Trial Proceedings
## Chapter One

### Introduction to Board Proceedings

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I. Types of Trial Proceedings

There are three different post-grant trial proceedings: inter partes review (IPR), post-grant review (PGR), and covered business method review (CBM) discussed by this book. These proceedings have different standards and requirements.

A. Inter Partes Review

IPR is the most common post-grant trial proceeding. An IPR petition may only rely on prior art patents or printed publications as a basis to cancel one or more claims of a patent. The Board institutes a trial in an IPR proceeding when the Petitioner has shown that “there is a reasonable likelihood that the Petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” Unless the Petitioner is joining another party’s IPR proceeding, the Petitioner is barred from filing an IPR petition if the petition “is filed more than one year after the date on which the petitioner, real party-in-interest, or privity of the petitioner is served with a complaint alleging infringement of the patent.” Moreover, a Petitioner that has filed a declaratory judgment action is barred from filing an IPR petition.

A prospective Petitioner should carefully consider whether the Board is the preferred forum for challenging the patent because, upon a final written decision, the Petitioner, and any real parties in interest or privies of the Petitioner, are estopped from requesting or maintaining another proceeding before the Office with respect to a claim that results in a final written decision “on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” Moreover, the Petitioner, and any real parties in interest or privies of the Petitioner, may not assert in a civil action or International Trade Commission (ITC) proceeding that “the claim is invalid on any ground that the petitioner raised or easily could have raised during that inter partes review.” As discussed in Chapter 16: Estoppel Provisions Arising from Board Proceeding, the Board has interpreted “reasonably could have raised” to include any prior art printed publication that “a skilled searcher conducting a diligent search reasonably could have been expected to discover.”

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1. An additional proceeding, known as a derivation, has not been widely used.
B. Post-Grant Review

A petition for PGR may rely on any ground that could be raised as a defense to infringement under 35 U.S.C. § 282(b)(1) and (2). A trial is instituted when the Petitioner has shown that (1) “it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable” or (2) “the petition raises a novel or unsettled legal question that is important to other patents or other patent applications.” This is a higher standard than the “reasonable likelihood” standard required to institute an IPR.

Not all patents qualify for PGR. A PGR Petitioner may only challenge patents that are subject to the America Invents Act’s (AIA) first inventor to file novelty and non-obviousness provisions, that is, patents having at least one claim with an effective filing date on or after March 16, 2013. A petition for PGR must be filed soon after the patent issues, within nine months of the patent’s issue date.

Like IPR, upon a final written decision in a PGR, the Petitioner, and any real parties in interest or privies of the Petitioner, are estopped from requesting or maintaining another proceeding before the Office with respect to a claim that results in a final written decision “on any ground that the petitioner raised or reasonably could have raised during that post-grant review.” The PGR Petitioner, as well as real parties in interest and privies, may not assert in a civil action or ITC proceeding that “the claim is invalid on any ground that the petitioner raised or easily could have raised during that post-grant review.”

C. Covered Business Method Review

A petition for CBM review may only be filed against a “patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service” if that patent is not directed to a “technological invention.” A petition for CBM review may only be filed if “the person or the person’s real party-in-interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.”

How the Board has interpreted these provisions is discussed in Chapter 2: Petitions to Institute Proceedings, Section IV, “Who May File and When.”

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10. See 35 U.S.C. § 324(a) and (b).
15. See AIA § 18(d)(1).
The Petitioner may rely on any ground that could be raised in a post-grant review, except that prior art under pre-AIA 35 U.S.C. § 102(e) cannot be relied upon in a petition for CBM review. The available grounds for each proceeding are listed in Table 1.1.

**TABLE 1.1 Available Grounds**

<table>
<thead>
<tr>
<th>Grounds</th>
<th>IPR</th>
<th>PGR</th>
<th>CBM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patent-eligible subject matter under 35 U.S.C. § 101</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Written description or enablement under 35 U.S.C. § 112(a)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Indefiniteness under 35 U.S.C. § 112(b)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Anticipation or obviousness based on pre-AIA 35 U.S.C. § 102(a) or (b) prior art patents or printed publications (pre-AIA)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Anticipation or obviousness based on pre-AIA 35 U.S.C. § 102(e) patents or printed publications</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Anticipation or obviousness based on pre-AIA 35 U.S.C. § 102 sale or public use</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Anticipation or obviousness based on AIA 35 U.S.C. § 102(a)(1) or (a)(2) prior art patents or printed publications</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Anticipation or obviousness based on AIA 35 U.S.C. § 102(a)(1) “in public use, on sale, or otherwise available to the public”</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Statutory double patenting</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Although the estoppel effect of a final written decision at the USPTO is the same as in a PGR or an IPR proceeding, the estoppel effect in a district court proceeding or at the ITC is considerably less broad than estoppel based on a final written decision in a PGR or IPR proceeding. The Petitioner and any real party-in-interest are estopped from asserting that the claim is invalid “on any ground that the petitioner raised during the transitional proceeding.” CBM estoppel is different from that in a PGR or IPR because (1) the estoppel does not include grounds that the Petitioner “reasonably

