While Patent Trial and Appeal Board (PTAB) post-grant proceedings are becoming one of the go-to choices for challenging patents, federal district court remains the only forum for patent owners to seek monetary damages for patent infringement. Concurrent PTAB and district court litigation is therefore inevitable. It is crucial for patent litigation counsel to create a coordinated strategy for both proceedings to avoid fatally damaging key positions through inconsistent arguments.
J. STEVEN BAUGHMAN
PARTNER
ROPES & GRAY LLP

Steve chairs the firm’s Post-grant Proceedings practice. He works with leading international companies to resolve their IP and technology-focused commercial disputes in a broad array of litigation and counseling settings. Steve has represented and advised clients in numerous post-grant proceedings, including covered business method trials (where he has been counsel of record in more proceedings than any other lawyer or law firm) and inter partes review trials.

NICOLE M. JANTZI
PARTNER
ROPES & GRAY LLP

Nicole has wide-ranging experience with patent infringement actions in several significant patent jurisdictions, including the PTAB, Delaware, Texas, Massachusetts, California and the International Trade Commission (ITC). Her experience includes Markman hearings, summary judgment hearings and ITC investigations, as well as reexamination filings and multiple post-grant proceedings before the PTAB.

JAMES R. MYERS
PARTNER
ROPES & GRAY LLP

Jim’s practice focuses on complex civil litigation, especially patent litigation involving a wide range of technologies, particularly for major financial services and software companies. He has worked with clients to file patent invalidity challenges before the PTAB as part of coordinated patent litigation strategy. Jim chairs the American Intellectual Property Law Association’s USPTO Inter Parties Patent Proceedings Committee.

JORDAN M. ROSSEN
ASSOCIATE
ROPES & GRAY LLP

Jordan advises clients in patent, copyright and trade secret matters. He represents clients in various technology fields, including chemicals and material science, energy, insurance, banking and computer software. In addition to litigating in a variety of federal courts, Jordan also has extensive experience representing clients in post-grant proceedings before the PTAB, preparing patent reexaminations and review petitions, and drafting and negotiating IP consulting agreements.
CHOOSING A CHALLENGE THAT FITS THE LITIGATION

Once counsel has determined that the petitioner has standing and the challenged patent is eligible for review (see Boxes, PTAB Challenges: Key Filing Limitations and Petitioner Standing), it should carefully consider which type of PTAB challenge best fits its overall litigation strategy.

The distinctions between the three types of PTAB review highlight the need for counsel to identify the right challenge, as well as to interpret claims consistently and apply coherent positions across the PTAB and district court proceedings. In particular, counsel should consider:

- The varying scopes of patent challenges in PTAB proceedings.
- The different institution standards of the PTAB.
- Which patent claims to challenge.

VARYING SCOPES OF CHALLENGES

The different scopes of patent challenges available in PTAB proceedings may affect which type of challenge best fits the petitioner’s strategy. Inter partes review (IPR) petitions are limited to invalidity arguments based on anticipation and obviousness grounds under Sections 102 and 103 of the Patent Act, using prior art patents or printed publications (35 U.S.C. § 311(b)). An IPR petition therefore cannot raise issues related to patent eligible subject matter under Section 101 or failure to meet the requirements of Section 112 (see, for example, Blackberry Corp. v. MobileMedia Ideas LLC, IPR2013-00036, Paper 65, at 20 (PTAB Mar. 7, 2014)).

