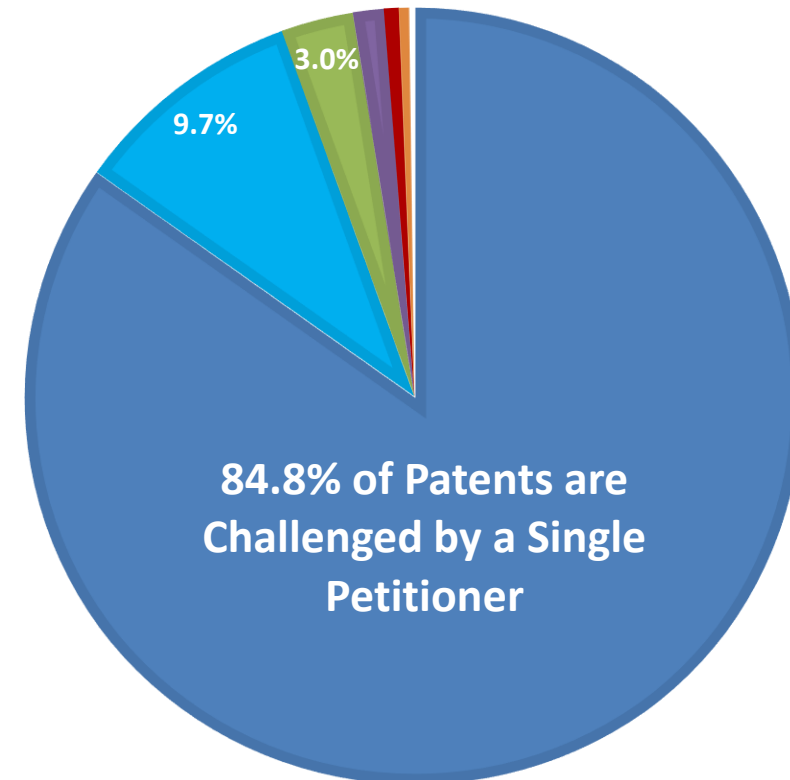
# Multiple Petition Study

## *Petitioners Per Patent*

No. of Petitioners vs. Patent	No. of Patents	% Patents
1	3711	84.8%
2	424	9.7%
3	132	3.0%
4	59	1.3%
5	28	0.6%
6	17	0.4%
7	2	<0.1%
8	3	<0.1%
Total	4376	100%

NUMBER OF **PETITIONERS** PER PATENT

■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 ■ 7 ■ 8



Data Through 6/30/17  
 Percentages may not add to 100% due to rounding



**Question:** Are petitioners filing serial petitions and relying on previous PTAB decisions to inform their later petitions?