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18. See Meridianlink, Inc. v. DH Holdings, LLC, CBM2013-00008, Paper 24 (PTAB Sept. 12, 2013) (Order on Conduct of the Proceedings) (“AIA § 18(a)(1)(C) requires that a challenge to a claim in a covered business method patent be supported by prior art that is (i) described by pre-AIA 35 U.S.C. § 102(a) or (ii) (I) that discloses the invention more than 1 year before the date of application for patent in the United States and (II) would be described by pre AIA 35 U.S.C. § 102(a) if the disclosure had been made by another before the invention thereof by the applicant for patent. Although Tengel is prior art under 35 U.S.C. § 102(e), it does not meet the criteria to support a challenge under AIA § 18(a)(1)(C).”).

19. See AIA § 18(a)(1)(D).

could have raised,” and (2) the estoppel does not apply to privies of the Petitioner. This is discussed in Chapter 2: Petitions to Institute Proceedings, Section IV, “Who May File and When.”

II. Summary of Proceeding

Provided below are summaries of the different stages of a trial proceeding. The summaries below correspond to the chapters in Part 1 of this book.

A. Petition to Institute Proceedings (Chapter 2)

A Board proceeding begins with a petition. The Petitioner must present its entire case in the petition at the time of filing because the Petitioner has limited opportunities to reply to Patent Owner’s arguments before institution or at trial. In this way, the petition differs from the complaint filed in a district court proceeding, which starts the proceeding, but does not include all of the evidence on which the plaintiff will rely. The Petitioner has the burden to demonstrate unpatentability of one or more claims by a preponderance of the evidence and “that burden never shifts” to the Patent Owner.

There are two different claim construction standards for a Board proceedings depending on whether the patent is expired (or will expire during the proceeding) or unexpired. A claim of an unexpired patent receives “a broadest reasonable construction in light of the specification in which it appears.” This is commonly known as the broadest reasonable interpretation. By contrast, claims of an expired patent are construed using the Phillips standard, similar to a district court proceeding. Under the Phillips standard, claim terms “generally are given their ordinary and customary meaning, as understood by a person of ordinary skill in the art, at the time

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21. For example, “the statutes provide for only a petition and a patent owner preliminary response prior to institution” and “allowing a reply as a matter of right would negatively impact the ability of the Office to meet the time requirements of 35 U.S.C. 314(b), as amended, and 35 U.S.C. 324(c).” 77 Fed. Reg. 48,702, cmt. 54 (Aug. 14, 2012).

22. See, e.g., 35 U.S.C. §§ 316(e) and 326(e); Dynamic Drinkware LLC, v. Nat’l Graphics, Inc., 800 F.3d 1375, 1378 (Fed. Cir. 2015) (“In an inter partes review, the burden of persuasion is on the petitioner to prove “unpatentability by a preponderance of the evidence,” 35 U.S.C. § 316(e), and that burden never shifts to the patentee.”).


24. 37 C.F.R. § 42.100(b); see also 37 C.F.R. § 42.200(b) (governing PGRs).

of the invention, taking into consideration the language of the claims, the specification, and the prosecution history of record.”

B. Patent Owner Preliminary Response to Petition Prior to Institution (Chapter 3)

The Patent Owner has the right to file a pre-institution Patent Owner preliminary response, setting forth the reasons why a trial should not be instituted, but is not required to file such a preliminary response. The Patent Owner has three months from the date of notice that the petition has been granted a filing date to file the preliminary response. The Petitioner is not entitled to a reply to the preliminary response, unless the Board finds that there is “good cause” to file a reply.

C. Board Decision on Institution of Proceeding (Chapter 4)

If the Patent Owner files a preliminary response, the Board must determine whether or not to institute the proceeding within three months of the filing date of the preliminary response. If the Patent Owner chooses not to file such a response, the Board will make the determination within three months of the due date of the preliminary response.

If the Board decides to institute review, the Board will enter an institution decision identifying “on a claim-by-claim basis, the grounds on which the trial will proceed [and any] claim or issue not included in the authorization for review will not be part of the trial.” The Board will also issue a scheduling order setting due dates for the trial.

A dissatisfied party may request rehearing by the Board. If institution is denied, the Petitioner may request rehearing within 30 days of the institution decision. If the proceeding is instituted, the parties may request rehearing within 14 days of the institution decision.