On the other hand, covered business method patent (CBM) and post-grant review (PGR) petitions may raise the challenges available in IPR as well as challenges related to Sections 101 or 112 (see 35 U.S.C. § 321(b); AIA § 18(a)(1)). Further, CBM and PGR petitions may raise anticipation and obviousness arguments based on a broader subset of prior art, including, for example, prior art systems in public use or on sale under Section 102(a) that disclose the invention more than one year before the date of the patent application (AIA § 18(a)(1)(C)). One key exception, however, is that a CBM petitioner may not assert pre-AIA Section 102(e) prior art (US patent applications filed before the priority date but not published until after the priority date) (see AIA § 18(a)(1)(C); MeridianLink, Inc. v. DH Holdings, LLC, CBM2013-00008, Paper 24, 2013 WL 8609631, at *2 (PTAB Sept. 12, 2013) (stating that, although a reference may be prior art under Section 102(e), it does not meet the criteria to support a challenge under Section 18(a)(1)(C) of the AIA)).

Therefore, a CBM or PGR petition may be more appropriate if the best invalidity arguments are based on challenges not available in IPR, although a CBM petition would not be an option for arguments based on Section 102(e) prior art.

DIFFERENT INSTITUTION STANDARDS

In choosing the right type of challenge, counsel should also consider the PTAB’s standards for instituting a review, which differ across proceedings. IPR petitioners must show that there is a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition (35 U.S.C. § 314(a)). CBM and PGR petitioners must meet a higher threshold and demonstrate that it is more likely than not that at least one of the claims challenged in the petition is unpatentable (35 U.S.C. § 324(a); AIA § 18(a)(1)).

Because these are merely threshold standards, they are unlikely to have much effect on the PTAB’s final patentability determination. However, depending on the available arguments, it may be advantageous to lean towards the lower threshold of IPR proceedings.

DETERMINING WHICH CLAIMS TO CHALLENGE

Identifying which claims to challenge generally comes down to deciding whether to challenge only the claims asserted in the
The AIA created three types of patent challenges that can be brought before the PTAB:

- Inter partes review (IPR).
- Covered business method patent (CBM) review.
- Post-grant review (PGR).

**INTER PARTES REVIEW**

IPRs have been the most popular of the three challenge types, largely because of restrictions on the availability of CBM review and PGR. IPR is itself limited, however, in that it has a:

- Waiting period to file. IPR petitions may be filed only after nine months from the patent's issue date or after the termination of any PGR, whichever is later, for patents issued under the AIA's first-inventor-to-file scheme that took effect in March 2013 (35 U.S.C. § 311(c)). For patents issued under the pre-AIA first-to-invent scheme, however, IPR petitions can be filed any time after the patent's issue date (AIA Technical Corrections Act § 1(d)(1)).

- One-year bar. IPR petitions must be filed within one year of when the petitioner is served with a complaint alleging infringement of the patent (35 U.S.C. § 315(b)). An infringement counterclaim against the petitioner also triggers the one-year period (see, for example, St. Jude Med., Cardiology Div., Inc. v. Volcano Corp., IPR2013-00258, Paper 29, 2013 WL 5947710, at *5 (PTAB Oct. 16, 2013)).

- Narrower scope of available challenges. IPR petitions may only raise patentability challenges under Sections 102 or 103 of the Patent Act based on prior art patents or printed publications (35 U.S.C. § 311(b)). An IPR proceeding invokes a fairly broad estoppel, which extends to any grounds that the petitioner raised or reasonably could have raised in the review, once the PTAB issues a final written decision (35 U.S.C. § 315(e)). However, estoppel is limited by the scope of challenges available in IPR.

**COVERED BUSINESS METHOD PATENT REVIEW**

CBM challenges have also been widely used, but are more restricted than IPR given that they are:

- Available only for a limited time. CBM review is part of a transitional program that is currently scheduled to end on September 16, 2020.

- Limited to “covered” business method patents. The AIA defines these as patents claiming methods or corresponding apparatuses for data processing or other operations used in a financial product or service, but excludes patents covering technological inventions (AIA § 18(d)(1)). Petitioners must prove that the challenged patent meets the financial requirement and is non-technological, a burden that petitioners do not face in the other types of proceedings.

