ABA – IP Law Section meeting with Patent Trial and Appeal Board (PTAB) Judges

April 17, 2018

After exchanging welcoming remarks, Chief Judge Ruschke opened the meeting by noting that he and his colleagues were very interested in speaking with the Section about “hot topics” that are being discussed actively in the Agency since the arrival of the new Director, Andrei Iancu.

Judge Ruschke noted that normally they do not discuss §101 issues but, because this issue had become a particularly frequent topic of conversation at the USPTO in recent months, it would be useful to obtain the Section’s views. In addition, Judge Ruschke noted that Director Iancu’s “Single Agency” philosophy, which foresees all USPTO divisions applying the law consistently, means that the PTAB as well as the other divisions must strive for consistency in handling §101 issues. Judge Ruschke asked whether the Section saw the PTAB playing a role with respect to §101. Mr. Partridge noted that, while §101 does not play much of a role in Inter Partes Review (IPR) proceedings, certainly an important role exists for the PTAB in §101 determinations during Covered Business Method (CBM) proceedings and ex parte proceedings. Mr. Partridge then explained the Section’s position on the need for a legislative fix to the §101 jurisprudence issue; the ABA’s preferred legislative proposal would propose a test focused on the Supreme Court’s philosophical basis for its §101 jurisprudence, which is its concern for preemption of all practical uses of laws of nature, natural phenomena and abstract ideas. Mr. Partridge noted that other proposals create less predictability as they would insert new language in the statute which would not have definitive interpretations until after they are addressed by courts in litigation, which would take years. In other words, how can certainty be achieved in the short run if it takes five years or more for the courts to interpret new language, let alone what that interpretation might be? Mr. Partridge expressed his view that a legislative solution would probably not occur until next year due to the Congressional schedule. With respect to §101 and the PTAB, Mr. Partridge noted that the PTAB cannot ignore Supreme Court precedent, but it could make better use of the language in the line of Supreme Court cases that discusses the Court’s concern whether the invention as claimed preempts every practical use. Mr. Partridge further noted that a number of Federal Circuit decisions have taken the Mayo/Alice test beyond what the Supreme Court appears to have intended, but a number of very recent Federal Circuit panel decisions have found the first step of Alice not satisfied (e.g., a claimed invention is not a law of nature or abstract idea) in well-written opinions. Thus, a fair and reasonable approach for the PTAB would be to follow those cases in lieu of following Federal Circuit cases which appear to have gone too far. Thereafter, a detailed discussion ensued on how this might work in practice. Mr. Partridge did note that the PTAB should not be too radical or implement the Section’s preferred legislative fix, but the PTAB should be able to work within the Manual of Patent Examination Practice (MPEP) which Mr. Partridge noted positively included the concept of preemption. Mr. Partridge also noted that the Section had done a review of all post-1952 patent cases and it is fair to characterize all the eligibility decisions as having been underpinned by preemption analyses. Mr. Bowser recommended that the PTAB, when addressing appeals of ex parte prosecution, should
require examiners to provide more than an allegation that a claimed feature is routine, conventional or well-known in the art. Mr. Bowser recommended that the PTAB apply a presumption that a claimed feature is not routine, conventional or well-known in the art unless the examiner presents evidence in support of his or her contention.

Judge Ruschke next wanted to discuss claim construction and amendments. Mr. Partridge noted that the Section’s view is that Phillips construction standard should apply in all cases, even if there are amendments. Judge Ruschke then asked Mr. Partridge to clarify “in one sentence” what the Section believed Phillips to stand for; and Mr. Partridge replied that it basically stands for the proposition that the plain and ordinary meaning of the language of the claim should be used, based upon a fair reading of the patent specification, and taking into account whether any disavowals or disclaimers existed anywhere in the intrinsic record. Mr. Partridge noted that the Section believes that this standard should apply in both the District Courts and the PTAB. Judge Ruschke expressed concern with unopposed or weakly opposed motions to amend, and the possibility of issuing “unexamined” claims. Mr. Partridge suggested that the PTAB should not look outside the scope of the prior art at issue in the IPR, but that the Section will further consider its views on how to handle unopposed amended claims presented during the course of an IPR.

Judge Ruschke questioned whether patent owners could disavow claim scope in IPRs, an issue the Federal Circuit recently decided in Aylus Networks, Inc. v. Apple Inc., No. 16-1599 (Fed. Cir. May 11, 2017).

With respect to burden shifting in PTAB proceedings, Judge Ruschke wanted to understand where the Section believed that the burden for motions to amend should rest. Mr. Partridge indicated that the ultimate burden on patentability over the prior art should rest with the petitioner based on a literal reading of the statute. However, Mr. Partridge noted that the patent owner has an initial burden of going forward with respect to its motion to amend just as any movant bears such a burden when making any type of motion. For example, in the case of a motion to amend claims, the patent owner must establish that §112 requirements are met and that the proposed claims do not broaden the claimed invention. Judge Ruschke asked whether the burden should shift to the USPTO if there is no petitioner, or the petitioner does not oppose a patent owner’s motion to amend. Mr. Partridge noted that this is an interesting question that the Section had not analyzed. Judge Ruschke wondered how to handle the case in which the petitioner did a poor job challenging a motion to amend, e.g., the petitioner analyzed the wrong figure. Mr. Partridge noted that, in general, PTAB proceedings are contested proceedings in which the PTAB sits as a judge deciding the issues presented by the parties, and that the PTAB should not take it upon itself to correct such an issue if it has not been raised in the case. Just as courts ought not decide issues not presented by the parties or supplement the facts when poorly presented by the parties, the PTAB should avoid becoming an activist panel going out of its way to strike down patents by supplementing the record, raising its own arguments or substituting itself for the experts called to testify/present evidence in the proceeding.
With respect to procedural issues, Mr. Partridge proposed that the PTAB should as a matter of course allow for sur-replies, thereby cutting down on requests for authorization, and the waste of time for the parties and the PTAB (and the waste of money for the parties) that such repetitious motions necessarily cause. Mr. Partridge suggested that this could be done via a standing order, and the PTAB could impose a modest page limit (e.g., 5 pages) so as not to overburden the panels. Mr. Partridge also suggested that there should be more precedential opinions issued, and also suggested that there should be a process for “en banc” hearing for issues of significant import, e.g., sovereign immunity. Judge Ruschke was interested to understand which cases would qualify for “en banc” hearings, and Mr. Partridge replied that such cases include issues presented that are unique or of first impression. With respect to expanded panels, particularly those involved in rehearing requests, Mr. Partridge and Mr. Bowser suggested that the PTAB should announce potential alternative judges in the initial scheduling order to avoid the suggestion that particular judges are added to achieve a desired outcome.

Finally, Mr. Partridge applauded the PTAB on its public outreach, including releasing guidance, AIA trial studies, and making additional decisions precedential. The PTAB wishes to have an ongoing dialogue with the Section, and looks forward to publishing a series of articles in the Section’s Landslide magazine.

Participants:

ABA – IP Law Section: Scott Partridge, Chair; Mark Dickson, Chair-elect; George Jordan, Vice-Chair; Kevin Greenleaf, Vice-Chair, USPTO Post Grant and Inter Partes Patent Practice Committee; Jonathan Bowser, Co-Chair of Programming Subcommittee of USPTO Post Grant and Inter Partes Patent Practice Committee

PTAB Judges: David Ruschke (Chief Judge), Scott Boalick (Deputy Chief Judge), Jacqueline Bonilla, Scott Weidenfeller, Michael Tierney, William Fink, Kalyan Deshpande