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Part 42 – Trial Practice Before the Patent Trial and Appeal Board

This summary is directed to judicial review of the final decisions of the Board in inter partes reviews, post-grant reviews, covered business method patent reviews, and derivation proceedings which shall be heard by at least three members of the Board.

42.1(c) Decorum be exercised in Board proceedings.

42.1(d) The default evidentiary standard for each issue in a Board proceeding is a preponderance of the evidence. Unpatentability issues must be proven by a preponderance of the evidence.

42.2 sets forth definitions for Board proceedings.

“Affidavit” means affidavits or declarations under §1.68 and provides that an ex parte deposition or declaration under 28 U.S.C. 1746 may be used.

The definition of Board renames “the Board of Patent Appeals and Interferences” to “the Patent Trial and Appeal Board” and includes a panel or employee acting with authority of the Board.

“Business Day” means a day other than a Saturday, Sunday or Federal Holiday within the District of Columbia.

“Confidential Information” means trade secret or other confidential research, development or commercial information consistent with Federal Rule of Civil Procedure 26(c)(1)(G) which provides protective orders for confidential information.

The definition of “Final” means final for purposes of judicial review wherein all necessary issues are disposed of with respect to the party seeking judicial review.

“Hearing” is a consideration of issues “involved” in the trial. “Involved” means application, patent or claim that is the subject of the proceeding.

“Judgment” means final written description by the Board or a termination of a proceeding.

“Motions” are requests for remedies and do not include petitions seeking to institute a trial.

“Office” means the United States Patent and Trademark Office.

Panel is at least three members of the board and each derivation proceeding, inter partes review, post-grant review and covered business method patent review proceeding shall be heard by at least three members of the board.

Party includes at least the petitioner and the patent owner, as well as any applicant or assignee in a derivation proceeding.

A Petition is a request that a trial be instituted consistent with 35 U.S.C. §135(a) and 311 as amended and 35 U.S.C. 321.

Petitioner is the party requesting a trial.

Preliminary proceedings begin with the filing of a petition for trial and end with a written decision as to whether a trial will be instituted.

“Proceeding” means a trial or preliminary proceeding.

“Rehearing” means reconsideration.

A trial is a contested case instituted by the Board based upon a petition except for interferences.

42.3 Jurisdiction of the Board

42.3(b) A petition to institute a trial must be filed with the Board consistent with any time period required by statute.

42.4 Provides for Notice of Trial

42.4(a) The determination to institute a trial is delegated to the Board.

42.4(b) The Board will send a notice of trial to every party in the proceeding.

42.4(c) The Board may authorize additional modes of notice.

42.5 Conduct of the Trial

42.5(a) and (b) permit administrative patent judges wide latitude in administering the proceedings.

42.5(c) The Board may set times by order. Good cause must be shown for extensions of time and to excuse late actions. Late action will be excused in the interest of justice. This is

consistent with 35 U.S.C. 315(a)(11) as amended and 35 U.S.C. 326(a)(11) which provide that the Board will issue a final decision not less than one year after institution of the review.

42.5(d) Ex parte communications about a proceeding with a Board member or employee are prohibited and sanctions apply.

42.6 Procedure for filing documents

42.6(a) Papers to be filed are required to meet the standards similar in patent prosecution, §1.52(a) and in the filings of the Federal Circuit under Fed. R. App. P. 32. Incorporation by reference is prohibited. Page size must be 8½ x 11 except for exhibits that require a larger size.

42.6(a)(2)

(i) Markings must be in black;

(ii) Either a proportional or a mono-spaced font may be used;

(A) The proportional font must be 14-point or larger,

(B) The mono-spaced font must contain more than 4 characters per cm or 10 characters per inch;

(iii) Double spacing must be used except in claim charts, headings, tables of content, tables or authorities, indices, signature blocks, and certificates of service. Block quotations may be 1.5 spaced, but must be indented from both the left and the right margins; and

(iv) Margins must be at least 2.5 cm (1 inch) on all sides.

(3) Arguments must not be incorporated by reference from one document to another. Combined motions, oppositions, replies or other combined documents are not permitted.

(4) Documents must be signed in accordance with §§1.33 and 11.18(a) and should be identified by trial number where known.

42.6(b) Electronic filing is the default manner in which documents in a proceeding are filed with the Board.

42.6(c) Exhibits are to be filed with the first document in which the exhibit is cited.

42.6(d) Prohibits filing of duplicate documents absent Board authorization.

42.6(e) Requires service simultaneous with the filing of a document and certificates of service. Service may be electronic upon agreement of the parties or may be made via EXPRESS MAIL® or by means at least as fast and reliable as EXPRESS MAIL®.

42.7 Provides that the Board may vacate or hold in abeyance unauthorized papers and limits the filing of duplicate papers.

42.8 Certain mandatory notices be provided by the parties including identification of the real parties in interest, related matters, lead and back-up counsel and service information.

42.9 Permits action by an assignee to the exclusion of an inventor but such orders will rarely be granted.

42.10(a) Requires a party to designate a lead and back-up counsel.

42.10(b) Provides that a power of attorney must be filed for counsel not of record in the party's involved patent or application.

42.10(c) Allows for pro hac vice representation before the board subject to the condition that lead counsel be a registered practitioner and to other conditions the Board may impose.