CBM review offers key advantages over IPR, however, in that it has a:

- Broader scope of available challenges. CBM review permits patentability challenges under Sections 101 and 112 of the Patent Act, in addition to Sections 102 and 103, and is not limited to challenges based on prior art patents or printed publications (see 35 U.S.C. § 321(b); AIA § 18(a)(1); U.S. Bancorp v. Ret. Capital Access Mgmt. Co., CBM2013-00014, Paper 33, 2014 WL 4229953, at *5-6 (PTAB Aug. 22, 2014)).

- More lenient standard for estoppel in district court. Estoppel in litigation is limited to arguments the petitioner actually raised during the CBM proceeding (AIA § 18(a)(1)(D)). Estoppel in future proceedings at the USPTO, however, is the same as for IPR proceedings (see 35 U.S.C. § 325(e)(1); AIA § 18(a)(1)).

**POST-GRANT REVIEW**

PGR is not yet as popular as IPR or CBM, in part because it:

- Applies only to new patents under the AIA. Only patents claiming priority to an application falling under the AIA’s first-inventor-to-file regime are eligible for PGR (35 U.S.C. § 321 note).

- Has a nine-month filing deadline. PGR petitions must be filed within nine months of a patent’s issue date or reissue date, if the patent was reissued with broader claims (35 U.S.C. §§ 321(c), 325(f)). Because patent owners rarely file suit within the first nine months of a patent issuing, PGR is not often a choice for defendants sued for patent infringement in district court.
related litigation or to include additional claims. The benefits of filing a petition challenging only those claims asserted in the litigation are largely time and money savings, particularly given that the USPTO’s pricing system is based at least partly on the number of claims challenged. Challenging a smaller number of claims also allows counsel to present a more detailed or focused discussion within the allotted page limits (60 pages for IPR petitions, and 80 pages for CBM or PGR petitions) (37 C.F.R. § 42.24(a)(1)(i)-(iii)).

However, one of the major advantages of attacking additional claims is the possibility of increased settlement leverage (see below Using PTAB Proceedings to Leverage Settlement). Also, if the accused infringer challenges more than the asserted claims, the patent owner may be less likely to try to assert additional claims in the litigation after the petition is filed.

Counsel should note that it is now fairly common to file multiple petitions at or near the same time to make additional invalidity arguments within the prescribed page limits. Likewise, a petitioner may want to file another petition if the patent owner asserts additional claims in the litigation after the first petition is filed, or if the original petition is instituted only for some of the claims challenged, so long as this is not barred by the statutory time limits. In this case, the PTAB has the discretion to join the two proceedings, provided that the subsequent petition was filed no later than one month after the institution of the original proceeding (37 C.F.R. §§ 42.122(b), 42.222(b), 42.300(a)). This is true even if the later petition was filed after the one-year IPR bar (Microsoft Corp. v. Proxyconn, Inc., IPR2013-00109, Paper 15, 2013 WL 5947704, at *2 (PTAB Feb. 25, 2013)).

IDENTIFYING THE PATENTABILITY CHALLENGE GROUNDS

Even when the PTAB allows certain grounds for challenging a patent, it may make sense for the petitioner to hold them back for argument in district court. This tactic may be especially useful in the context of CBM proceedings because of their narrower estoppel provisions. For instance, a petitioner could make certain Section 102 and 103 arguments in a CBM petition, but leave any Section 101 and 112 challenges, and any other Section 102 or 103 arguments, for decision by the district court.

Additionally, the PTAB has been declining to institute review based on grounds that it deems to be redundant. The PTAB has specifically noted that it will not consider multiple grounds that the petitioner presents in a redundant manner, without making a meaningful distinction between them, because it would be contrary to the AIA and related regulations (see, for example, Amkor Tech., Inc. v. Tessera, Inc., IPR2013-00242, Paper 37, 2013 WL 5653117, at *16-17 (PTAB Oct. 11, 2013), request for reconsideration denied, IPR2013-00242, Paper 82, 2014 WL 2864145, at *2 (PTAB Jan. 10, 2014)).