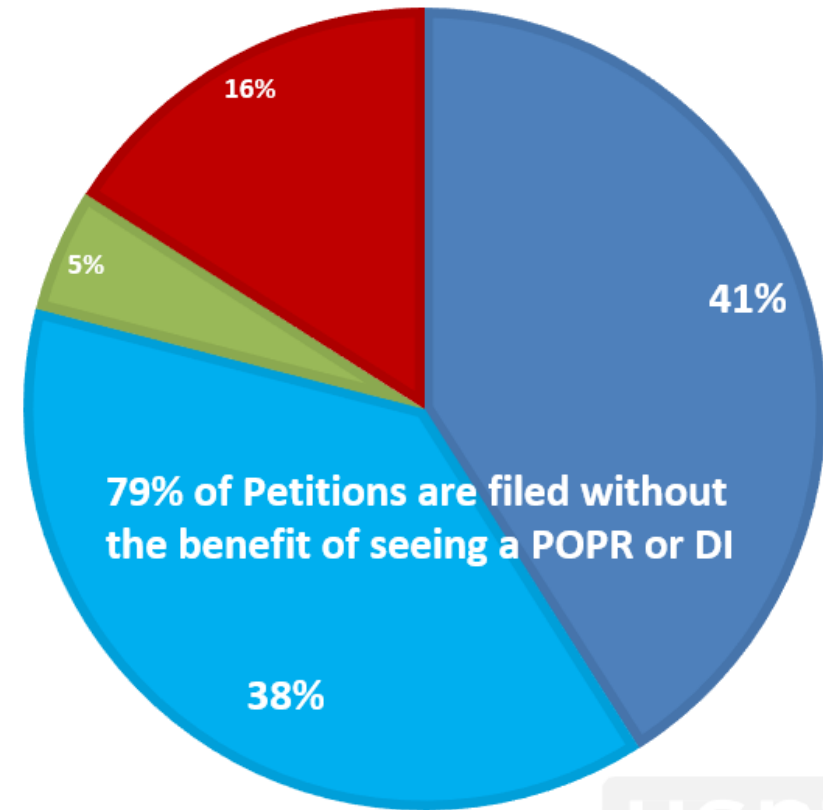
# Multiple Petition Study

## When *Petitions* are Filed

Timing of Petition	No. of Petitions	% of Petitions
Single Petition Filed	2932	41%
Multiple Petitions Filed On or Near Same Day	2685	38%
Multiple Petitions Filed After POPR, But Before DI	381	5%
Multiple Petitions Filed After DI	1170	16%
Total	7168	100%

### WHEN **PETITIONS** ARE FILED

- Single Petition vs. Patent
- Multiple Petition Filed after POPR
- Multiple Petition Filed On or Near Same Day
- Multiple Petition Filed After DI



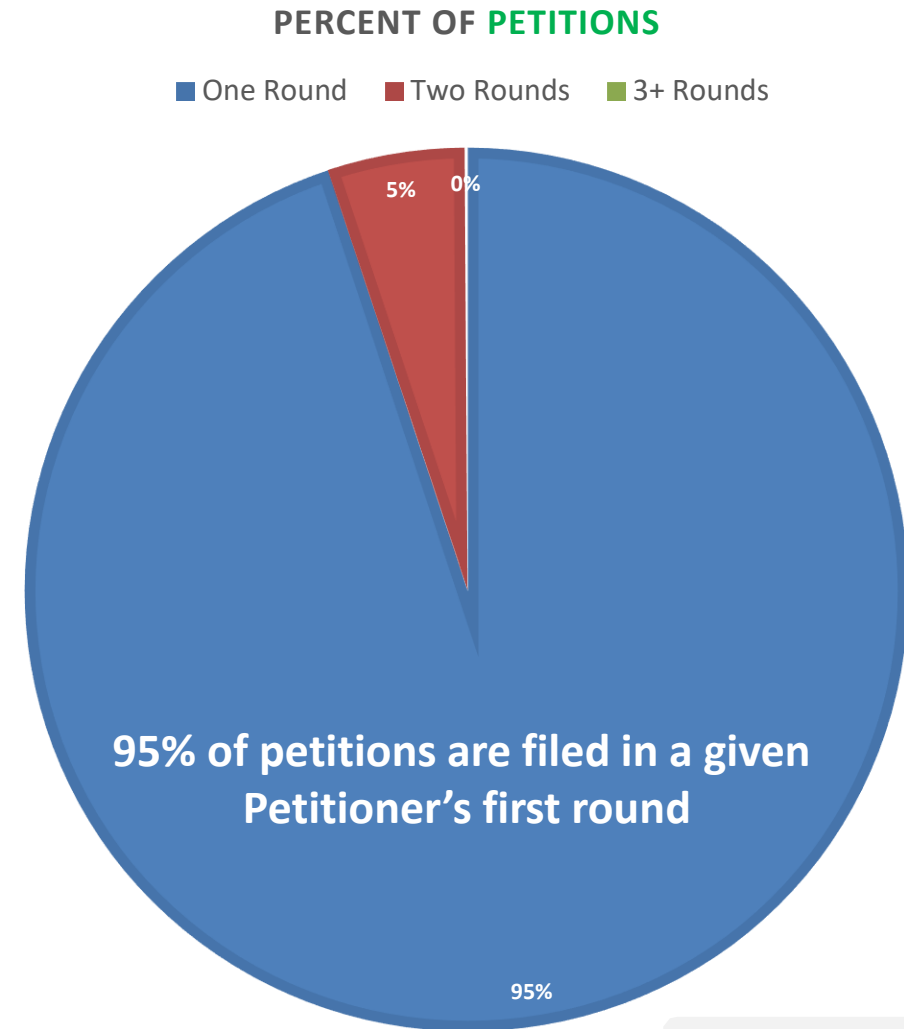
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# Multiple Petition Study

## *Rounds of Petitions*

- *95% of petitions are filed in a given petitioner's first round*
- *A "round" is all petitions filed before receiving a DI on one of those petitions*

Rounds of Petitions	No. of Petitions	% of Petitions
First Round of Petitions	6481	95%
Second Round of Petitions	369	5%
Third or Fourth Round of Petitions	7	<0.1%
Total	6857*	



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Data Through 6/30/17

\*Not included are 311 Petitions filed where a request to join as a party to another proceeding was granted

A technical drawing of a mechanical assembly, possibly a panel or a component of a machine, is shown in a light gray color. The drawing includes various parts, some of which are labeled with numbers such as 80, 86, 84, 82, 40, 36, 22, 26, 68, 24, 30, 34, 32, 52, and 50. The drawing is set against a dark blue background.

