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U.S. Patent Trial and Appeal Board Designates Five New Post-Grant Review Decisions as “precedential” and Thus Binding on the Board

On May 9, 2016, the Patent Trial and Appeal Board (PTAB) designated as “precedential” four *Inter Partes* Review (IPR) decisions and one Covered Business Method (CBM) Patent Review decision. This almost triples the total number of IPR and CBM precedential decisions to date. According to PTAB guidelines, every PTAB decision is given one of four designations: (1) precedential; (2) informative; (3) representative; or (4) routine.

Unlike other types of decisions, a “precedential” designated PTAB decision is “binding on all members of the PTAB unless overcome by subsequent binding authority.” Companies regularly engaged in post-grant proceedings should be aware of these precedential decisions in crafting their PTAB strategy.

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The five new precedential decisions are as follows:

Garmin International, Inc. v. Cuozzo Speed Technologies, LLC, IPR2012-00001, Pap. 26, Decision on Motion for Additional Discovery (Mar. 5, 2013). This case, which was previously categorized as an “informative opinion,” lays out the five factors (otherwise known as “Garmin Factors”) for determining whether to grant “additional” (non-routine) discovery.

Bloomberg, Inc. v. Markets-Alert PTY Ltd., CBM2013-00005, Pap. 32, Decision on Motion for Additional Discovery (May 29, 2013). This case, which was previously categorized as a “representative decision,” clarifies that the standard for “additional” discovery in CBMs is “good cause,” a lower standard than the “interest of justice” standard in IPRs. The decision also provides modified “Garmin Factors” for CBMs, which reflect the “good cause” standard for additional discovery in CBMs.

Oracle Corp. v. Click-to-Call Technologies LP, IPR2013-00312, Pap. 26, Decision on Institution of Inter Partes Review (Oct. 30, 2013) (precedential only as to Section III.A). This case states that a complaint served, but then voluntarily dismissed without prejudice, does not trigger the one-year bar under 35 U.S.C. § 315(b).

Masterimage 3D, Inc. v. Reald Inc., IPR2015-00040, Pap. 42, Order on Conduct of Proceedings (Jul. 15, 2015). This case, which was previously categorized as a “representative decision,” clarifies the standard for patent owner Motions to Amend as set forth in *Idle Free Systems, Inc. v. Bergstrom, Inc.*, Case IPR2012-00027 (PTAB June 11, 2013) (Paper 26) (informative). The burden is on the patent owner to show “patentable distinction” of the substitute claims “over the prior art of record and also prior art known to the patent owner.” Prior art of record refers specifically to: (1) any material art in the prosecution history of the patent; (2) any material art of record in the current proceeding, including art asserted in grounds on which the PTAB did not institute review; and (3) any material art of record in any other proceeding before the Office involving the patent. Prior art known to the patent owner is no more than “material prior art that the Patent Owner makes of record in the current proceeding pursuant to its duty of candor and good faith to the Office.” While the patent owner ultimately has the burden of persuasion to show patentability of the narrower substitute claims over the prior art of record, if a *prima facie* case of patentability is established by the patent owner, the burden shifts to the petitioner to rebut the *prima facie* case or to show that the patent owner did not meet the *prima facie* case. The petitioner may introduce new prior art to rebut or disprove the patent owner’s *prima facie* case.

Lumentum Holdings, Inc. v. Capella Photonics, Inc., IPR2015-00739, Pap. 38, Decision on Motion to Terminate (Mar. 4, 2016). This case clarifies that a failure to identify a real party-in-interest as required under 35 U.S.C. § 312(a)(2) is not a ground that deprives the PTAB of authority to hear the case. After the decision to institute, the petitioner changed its name but did not provide notice within 21 days of the change as required under the mandatory notice requirements. The court found that 35 U.S.C. § 312(a)(2) is not jurisdictional, and that the PTAB may permit a party to rectify lapses in meeting these requirements.

The three PTAB decisions previously designated as precedential are *Securebuy, LLC v. Cardinal Commerce Corp.*, CBM2014-00035, Pap. 12, Decision Denying Institution of Covered Business Method Patent Review (Apr. 25, 2014); *Westlake Services, LLC v. Credit Acceptance Corp.*, CBM2014-00176, Pap. 28, Order on Patent Owner's Motion to Terminate (May 14, 2015); and *LG Electronics v. Mondis Technology, Ltd.*, IPR2015-00937, Pap. 8, Decision Denying Institution of *Inter Partes Review* (Sept. 17, 2015).

It is worth noting that any member of the public, within 60 days of the issuance of a PTAB decision, may submit a written request to the PTAB to have that decision be designated as "precedential." While the process for designating a decision may take time, parties who litigate before the PTAB regularly may have an interest in shaping these procedures and may wish to consider nominating decisions that may ultimately help in practice before the PTAB.

For further information on PTAB precedential decisions, please contact [Steve Baughman](#), [Megan Raymond](#) or your usual Ropes & Gray attorney.