It is therefore essential that counsel spell out how each argument based on prior art differs from the other arguments presented. For example, if an anticipation argument under Section 102 may be a difficult one, it may be better to argue obviousness under Section 103 instead. If both arguments are made, there is a risk that the PTAB will institute on Section 102 grounds alone and find the Section 103 arguments to be redundant. In that case, the petitioner will lose the obviousness arguments entirely and be forced to prevail on anticipation in the final written decision.

ASSERTING THE RIGHT PRIOR ART

Generally, it is advisable to include the best prior art in any petition for PTAB review. This is particularly true in the IPR context because the estoppel provision will likely mean that the petitioner cannot later assert in district court even prior art it did not raise in the IPR petition, so long as it reasonably could have raised it (see 35 U.S.C. § 315(e)).

Even in the CBM context, it can be risky to hold prior art in reserve for argument in district court because the patent owner will likely contend that invalidity arguments should be viewed with more skepticism after the PTAB has declined to invalidate the patent claims. Accordingly, counsel must strike a balance between filing a petition early in a case and waiting a bit longer to ensure the petitioner has the best prior art available.

ESTOPPEL CONSIDERATIONS

Each type of PTAB review has an estoppel provision that counsel should take into account in determining which type of challenge to pursue. The estoppel provisions for IPR and PGR are considerably broader than those in CBM proceedings, estopping any petitioner from arguing invalidity in district court based on any ground that the petitioner raised or reasonably could have raised (35 U.S.C. §§ 315(e), 325(e)). Estoppel from CBM review, on the other hand, applies only to any ground that the petitioner actually raised during the CBM proceeding (AIA § 18(a)(1)(D)).

For example, as mentioned above, if the defendant files a CBM petition that permits a broad scope of patentability challenges, it may choose to make some invalidity arguments in front of the PTAB panel while saving other arguments for the district court. If the defendant instead files an IPR petition with a narrower scope of challenges, while it is estopped from making in district court any arguments based on grounds it could have raised in its IPR petition, it may still make other invalidity arguments outside the scope of an IPR, such as challenges under Sections 101 and 112, the on-sale bar and other non-printed prior art.

The patent owner will very likely argue in district court that any piece of prior art reasonably could have been raised in an IPR proceeding, or that any available invalidity arguments (including, for example, Section 101 and 112 challenges) reasonably could have been raised in a PGR proceeding. Therefore, to the extent the petitioner will conduct any additional prior art searching, it can be quite risky to file the IPR or PGR petition before having a full opportunity to consider all potential invalidity arguments. Indeed, if the petitioner finds any promising prior art or identifies any additional invalidity arguments after it files the petition, counsel should consider filing an additional petition in a timely manner and requesting joinder of the two petitions.

Although CBM proceedings have narrower estoppel, counsel can also expect that a patent owner will try to use the fact that
Petitioner Standing

Because the AIA limits the availability of PTAB review, counsel should first confirm that the petitioner has standing to bring a patent challenge before deciding to file a petition with the PTAB.

For example, the PTAB cannot institute a review if the petitioner or real party in interest has previously filed a civil action challenging the validity of a patent claim, although invalidity counterclaims do not trigger this bar (35 U.S.C. §§ 315(a), 325(a); AIA § 18(a)(1)). PTAB decisions have made it clear that declaratory judgment actions that are dismissed with prejudice do count for purposes of the bar, while those dismissed without prejudice are treated as never having existed and therefore do not trigger the bar (compare, for example, Anova Food, LLC v. Sandau, IPR2013-00114, Paper 17, 2013 WL 5947705, at *2, *8 (PTAB Sept. 13, 2013) with Clio USA, Inc. v. Procter & Gamble Co., IPR2013-00438, Paper 9, 2014 WL 2528606, at *4-5 (PTAB Jan. 9, 2014)).