26. Id.
27. 35 U.S.C. §§ 313, 323.
28. 37 C.F.R. §§ 42.107(b), 42.207(b).
34. See 37 C.F.R. § 42.71(d)(2).
35. See 37 C.F.R. § 42.71(d)(1).
The Federal Circuit does not have jurisdiction to review most institution decisions.36 One exception is that, in a CBM review proceeding, the Federal Circuit may review the Board’s decision whether the challenged patent was a “covered business method patent” because that question involves the Board’s “ultimate authority” to deem a patent unpatentable.37

D. Patent Owner Response to Petition Following Institution (Chapter 5)

After institution, the Patent Owner may file a response to the petition addressing any ground for unpatentability on which trial was instituted.38 The time between the institution decision and the filing of the Patent Owner response is a period for the Patent Owner to take discovery. This presents an opportunity for the Patent Owner to take limited discovery from the Petitioner and allows the Patent Owner to cross-examine the Petitioner’s declarants.39 Patent Owners may submit, with the Patent Owner response, one or more declarations with testimonial evidence from an expert witness to support the Patent Owner’s rebuttal of the Petitioner’s grounds of unpatentability.40

E. Patent Owner’s Motion to Amend Claims (Chapter 6)

When the Patent Owner files its response, the Patent Owner may also file a motion to amend claims. The Board adheres to very specific requirements for making amendments in these trial proceedings.41 These include showing of support in the original specification for the claim amendment and a showing of patentability of the amendment in view of the grounds of unpatentability involved in the trial.

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36. See 35 U.S.C. §§ 314(d) (“a determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable”) and 324(e).


38. 37 C.F.R. §§ 42.120(a), 42.220(a) (“a patent owner may file a response to the petition addressing any ground for unpatentability not already denied.”).

39. Id.

40. Previously, the Patent Owner response was the Patent Owner’s only opportunity to submit testimonial evidence defending the patent; however, as of May 2, 2016, the Patent Owner now has two opportunities to submit testimonial evidence: once with the preliminary response and a second time with the Patent Owner response. See Amendments to the Rules of Practice for Trials before the Patent Trial and Appeal Board, 81 Fed. Reg. 18,750, 18,763 (Apr. 1, 2016).

F. Petitioner Reply to Patent Owner Response (Chapter 7)

While the Petitioner must request permission from the Board to file a reply to the Patent Owner preliminary response, the Petitioner may file a reply to the Patent Owner response as a matter of right. The Petitioner reply may only reply to arguments raised by the Patent Owner. The time between the Patent Owner response and the filing of the Petitioner reply is a period for the Petitioner to take discovery.

G. Submissions Following Petitioner Reply (Chapter 8)

The Board has sometimes allowed parties to submit additional briefing after the Petitioner’s reply. The Board has discretion to allow the Patent Owner to respond to the Petitioner reply by filing a sur-reply to argue that the Petitioner reply exceeds its proper scope, that is, the scope of Patent Owner response. Even when a sur-reply has not been granted, the Board has allowed Patent Owners an opportunity to file a non-argumentative paper listing items in Petitioner reply that allegedly exceed the scope of a proper reply, instead of allowing the Patent Owner to file a sur-reply.42 Although the Board often does not permit such additional briefing, the Board permits a party to submit observations on cross-examination to call to the Board’s attention testimony that occurs after the party has filed its last substantive brief.

H. Oral Hearing before the Board (Chapter 9)

The oral hearing is the last stage of the trial before the Board issues its final written decision.43 No new evidence or arguments may be presented at the oral argument.44 Demonstrative exhibits at the oral hearing are “not evidence and are intended only to assist the parties in presenting their oral arguments to the Board.”45

I. Termination of Proceeding and Appeals (Chapter 10)

If the parties have reached a settlement, the proceeding may be terminated either at the request of the Petitioner or upon the joint request of the

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42. Nintendo of Am., Inc. v. Motion Games, LLC, IPR2014-00164, Paper 34 at 2 (PTAB Dec. 11, 2014) (Order on Conduct of the Proceeding).
45. Id. at 4–5.
Petitioner and the Patent Owner. The Board may refuse to terminate if the proceeding is at a late stage. The Board is not obligated to terminate the proceeding and “may independently determine any question of jurisdiction, patentability, or Office practice.”

If the parties have not settled, a final written decision concludes a review proceeding. In the final written decision, the Board determines whether one or more of the claims identified in the institution decision is unpatentable. The final written decision is confined to the grounds of patentability identified in the institution decision and need not address grounds of unpatentability discussed in the petition but not instituted.

A party dissatisfied with the final written decision may file a request for rehearing within 30 days of the final written decision. If a request for rehearing is filed, the parties may appeal to the Federal Circuit after the Board’s decision on rehearing.

A party dissatisfied with the final written decision may also appeal the decision directly to the Federal Circuit, without first requesting rehearing. The party must file a notice of appeal within 60 days of the decision to the Director of the USPTO, with a copy of the notice of appeal to the Board.

46. 35 U.S.C. § 317 (“An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner. . . .”) (emphasis added).
48. 37 C.F.R. § 42.74(a); see also BlackBerry Corp v. MobileMedia Ideas, LLC, IPR2013-00036, Paper 64 (PTAB Jan. 21, 2014) (Decision on Termination with Respect to Petitioners).
49. See Chapter 12: Patentability of Challenged Claims on substance of decisions.
51. 37 C.F.R. § 42.71(d)(2).
52. 35 U.S.C. § 141(c).
53. 35 U.S.C. § 141(c).
54. 35 U.S.C. § 142 (Notice of Appeal); 37 C.F.R. § 90.2(1).