

In-house value multiple PTAB petitions despite rarely using them

Rani Mehta July 14, 2023



In the wake of a USPTO study on serial petitions at the PTAB, counsel explain why they want the option to file them

- Comments from in-house counsel and private practice lawyers on serial petitions
- Analysis of why practitioners may file multiple PTAB petitions
- Insight into USPTO's approach to this issue

The ability to file serial or parallel petitions at the Patent Trial and Appeal Board is an important option for in-house counsel, even though a USPTO study shows that they are becoming less common.

Critics of the PTAB have argued that serial and parallel petitions result in unfair and burdensome attacks on patent owners.

But the USPTO found that serial petitions, which are additional petitions filed more than 90 days after the first one by the same petitioner and challenging the same patent, made up just 1.7% of all PTAB challenges in FY 2022, the period from October 1 2021 to September 30 2022.

This was down from recent years. The office also instituted fewer IPRs based on serial petitions than it had in the past, including just 0.3% in FY 2022.

Serial petitions: Attempts per FY (FY15 to FY22: Oct. 1, 2014 to Sept. 30, 2022)

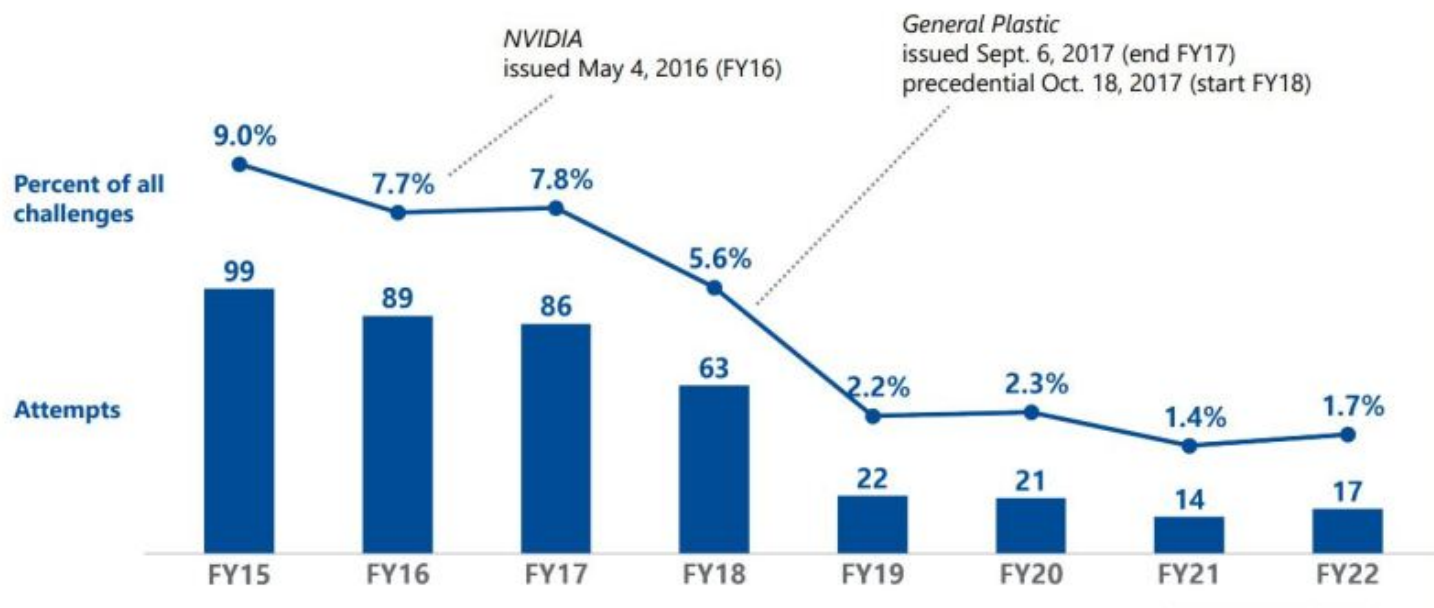


Chart from USPTO PowerPoint presentation

Similar trends played out for parallel petitions, those filed 90 days or fewer apart by the same petitioner against the same patent. These made up 7% of all challenges in FY 2022, compared to 13% of all challenges in FY 2021. And the USPTO only instituted trials based on parallel petitions in 3.4% of cases in FY 2022.