The PTAB’s decision on whether to institute review is not appealable (see, for example, St. Jude Med., Cardiology Div., Inc. v. Volcano Corp., 749 F.3d 1373, 1375 (Fed. Cir. 2014)).

On the other hand, waiting to file a petition can have some important benefits. For example, because of the estoppel issues, particularly for IPR and PGR, it may be better to wait until all prior art searching has been completed before submitting a petition (see above Estoppel Considerations). Waiting to file can also provide a window to discuss settlement with the patent owner. Once a petition is filed at the PTAB, it is public and viewable by anyone, and therefore a patent owner may have a greater incentive to settle before the petitioner’s invalidity arguments are detailed in public (see below Using PTAB Proceedings to Leverage Settlement).

TIMING THE PETITION

Because the timing requirements for filing PTAB petitions are statutory, they should be followed above all else. However, even within the timeframe permitted by statute, there are strategic issues that counsel should consider in determining when to file. A key incentive to file quickly may be to increase the chances of obtaining a stay of the district court litigation (see below Motions to Stay District Court Litigation). For example, one of the factors district court judges consider in deciding whether to stay litigation pending a CBM review is whether discovery is complete and a trial date has been set (see AIA § 18(b)(1)).

Additionally, filing early can provide a buffer of time during which the petitioner may respond to any defects in the petition. If a petition complies with all of the statutory requirements but contains defects in form (for example, page limits, font size, signature, or identification of lead and back-up counsel), the PTAB will accord the filing date of the original submission, assuming the petitioner cures those defects within a specified time period after the PTAB has provided notice of the defects. However, if the petition fails to satisfy any statutory requirement, the PTAB will not accord the petition a filing date until all of the statutory requirements have been satisfied. (See Patent Review Processing System (PRPS), FAQ D1, available at uspto.gov.) As a result, counsel may not have time to correct and re-file a petition with statutory defects that is filed close to the deadline.

The PTAB did not invalidate the claims in a CBM review to its advantage in front of the district court judge or jury.

COORDINATING CLAIM CONSTRUCTIONS ACROSS FORUMS

As all patent litigators know, claim construction can be one of the most important factors in both infringement and validity arguments. Therefore, it is important to coordinate claim construction positions in front of the PTAB and in district court litigation. This can be challenging because of the differing claim construction standards in the two forums:

- The PTAB applies the “broadest reasonable construction in light of the specification” standard (37 C.F.R. §§ 42.100(b), 42.200(b), 42.300(b)).
- District courts apply the claim construction standard provided by the US Court of Appeals for the Federal Circuit in Phillips v. AWH Corp., which states that a claim term is given the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention (415 F.3d 1303, 1312-18 (Fed. Cir. 2005) (en banc)).

As its name makes evident, the claim construction standard in PTAB proceedings is broader than the one used in district court litigation (Facebook, Inc. v. Pragmatus AV, LLC, No. 13-1350, 2014 WL 4454956, at *4 (Fed. Cir. Sept. 11, 2014) (“The broadest reasonable interpretation of a claim term may be the same as or broader than the construction of a term under the Phillips standard. But it cannot be narrower.”)). Part of the reasoning behind applying the broadest reasonable interpretation in PTAB proceedings is that patent owners have the opportunity to amend their claims during IPR, PGR and CBM trials, unlike in district court proceedings (Office Patent Trial Practice Guide, 77 Fed. Reg. 48756-01, 48764 (Aug. 14, 2012); see also SAP Am., Inc. v. Versata Dev. Grp., Inc., CBM2012-00001, Paper 70, 2013 WL 3167735, at *9-10 (PTAB June 11, 2013)).

Assuming that a petition is filed relatively early in the district court litigation, claim construction in the PTAB proceeding will often occur before the claim construction briefing or Markman hearing in the litigation. At the PTAB, a petitioner must set out any claim constructions that are necessary in the original petition. However, even if the district court has already ruled on claim construction issues, the PTAB is not bound by them (see SAP Am., Inc., CBM2012-00001, Paper 70, 2013 WL 3167735, at *9-11, *13).