# Expanded Panel Study

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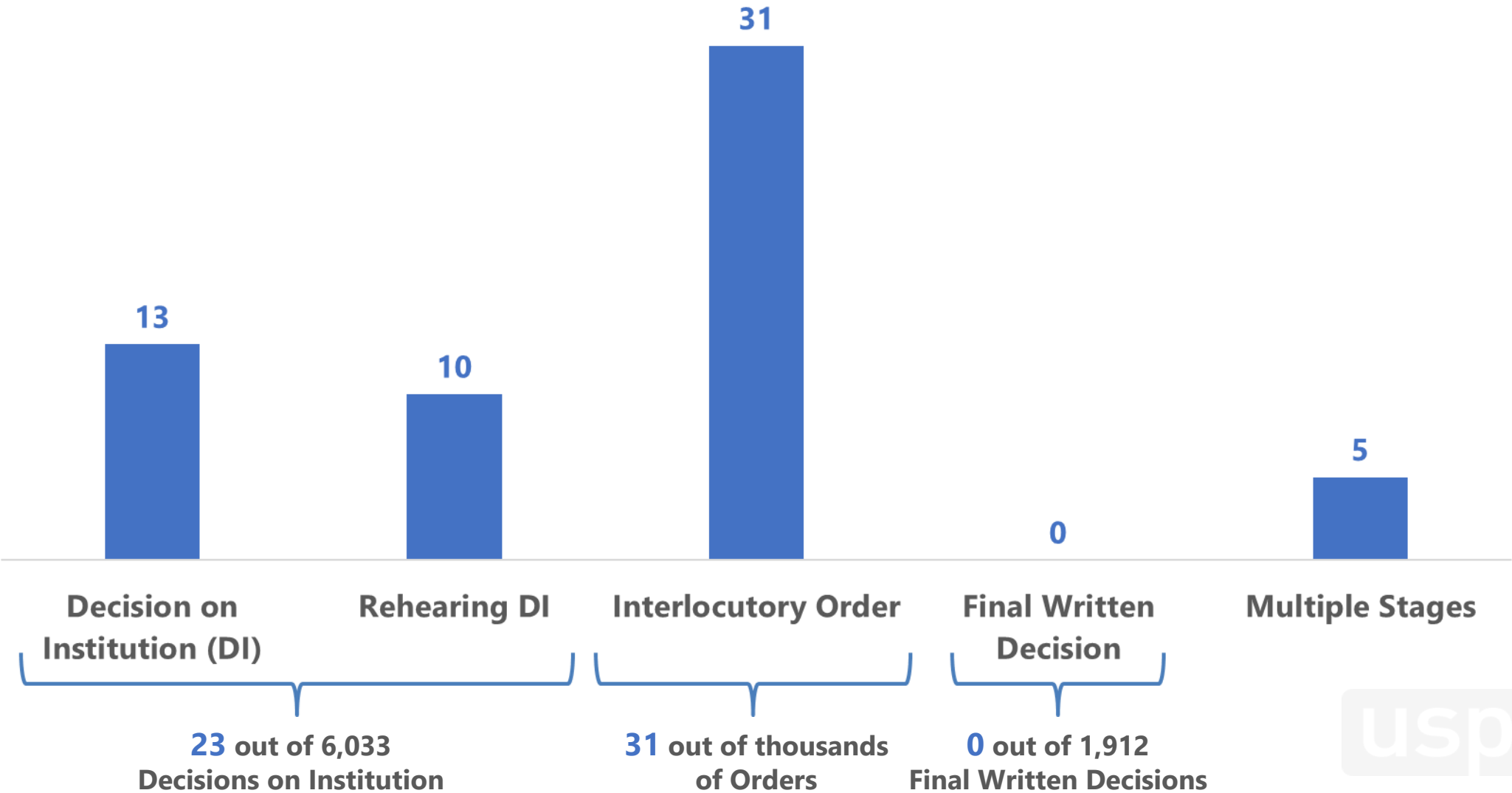
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**Question:** Does the PTAB expands panels to reach a particular result in a case?