Parallel petitions: Attempts per FY

(FY15 to FY22: Oct. 1, 2014 to Sept. 30, 2022)

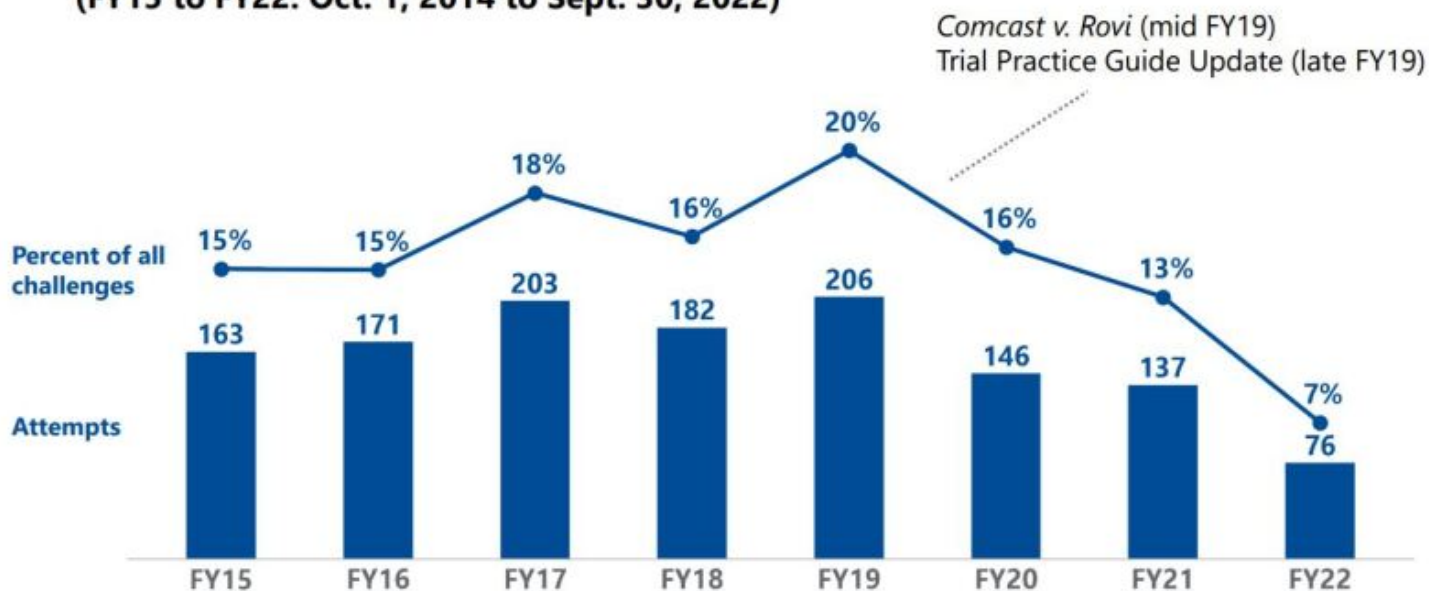


Chart from USPTO PowerPoint presentation

Essentially, according to the data, challengers aren't filing multiple IPRs very often. And when they do, the PTAB rarely institutes proceedings based on these.

Although the majority of PTAB cases don't involve serial or parallel petitions, counsel say they still matter and are a useful option to have.

Ashita Doshi, intellectual property counsel leader at Thermo Fisher Scientific in California, says these petitions haven't been an important part of her company's strategy.

"But everyone would like that option," she says.

Options open

There are several reasons why counsel are keen to keep their options open.