When proffering a claim construction in a PTAB proceeding, it is important for counsel to consider both the potential invalidity arguments (and the consequences of different constructions) and non-infringement arguments the petitioner may want to use in the district court litigation. By presenting its positions...
thoughtfully, a petitioner may be able to use the PTAB's broad claim construction standard to its advantage in making anticipation and obviousness arguments.

Additionally, if a patent owner is successful in arguing at the PTAB that the claims are limited even under the broadest reasonable interpretation standard, the petitioner can use those arguments in support of narrower claim constructions in district court. Although district courts are not necessarily bound by the PTAB’s decisions, given that PTAB judges have specialized patent experience, district court judges may nonetheless treat these decisions as persuasive and hesitate to construe the claims to be broader than the PTAB’s construction (see, for example, Facebook, Inc., 2014 WL 4454956, at *4). Moreover, each party will consider using any inconsistent claim construction arguments against the opposing party.

Counsel should also be aware that neither party is required to propose a construction of every claim term at issue in a PTAB proceeding. This may help reduce the potential for inconsistencies across PTAB and district court proceedings. However, if a petitioner chooses not to construe a term in its petition, the patent owner may be able to convince the PTAB to use its preferred construction in the PTAB’s institution decision, as there will be no counter-argument. Therefore, counsel should strongly consider construing any claim term that may be helpful to support the petitioner’s position.

Counsel should also think strategically about whether to submit an expert declaration to support a proposed claim construction. Submitting an expert declaration is an option for the patent challenger at the original petition stage, but generally is not available to the patent owner until its response after the PTAB institutes review. The obvious advantage to submitting a supporting declaration is that experts can provide persuasive evidence of how a person of ordinary skill in the art would construe a certain term. However, it can be especially damaging if a party can show that the opposing party’s expert’s statements conflict with the expert’s statements in the concurrent litigation on how a person of skill in the art would understand a term. Therefore, counsel must give particular care to any differences in claim construction positions between the PTAB and district court proceedings.

If a patent owner is successful in arguing at the PTAB that the claims are limited even under the broadest reasonable interpretation standard, the petitioner can use those arguments in support of narrower claim constructions in district court.
PTAB Decisions Granting Additional Discovery

Some of the limited situations in which the PTAB has granted additional discovery include:

- Discovery related to the testing of prior art compositions (lab notebooks, but not actual samples) (Corning Inc. v. DSM IP Assets B.V., IPR2013-00043, Paper 27, 2013 WL 5970159, at *2-3 (PTAB June 21, 2013)).
- Discovery of documents relied on in preparing sales projections in support of claims of commercial success (Schott Gemtron Corp. v. SSW Holding Co., IPR2013-00358, Paper 78, 2014 WL 2016635, at *3-5 (PTAB May 16, 2014)).
- Discovery of a single indemnification agreement (to be used to prove privity and therefore that the petition is time-barred) (Arris Grp. v. C-Cation Techs., LLC, IPR2014-00746, Paper 15, at 2 (PTAB July 24, 2014)).

Because the stay factors include a timing consideration, petitioners may wish to seek a stay as soon as the petition is filed. If the court denies the motion without prejudice, the petitioner can file another motion if and when the PTAB institutes a trial. Petitioners may also be able to increase the likelihood of a stay if they challenge all claims asserted in the litigation.

Additionally, some district court judges have stayed litigation against defendants that are not involved in the PTAB proceeding. In these cases, while some courts have required the other, non-petitioner defendants to agree to be bound by the same estoppel provisions as the petitioner (see, for example, Evolutionary Intelligence, LLC v. Millenial Media, Inc., No. 13-4206, 2014 WL 2738501, at *4 (N.D. Cal. June 11, 2014)), others have not (see, for example, Progressive Cas. Ins. Co. v. Safeco Ins. Co. of Ill., No. 10-1370, 2013 WL 1662952, at *4-5 (N.D. Ohio Apr. 17, 2013)).