# Expanded Panels Are Rare

(7930 Total Petitions through 12/31/2017)





# Orange Book-listed Patent Study

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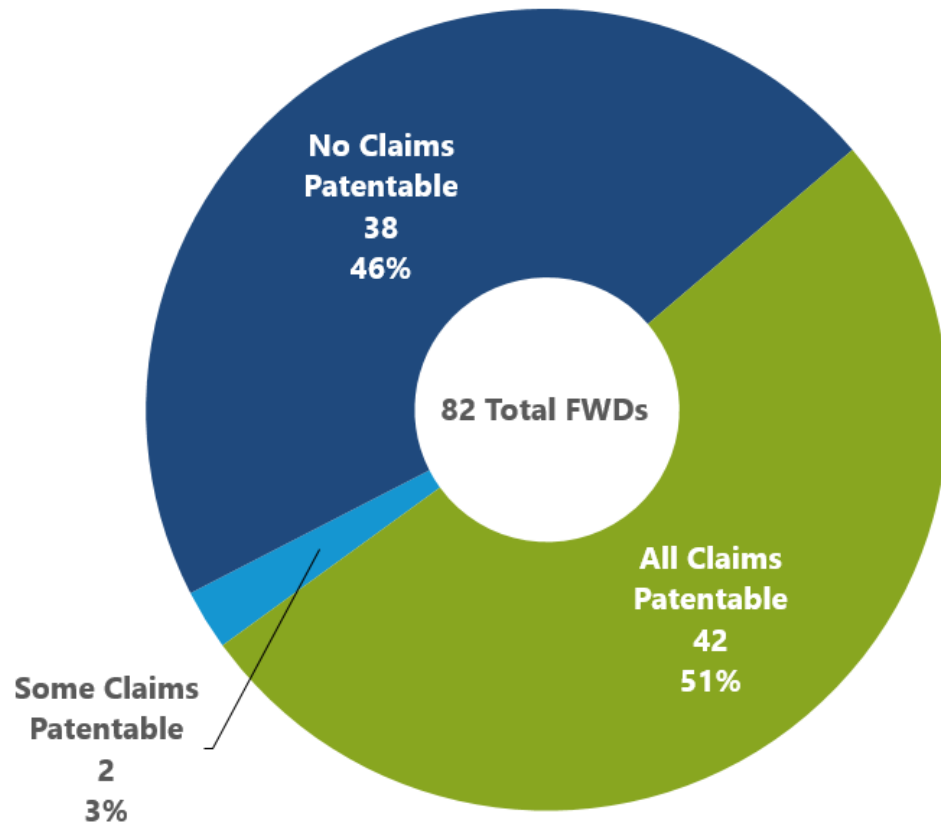


**Question:** Are AIA trial results for Pharma Patent Owners are worse than for other technology areas?

# Status of Instituted Claims in Final Written Decisions

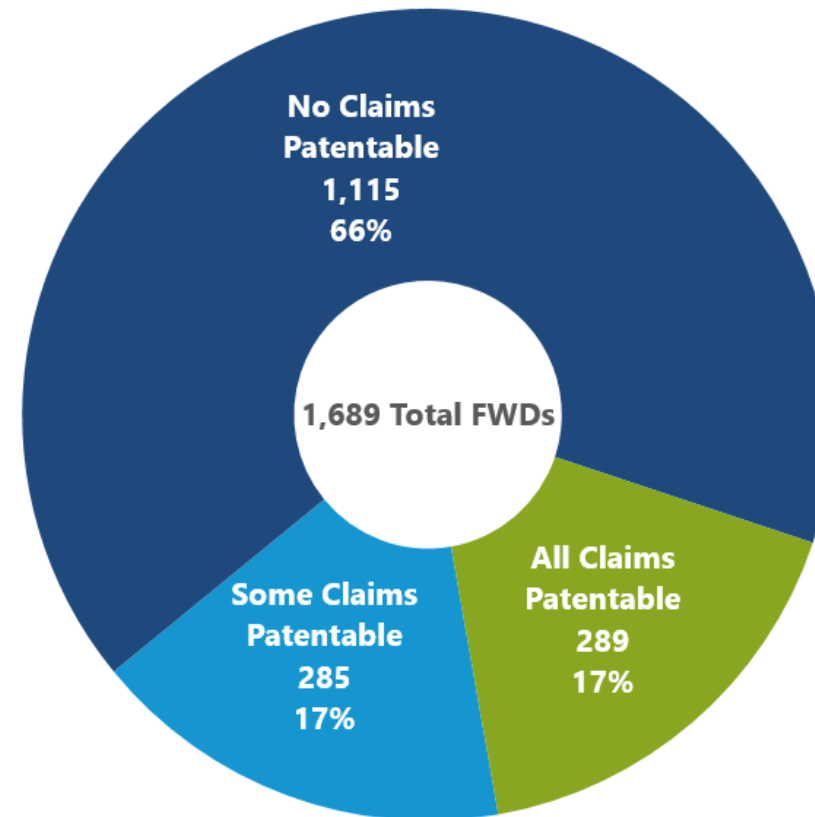
(As of End FY17: 9/16/12 to 9/30/17)

