

Patent Precedent Board Clearing Procedural Hurdles, Lawyers Say

By Ian Lopez

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- Two decisions show a close reading of federal statutes
- Time bar for PTAB challenges addressed in decisions

The Patent and Trademark Office's year-old panel for issuing precedents is helping patent lawyers navigate procedural hurdles so they can focus on questions of patent validity, practitioners say.

The Precedential Opinion Panel, which takes up important issues in Patent Trial and Appeal Board proceedings, has issued two precedential decisions since launching in September 2018. Its first decision, in March, provides discretion for a patent challenger to join a proceeding where it's already a party and introduce new issues. Its second decision, in August, reversed a PTAB decision to review a patent's validity, finding the petitioner missed the window to file a challenge.

Together, practitioners say, the decisions show that the agency is taking a close reading of federal statutes in trying to clarify issues like timing, for example, so attorneys can spend more time on the substance of a patent validity challenge.

"There's enough hairy issues of patent quality to worry about the weeds of, like, did you file a year in advance, when does the timeline start," Ravi Mohan, an intellectual property partner at Rutan & Tucker LLP, said. The POP decisions suggest "the administrative resources should be spent on the substantive issues," he said.

Procedural hurdles further complicate validity proceedings, practitioners noted.

"If they get decided incorrectly, it'll drag everything out and change everything else," Jeanette Berberich, a patent attorney at Harness, Dickey & Pierce, P.L.C., said. She said the panel appears to be "focusing on procedural issues that really need to be clarified that may not be decided correctly otherwise."

PTAB chief judge Scott Boalick, who sits on the panel with PTO Director Andrei Iancu and Commissioner for Patents Drew Hirshfeld, said the panel has closely followed federal statutes in issuing precedential decisions, partially so they're upheld if they're appealed to the U.S. Court of Appeals for the Federal Circuit.

The POP wants "to increase predictability and certainty in the proceedings," according to Boalick. The group looks to address areas where there are "close calls" in procedural matters, he said.

“There’s reasonable opinions on both sides,” Boalick said. “So what we want to do is let the people know the way the agency is going.”

Sticking to Statute

POP’s first decision in *Proppant Express Investments, LLC v. Oren Techs. LLC* examined the interplay of federal statutes and interpreted Section 315(c) as allowing a party to, in some instances, join a proceeding and to introduce new issues in a proceeding.

The panel wrote that § 315(c), when read in the context of a statute involving inter partes review petitions, means “any person except the patent owner can be joined to a proceeding, at the Director’s discretion.” POP also noted that § 315(c) has “no express prohibition against raising new issues.”

POP additionally said that the PTAB can consider the time bar when exercising discretion under § 315(c). The time bar statute sets a one-year time limit from being served with a complaint to challenging the patent’s validity at the PTAB. However, the statute’s language, POP wrote, “provides an exception to the one-year time limitation in case the Director exercises discretion to join pursuant to § 315(c).”

Yet that exception didn’t apply to Proppant, which had both petitioned for an IPR and tried joining a pending proceeding over a year after being served an infringement complaint. Proppant had moved for joinder to correct an error in its prior petition, and POP said it will exercise discretion under § 315(c) “only in limited circumstances—namely, where fairness requires it and to avoid undue prejudice to a party.”

POP “is trying to stay as close to the language of the statute as possible and not reading more into the statute than the words,” Raghav Bajaj, partner at Haynes and Boone LLP, said. While POP “drew the line, they still gave themselves a lot of discretion,” he said.

POP’s second decision, *GoPro, Inc. v. 360Heros, Inc.*, also focused on the time bar, which for practitioners is “important, because it’s a very definitive end to the proceedings,” Boalick said.

GoPro sought a review of 360Heros’ patent in light of prior art. 360Heros argued that the challenge was “untimely” because it served GoPro with an infringement counterclaim in a litigation more than a year before GoPro went to the board. The PTAB instituted the review, saying the action didn’t start the clock.

POP clarified that petitioners have just one year to challenge a patent from when it receives a pleading alleging infringement, even if a party “lacks standing to sue or the pleading is otherwise deficient.” It said the language in the time-bar statute is “plain and unambiguous,” agreeing with a prior decision from the Federal Circuit.

Clarity and Consensus

The decisions illustrate that POP is taking the time bar rules seriously and “is going to keep things as bright line as possible,” Matthew Rozier, IP attorney at Snell & Wilmer, said.

"If you're a practitioner, you should assume there's no way to get around that time bar," Rozier said. "I think you might see more of this clarifying lines."

But attorneys say POP's decisions also acknowledge that there can be exceptions to the rules. Strict application of rules "can lead to some unfair results. So they're trying to balance those competing concerns," Timothy **Getzoff**, an intellectual property partner at Holland & Hart LLP, said.

Bajaj said he expects POP to provide "well-reasoned" decisions and "continue to basically draw lines in the sand."

Those issues may continue to be procedural.

"The substance—is this invalid, what's the prior art, what are the obviousness issues—that's what the PTAB should be spending its time on, and the practitioners spending their time on not all these arguments over the nitpicky procedural rules which can sort of swallow the substance," **Getzoff** said.

To contact the reporter on this story: Ian Lopez in Washington at ilopez@bloomberglaw.com

To contact the editor responsible for this story: Keith Perine at kperine@bloomberglaw.com

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