42.10(d) Provides limited delegation to the board under 35 U.S.C 2(b)(2) and 32 to regulate the conduct of counsel in board proceeding.

42.10(e) Provides that counsel may not withdraw from a proceeding without Board authorization.

42.11 Reminds parties and individuals involved in a proceeding of their duty of candor and good fath.

42.12: Provides for sanctions in trial proceedings before the Board.

42.12(a) identifies types of misconduct for which sanctions may be imposed including failure to comply with an applicable rule, abuse of discovery, abuse of process, improper use of the proceeding and misrepresentation of fact.

42.12(b) Lists the sanctions that may be imposed.

42.13: Provides a uniform system of citation to authority.

42.14: The record of a proceeding is made available to the public unless otherwise ordered. An exception is where documents or things have been accompanied by a motion to seal.

Fees

The Office is setting fees for these services pursuant to 35 U.S.C. §41(d)(2).

42.15: The average cost for preparing a petition for an inter partes review is estimated at \$46,000. The cost for preparing a petition for a post-grant or covered business method patent review is estimated to be \$61,333. The estimated cost for preparing a petition for derivation is also \$61,333.

The fees for filing a petition for an inter partes review is \$27,200 for requesting review of 20 or fewer claims and \$600 for each claim in excess of 20.

The fees for filing a petition for a post-grant or covered business method patent are \$35,800 to request review of 20 or few claims and \$800 for each claim in excess of 20.

The estimated IT cost to establish the process and maintain filing and storage through 2017 is to be recovered by charging each petition a base IT fee of \$1704 for requests to review 20 or fewer claims and an additional \$75 for each claim in excess of 20.

The cost per hour for a judge to decide a petition for and conduct a review is \$258.32.

For inter parte petitions involving 20 or fewer claims an estimated 100 hours of judge is required and an addition two hours of judge time for each claim in excess of 20.

For a petitions for post-grant or covered business method patents review with 20 or fewer claims is anticipated to involve 130 hours of judge time and an additional slightly under 3 hours of judge time for each claim in excess of 20.

42.15(a) Sets the fee for a petition to institute an inter partes review of a patent based upon the number of challenged claims.

42.15(b) Sets the fee for a petition to institute a post-grant review or a covered business method patent review based on the number of challenged claims .

42.15(c) Sets the fee for a petition to institute a derivation proceeding in the amount of \$400.

42.15(d) Sets the fee for filing written requests to make a settlement agreement in the amount of \$400.

42.15(e) and (f) recite the statutory fees due when a patent owner presents additional claims during a review. See 35 U.S.C. §41(a)(s)(A)(i) and (ii).

Petition and Motion Practice

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42.20 Provides that relief, other than a petition to institute a trial, must be in the form of a motion.

42.20(b) Provides that motions will not be entered absent Board authorization. A conference call would be required before an opposed motion is filed.

42.20(c) Provides that the Board may order briefing on any issue appropriate for a final written determination on patentability.

42.21(a) Provides that the Board may require a party to file a notice stating the relief it requests and the basis for that relief in the Board proceedings.

42.21(b) Failure to state a sufficient basis for relief will warrant denial of the request.

42.21(c) Permits correction of a notice after the time set for filing the notice but sets a high threshold for entry of the correction (i.e. if the entry was in the interests of justice). A showing of good cause for extending the time for entering a final decision is required.

42.22 General content of motions.

42.22(a) Each petition or motion be filed as a separate paper.

42.22(a)(1) and (a)(2) provide a statement of relief requested and a statement of the reasons for the relief. Vague arguments and generic citations are fundamentally unfair and do not provide sufficient notice.

42.22(b) requires the movant to make showings ordinarily required for the requested relief in other parts of the Office.

42.22(c) provides that a petition or motion may include a statement of facts with specific citations to the portions of the record that support the particular fact.

42.23 provides that oppositions and replies must comply with the content requirements for a motion and that a reply may only respond to arguments raised in the corresponding opposition. Oppositions and replies may rely on appropriate evidence to support the positions asserted therein. Reply evidence must be responsive and not merely new evidence that could have been presented earlier to support the movant's position.

42.24 provides page limits for petitions, motions, patent owner preliminary responses, patent owner responses, oppositions, and replies.

42.24(a) provides a set limit of 6600 pages for petitions requesting inter partes reviews and derivation proceedings and 80 pages for petitions requesting post-grant reviews and covered business method patent reviews, and 15 pages for motions.

An inter partes review petition is based upon any grounds identified in 35 U.S.C. 311(b), as amended, i.e. only a ground that could be raised under 35 U.S.C. §102 or §103 and only on the basis of patents or printed publications.

A post-grant review petition is based upon any grounds identified in 35 U.S.C. §321(b), e.g. failure to comply with §101, §102, §103 and §112 (except best mode).

42.24(b) provides page limits for patent owner preliminary response, patent owner responses and oppositions. The rule provides a 15 page limit for priority motion replies, a 10 page limit for miscellaneous (procedural) motion replies and a 10 page limit for all other motion. There is a 15 page limit for reply to petitions requesting a trial.

42.25 provides default times for filing oppositions and replies. The expectation is that the Board will tailor times appropriate to each case as opposed to relying on the default times set by rule.