

MORE ON **DECISIONS & SETTLEMENTS** **PATENTS**

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Patent Appeal Board Limits Litigants' Bites of the Apple

HOW MANY TIMES CAN A COMPANY or defendant challenge an issued patent in a review proceeding before the U.S. Patent Trial and Appeal Board? Once, twice, or as often as needed?

Limits are emerging as the Board considers multiple cases and flexes its discretionary authority. Navigating the contours of these limits is even more critical now, as the institution rate of first-time attacks declines to fewer than 70 percent for recent *inter partes* and post-grant review filings. Many companies and defendants find themselves searching for another bite at the apple.

When Congress gave the U.S. Patent and Trademark Office authority to carry out post-grant and *inter partes* reviews of patents, it also provided broad discretion regarding

when to limit such challenges. One limit can arise when a petitioner files successive petitions for review of the same patent. Even if a petitioner meets the reasonably-likely-to-prevail standard to institute an *inter partes* review, there is no guarantee of institution. This is because, under 35 U.S.C. 325(d), the patent appeal Board can take into account whether the same or substantially the same prior art or arguments previously were presented to the Office.

The Board takes a case-by-case approach in applying its

discretionary authority, and no factor (or combination of factors) is absolutely conclusive. Typically, however, cases break down into the following categories:

- Whether a previous petition was instituted.
- Whether a previous petition remains pending.
- Whether the second petition was brought by the same petitioner.
- Whether the second petition uses the same or different prior art as the previous petition.
- Whether the second petition challenges the same claims as in the first petition.
- Whether the second petitioner faces a statutory one-year bar under 35 U.S.C. 315(b).
- Whether the second petition presents new declaration evidence.

- Whether the second petitioner could have sought joinder with an earlier proceeding.

In general, the Board is more likely to invoke 325(d) against a party that participated in the earlier proceeding. And it can make little difference if the same petitioner relies on the same art as before or raises new art. If the former, the Board can fault the petitioner for using the same or substantially the same prior art. If the latter, it can fault the petitioner for failure to cite that art in the first petition.

The Board also has exercised its discretion when a second petitioner uses an earlier decision on institution as a road map for drafting a second institution-worthy petition. While in the minority, some panels have found this approach permissible. But, more typically, panels have refused to consider a petitioner's second bite at the apple.

Once the Board refuses to institute trial, the petitioner has little recourse. There has been no situation to date that has convinced the U.S. Court of Appeals for the Federal Circuit that it has authority to review an institution decision. And while a petitioner can request that the panel reconsider

its decision, such requests have overwhelmingly failed, with only a few being granted.

So how does a petitioner minimize the chance of the Board exercising its discretion to deny a follow-on petition? Of course, the simplest way is to file a petition that gets instituted in the first instance. But, failing that, if the same petitioner files the second petition, that petitioner must make an effort to address the 325(d) issue.

Depending on the reasons for denying the first petition, one way might be to explain why newly presented prior art references were not available when the first petition was filed. Another may be to emphasize that the first petition was denied for a procedural problem rather than on the merits. And a third, especially when relying on the same art as in the first petition, is to explain why the argument in the second petition is not the same or substantially the same as in the first petition.

If the second petitioner is a different party than the first petitioner and the first petition is instituted, one strategy to consider is whether joining the first trial is preferable to running the risk of a 325(d)-based denial. And if

a party is considering filing serial petitions attacking the same claims of the same patent, then the odds are better when taking both bites of the apple at once instead of saving one for later.

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