## Orange Book-listed Patents



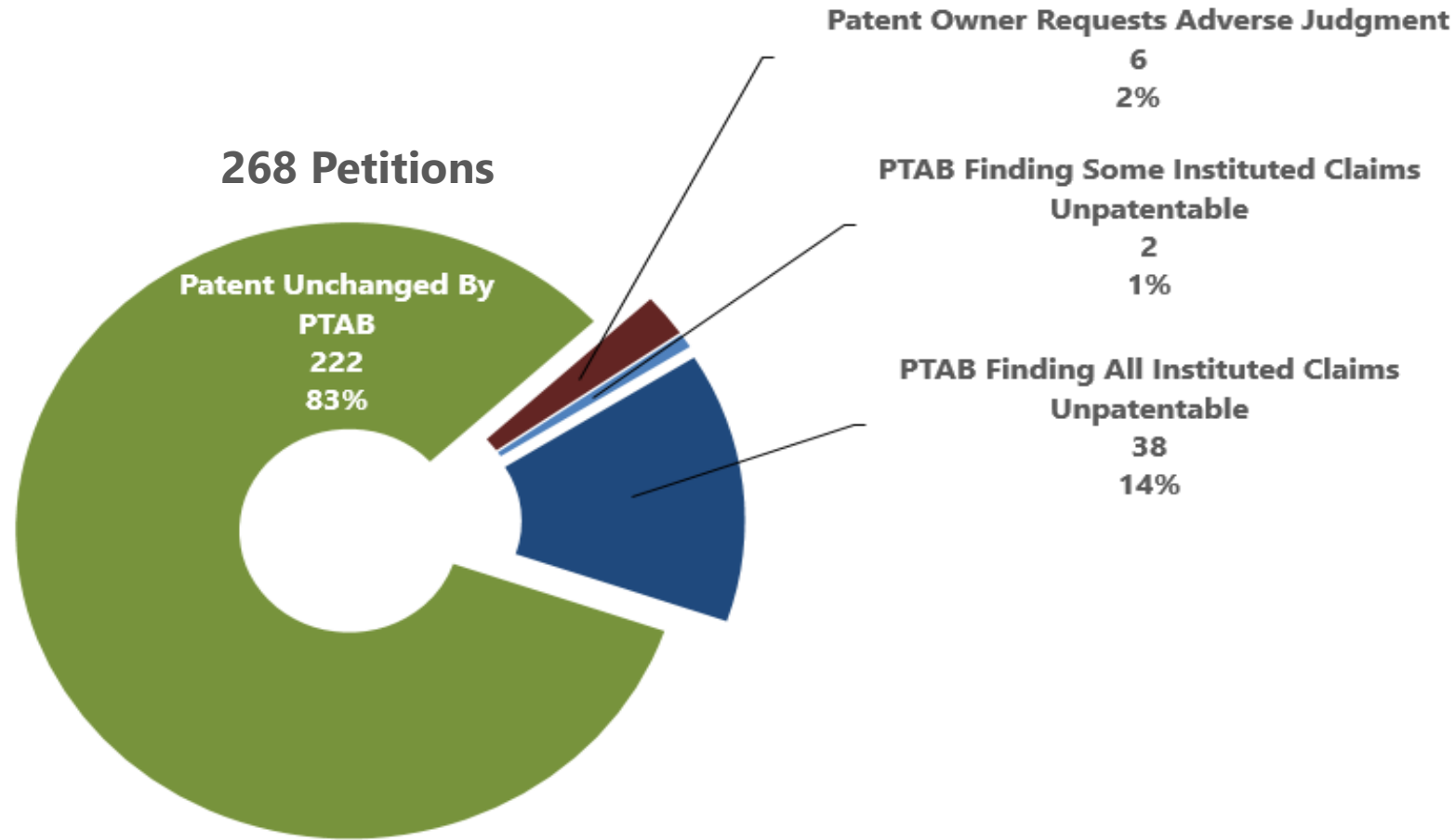
## All Other Technologies

(including misc. bio-pharma)