In CBM review, the AIA provides the parties with an immediate right to an interlocutory de novo review by the Federal Circuit of a district court’s decision on whether to grant a stay (AIA § 18(b)(2)). Indeed, in the first case to be decided under this interlocutory provision, the Federal Circuit reversed the decision of the Eastern District of Texas and granted a stay (VirtualAgility Inc. v. Salesforce.com, Inc., 759 F.3d 1307, 1308 (Fed. Cir. 2014)).

DISCOVERY DIFFERENCES

One of the biggest procedural benefits of post-grant proceedings for a petitioner can be cost savings, particularly those associated with discovery (which can amount to hundreds of thousands or even millions of dollars in district court litigation) because discovery is very limited in PTAB proceedings.

The USPTO has promulgated rules allowing two types of discovery:

- **Routine discovery.** This includes:
  - any exhibit cited in a paper or in testimony;
  - cross-examination of affidavit testimony; and
  - relevant information that is inconsistent with a position advanced by a party.

- **Additional discovery.** In particular:
  - in IPR proceedings, additional discovery is limited to anything a party shows is in the interests of justice; and
  - in CBM and PGR proceedings, additional discovery is limited to evidence directly related to factual assertions advanced by either party in the proceeding upon a showing of good cause as to why the discovery is needed.

(37 C.F.R. §§ 42.51(b), 42.224.)

The PTAB has recognized that, on balance, the “interests of justice” standard is slightly higher than the “good cause” standard, to reflect that the scope of prior art that a petitioner can raise in an IPR proceeding is limited to patents or printed...
more than a possibility and mere allegation. The moving party must have a sound basis for expecting that something useful will be uncovered by the requested discovery.

Litigation positions and underlying basis. The moving party cannot use the pretext of discovery to alter the PTAB’s procedures regarding the presentation of arguments and evidence.

Ability to generate equivalent information by other means. The moving party should not seek information that can be reasonably figured out or assembled independently.

Easily understandable instructions. The instructions and requests must be clear.

Requests not overly burdensome to answer. The requests cannot be overly burdensome in view of the expedited nature of the PTAB’s proceedings.

The PTAB has rarely granted additional discovery in any type of post-grant proceeding, and has considered the same five basic factors in each case:

37 C.F.R. § 42.74(a)

Requests not overly burdensome to answer. The PTAB views the documents sought as not overly burdensome or expensive in view of the expedited nature of the PTAB’s proceedings.

More than a possibility and mere allegation. The PTAB views the information sought as more than a possibility or mere allegation.

Availability of information only for good cause. The information sought can be obtained only for good cause.

Easily understandable instructions. The instructions and requests must be clear.

The PTAB has, however, granted additional discovery in some cases (see Box, PTAB Decisions Granting Additional Discovery). In most PTAB proceedings, expert cross-examination makes up the largest portion of discovery. Indeed, because the PTAB rarely allows live testimony at oral hearings, cross-examination is often the only way to obtain any further information from opposing experts. Experts must be well-prepared for these depositions because they can take on greater importance than depositions in district court litigation.

CONFIDENTIALITY CONSIDERATIONS AT THE PTAB

Because of the significant limitations on discovery before the PTAB and the public nature of most pertinent invalidity challenges, post-grant proceedings are generally less private than district court cases and confidentiality is not as prevalent a concern. However, the need to protect confidential information does occasionally arise.

The PTAB has issued a default protective order from which the parties can deviate only with the PTAB’s approval (Office Patent Trial Practice Guide, 77 Fed. Reg. at 48770-71). The default rule is that all papers filed in post-grant proceedings are open and available for access by the public, but a party may file a concurrent motion to seal and the PTAB will seal the information at issue pending the outcome of the motion (35 U.S.C. §§ 316(a)(1), 326(a)(1); AIA § 18(a)(1)). The PTAB will seal confidential information only for good cause (37 C.F.R. § 42.54(a)).