A senior counsel at a US generics company says filing multiple petitions can be useful when challenging a patent that has a lot of claims.

They can also be helpful when trying to cancel a really complex patent that requires counsel to have additional space to get all their arguments out.

"That's a pretty common-sense reason why you'd need to do it," the senior counsel says.

He welcomes, however, the USPTO's suggestion to allow petitioners to purchase extended word counts in its Advanced Notice of Proposed Rulemaking related to PTAB procedures.

"That gives you an option in those instances in which you would normally need to file multiple petitions."

The counsel adds that it can likewise be helpful to have backup petitions if patent owners argue that prior art raised by challengers isn't really prior art.

Patent challengers may also not have all their best arguments on hand when filing their first petitions.

Doshi at Thermo Fisher Scientific says companies might discover new prior art or come to understand a weakness in the patent that they didn't see before.

Patent owner problems

The patent owner's behaviour could also drive challengers to file additional petitions.

Scott McKeown, chair of Ropes & Gray's PTAB group in Washington DC, says that if a patent owner decided to add more claims to its lawsuit then a serial petition would be a perfectly proper response.

"The [USPTO's] executive summary and statistics point that out. That's one rare circumstance under which serial petitions are accepted and should be accepted," he says.

Jonathan Stroud, general counsel at Unified Patents in Washington DC, says some patent owners have had a lot of claims on their patents challenged and cancelled.

But they've then asserted the remaining dependent claims, even though the respective independent claims were previously found to be invalid.

"In situations like that, of course, there should be a second petition," he says. "It just shows that this isn't a real problem, but it is something that's very useful for people who want to

attack the board.”

For patent owners, of course, the threat of multiple petitions can be another factor that makes PTAB proceedings challenging.

Alfi Guindi, vice president of IP at California-based non-practising entity IPValue, says the costs of inter partes reviews (IPRs) is one thing any patent owner has to consider when looking at the pros and cons of litigation.

“So, the ability of challengers to file serial or parallel petitions just kind of increases that risk and cost,” he notes.

But this risk isn’t too prohibitive, Guindi notes.

“I kind of view them all in the same vein as things you just have to deal with as a patent owner,” he says.

Serial killer?

One comfort for patent owners is that the USPTO does scrutinise serial and parallel petitions more than it used to.

The PTAB follows factors set out in its 2017 precedential decision *General Plastic v Canon* when deciding whether to institute IPRs based on follow-on petitions.

These factors include assessing whether the petitioner filed a petition directed to the same claims of the same patent, whether they knew, or should have known, of the prior art asserted in the second petition when filing the first one, and the finite resources of the board.

Guindi at IPValue says these factors are helpful.

“They’re smart in terms of protecting patent office resources and holding the petitioners to a reasonable standard.

"It definitely tries to eliminate pure gaming of the system," he adds. "These are all common-sense factors. IPRs are supposed to be efficient in terms of judicial resources and costs, so they're moving in the right direction."

Others agree that the USPTO's approach strikes a good balance.

Trenton Ward, partner at Finnegan in Atlanta and former lead administrative patent judge at the PTAB, says he appreciates the USPTO's attempt to make these decisions on a case-by-case basis.

"A focus that I certainly had while serving as a PTAB judge was to attempt to consider the specific factual circumstances and legal circumstances for each case that was in front of me," he says.

"I do think there are times when it is appropriate, and parties should be able to file a serial or parallel petition. So, ensuring there's the capability for a party to be heard on those issues is appropriate."

Gone too far?

Not everyone is happy with the status quo, however.

Stroud at Unified Patents argues that denials can go too far.

"The USPTO has brought a gun to a knife fight, if you will, and are denying all sorts of petitions that have merit based on this vague reasoning that there might be gaming [of the system]. Any time anyone actually looks at the data, there's no problem."

Parties may continue to debate whether the USPTO's approach to instituting multiple petitions is the right one.

But in-house lawyers' desire to keep their options open doesn't seem like it's going away anytime soon, even if they don't file en masse very often.

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