# Outcomes for Petitions Challenging Orange Book-listed Patents

(as of End FY17: 9/16/12 to 9/30/17)



The patent being unchanged by PTAB includes final written decisions with all claims patentable, settlements, dismissals, and petitions denied institution.





# Other Studies

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**Question:** Is the PTAB conducting any other studies?



# Parallel Proceeding Study

- Goal = explore the interaction between parallel proceedings at the USPTO (e.g., AIA trials, reexam, and reissue) involving issued patents
- Joint effort between PTAB and Central Reexamination Unit (CRU)
- Study will consider:
  - Number of proceedings filed against each patent
  - Identity of the party filing each proceeding
  - Timing of each proceeding\
  - Whether any proceeding is/was stayed pending outcome of the AIA trial

# Section 325(d) Study

- Goals
  - Evaluate the extent to which AIA proceedings are revisiting issues previously addressed by the Patent Office
  - Understand the reasons for the different results in cases with fully or partially overlapping art, with those results perhaps usable to improve original prosecution
  - Assess why panels do or do not accept § 325(d) arguments
- Coordinating with Patents
- Study uses cases in which a patent owner raised a § 325(d) argument as a proxy for the set of cases in which similar or the same issues might exist

The background of the slide is a technical drawing of a mechanical assembly, possibly a multi-layer printed circuit board (PCB) or a similar electronic component. The drawing is rendered in a light gray color and features numerous hatched areas to indicate different materials or cross-sections. Various parts of the assembly are labeled with numerical callouts, including 80, 86, 84, 82, 40, 36, 22, 26, 68, 24, 30, 86, 34, 32, 52, 50, and 48. The word "SAS" is prominently displayed in the center of the drawing in a bold, black, sans-serif font.

**SAS**

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**Question:** How is the PTAB implementing the *SAS* decision from the Supreme Court?

# SAS Guidance

## Guidance on the impact of SAS on AIA trial proceedings

Release date: April 26, 2018

On April 24, 2018, the U.S. Supreme Court issued *SAS Institute Inc. v. Iancu*, 2018 WL 1914661, (U.S. Apr. 24, 2018). In light of this decision, the Patent Trial and Appeal Board (PTAB) will proceed in the following fashion at this time. The PTAB will continue to assess the impact of this decision on its operations and will provide further guidance in the future if appropriate.

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

For pending trials in which a panel has instituted trial on all of the challenges raised in the petition, the panel will continue with the proceeding in the normal course. By contrast, for pending trials in which a panel has instituted trial only on some of the challenges raised in the petition (as opposed to all challenges raised in the petition), the panel may issue an order supplementing the institution decision to institute on all challenges raised in the petition.

Additionally, for pending trials in which a panel enters an order supplementing the institution decision pursuant to this notice, the panel may take further action to manage the trial proceeding, including, for example, permitting additional time, briefing, discovery, and/or oral argument, depending on various circumstances and the stage of the proceeding. For example, if the panel has instituted a trial and the case is near the end of the time allotted for filing the Patent Owner Response, the panel may extend the due date for the Patent Owner Response to enable the patent owner to address any additional challenges added to the proceeding.

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# SAS FAQs

## SAS Q&As

[Home](#) / [Patents: Application Process](#) / [Patent Trial and Appeal Board](#)

## Patent Trial and Appeal Board

The Patent Trial and Appeal Board (PTAB) conducts trials, including inter partes, post-grant, and covered business method patent reviews and derivation proceedings; hears appeals from adverse examiner decisions in patent applications and reexamination proceedings; and renders decisions in interferences.



### Trials

Manage or review pending inter parte review, post-grant review, covered business method, derivation, and interference proceedings.



### Appeals

Manage or review proceedings directed to adverse decisions of examiners in patent applications, reissue applications, and reexaminations of issued patents.