Discovery at the PTAB can be complicated by concurrent litigation in district court if the documents sought were obtained under a protective order. For instance, the extremely limited nature of discovery at the PTAB means that the PTAB is unlikely to allow discovery unless the party seeking the documents can specifically identify them, which may be complicated by a district court protective order. Parties may therefore find themselves requesting relief from the district court, negotiating with the opposing party or seeking additional discovery from the PTAB to make previously-produced confidential documents available for use in the post-grant proceeding.

The PTAB has granted additional discovery in some cases (see Box, PTAB Decisions Granting Additional Discovery). In most PTAB proceedings, expert cross-examination makes up the largest portion of discovery. Indeed, because the PTAB rarely allows live testimony at oral hearings, cross-examination is often the only way to obtain any further information from opposing experts. Experts must be well-prepared for these depositions because they can take on greater importance than depositions in district court litigation.

USING PTAB PROCEEDINGS TO LEVERAGE SETTLEMENT

As noted above, drafting and filing petitions at the PTAB can greatly increase the settlement leverage of a party sued for patent infringement in district court. The mere threat of filing a petition at the PTAB may be enough, in some circumstances, to tilt the balance of power in the accused infringer’s favor. This is because a petition becomes public once it is filed and any future accused infringers will have a roadmap for attacking the patent.

Additionally, while discovery and other burdens can traditionally put a great deal of pressure on accused infringers in district court litigation, post-grant proceedings can alleviate some of that pressure, particularly if the district court litigation is stayed. PTAB proceedings allow petitioners to have their patent invalidity issues heard quickly and relatively inexpensively, before costly discovery takes place. In this sense, the pressure can shift to the patent owner, given that the PTAB can rule only on patent validity and cannot make any determinations on infringement.

To promote settlement, one tactic that accused infringers have employed is to draft a petition and present it to the patent owner a few days before filing it with the PTAB. If the accused infringer does not feel comfortable disclosing its arguments prior to filing the petition, settlement discussions can begin as soon as the petition is filed. The accused infringer may also gain further leverage once the PTAB grants the petition. However, at that point, the benefits of settlement may begin to decrease for the patent owner.

Once the PTAB has instituted a post-grant proceeding, the parties may jointly request that the PTAB terminate the proceeding as to a particular petitioner, and the PTAB must dismiss the trial with respect to that petitioner if it has not decided the case on the merits (35 U.S.C. §§ 317(a), 327(a); AIA § 18(a)(1)).

However, even if no petition remains, the PTAB retains discretion over whether to dismiss the proceeding with respect to the patent owner and can instead continue to a final written decision and determine patentability (37 C.F.R. § 42.74(a)). There are examples of both IPR and CBM proceedings in which the PTAB has refused to terminate the proceedings after all briefing was complete, even though no oral hearing had been held (Interthinx, Inc. v. Corelogic Solutions., LLC, CBM2012-00007, Paper 47, 2013 WL 9676144, at *2 (PTAB Nov. 12, 2013); Blackberry Corp. v. MobileMedia Ideas LLC, IPR2013-00016,
This possibility may also provide a disincentive for the patent owner to settle.


The mere threat of filing a petition at the PTAB may be enough, in some circumstances, to tilt the balance of power in the accused infringer’s favor. This is because a petition becomes public once it is filed and any future accused infringers will have a roadmap for attacking the patent.

Although a petitioner has no choice about whether the patent owner seeks to amend its claims, the petitioner should search for additional prior art that may read on the amended claims and therefore prevent the PTAB from issuing the amendment. On the other hand, if the petitioner has particularly strong non-infringement arguments based on the amended claims, a grant of the amendment may as a practical matter be almost as good as an invalidity ruling for the petitioner.