### Decisions

Browse public final agency decisions of PTAB, including decisions designated as precedential or informative.



### Hearings

Review guidance, schedules, and incident weather advisories for oral arguments for appeals, interferences, and trials.



### Resources and guidance

Learn about the Patent Trial and Appeal Board or find key policies, procedures, forms, and guidance.



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[Notice of Proposed Rulemaking of Claim Construction Standard used in PTAB AIA Trial Proceedings](#) NEW

[Comments on Changes to the Claim Construction Standard used in AIA Trial Proceedings](#) NEW

[Guidance on SAS](#) NEW

[Frequently Asked Questions about SAS Implications \(June 5, 2018\)](#) NEW

### Upcoming PTAB events

**2018 PTAB Annual Judicial Conference in San Jose, California**

Jul 26, 2018 09:00 AM PT  
San Jose, CA

## A. Effect of SAS on AIA proceedings generally

### A1. Q: How will SAS impact PTAB's procedure for AIA trial proceedings?

A: PTAB will institute on all challenges raised in the petition or not institute at all (i.e., it will be a binary decision). There will be no partial institution based on claims. There will be no partial institution of grounds.

### A2. Q: How will the Board address instituted proceedings in light of SAS?

A: If a Decision instituting on all challenges has issued already, the trial will proceed without any changes. For a Decision instituting on fewer than all challenges, the Board will take action to address all challenges. If a Decision denying institution has issued, no additional action will be necessary.

### A3. Q: Does the USPTO intend to change its procedure through rulemaking?

A: The Office is considering revising 37 CFR §§ 42.108 and 42.208 to institute on all claims in a petition, as well as other rule changes that may be warranted in response to SAS.

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# Implementation of SAS

- PTAB will institute on all challenges raised in the petition or not institute at all (i.e., binary decision)
- If panel has issued a decision on institution (DI) instituting on all challenges, panel will proceed as normal
- If panel has issued a DI denying institution on all challenges, no additional action



# Implementation of *SAS*

- If panel has instituted on only some challenges raised in the petition, panel may at this time:
  - Issue order instituting on all challenges;
  - Receive joint request filed by the parties to terminate as to certain challenges

A technical drawing of a mechanical assembly, possibly a gear or a similar component, rendered in a light gray line-art style. The drawing includes various callout numbers such as 80, 84, 86, 82, 22, 26, 68, 36, 40, 34, 32, 52, 50, and 48, which point to different parts of the assembly. The drawing is set against a white background that is part of a larger graphic with a dark blue top and bottom border.

# **Notice of Proposed Rulemaking (NPRM) for Claim Construction**

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**Question:** Is the PTAB considering changes to the claim construction standard applied in AIA trials?

# Claim Construction NPRM

83 Fed. Reg. 21,221 (May 9, 2018)

- Proposed to apply the same claim construction standard in an AIA trial proceeding as that used in a civil action to invalidate a patent
- Also proposed that PTAB any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record
- Lastly proposed that any proposed rule changes adopted in a final rule would be applied to all pending AIA trial proceedings

# Claim Construction NPRM

83 Fed. Reg. 21,221 (May 9, 2018)

- Public comments were due on or before July 9
- 374 comments received
  - 297 from individuals
  - 45 from associations
  - 1 from a law firms; and
  - 31 from corporations

# Upcoming Events and Developments

**Question:** How can the public stay informed about upcoming PTAB events and developments?

# Learn More about PTAB Events

<https://www.uspto.gov/patents-application-process/patenttrialandappealboard>

[Home](#) / [Patents: Application Process](#) / Patent Trial and Appeal Board

## Patent Trial and Appeal Board

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Discover the history of the PTAB and map out its modern structure and mission.

### Guidance on SAS NEW

[Notice of Proposed Rulemaking of Claim Construction Standard used in PTAB AIA Trial Proceedings](#) NEW

### Upcoming PTAB events

[Impact of SAS, Motion to Amend Practice, and Claim Construction in Trial Proceedings](#)

Jun 5, 2018 12:00 PM ET

[Motions to Exclude and Motions to Strike in AIA Trial Proceedings](#)

Jun 7, 2018 12:00 PM ET

[PTAB/TTAB Stadium Tour at University of San Diego School of Law](#)

Sep 20, 2018 10:00 AM PT  
San Diego, CA





# Questions and Comments

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