



# Vidas, Arrett & Steinkraus, P.A.

## **Trial Procedure at the Patent Trial and Appeal Board**

In general, the Patent Trial and Appeal Board (PTAB) has jurisdiction over inter partes review, post-grant review (including covered business method patents), and derivation proceedings. Certain trial procedures, as provided in 37 CFR Part 42 govern procedures, generally, for inter partes review, post-grant review (including covered business method patents), and derivation proceedings. Such procedures deal with, for example, how discovery and testimony are taken, in what form evidence is presented, how objections are made, and the like.

Additionally, PTAB decisions relating to regular applications (including reissue applications), ex parte reexamination, inter partes review, post-grant review (including covered business method patents), and derivation proceedings, are appealable to the Court of Appeals for the Federal Circuit (CAFC). Additionally, as an alternative option, appeals from PTAB decisions can be taken to District Court for the Eastern District of Virginia for regular applications (including reissue applications) and derivation proceedings. The CAFC has exclusive jurisdiction over inter partes review, post-grant review, and ex parte reexaminations.

Appeals from the BTAP must generally be filed within 63 days after a final decision from the PTAB.

Existing inter partes reexaminations and interferences are governed by existing law.

## **Part 42 – Trial Practice Before PTAB**

**Applicability:** covers trial practice for *inter partes* review, post-grant review, transitional program for covered business method patents, and derivation proceedings

## Testimony and Production

### **§ 42.51 Discovery**

Certain initial disclosures are required. This can be done by party agreement, as in § 42.51(a)(1)(i), upon institution of trial, as in (a)(1)(ii), or by motion practice, (a)(2).

Generally, unless agreed to by the parties, such parties are not entitled to discovery beyond as set forth in the “initial disclosures.” § 42.51(b)(1). (i) Exhibits must be served with citing paper or testimony. (ii) Board sets time for cross examination of affidavit testimony. (iii) Party must serve relevant information that is inconsistent with a previous position.

Parties may agree to additional discovery. Or, without agreement, they can petition the Board. § 42.51(b)(2)(i)

For post-grant reviews, additional discovery is limited to evidence directly related to factual assertions advanced during proceeding.

Must provide documents and things to opposing party, or make the same available at a reasonable time and location within US. § 42.51(c)

### **§ 42.52 Compelling testimony and production**

Must have authorization to compel testimony or production by filing a motion which describes the relevance and: (1) identifies the witness by name or title (for testimony); and (2) general nature of document or thing, in such case. § 42.52(a).

For testimony or production outside US, must identify foreign county, explain why witness can be compelled, estimate time to take testimony, and demonstrate party has made effort to secure testimony within US. § 42.52(b)(1).

### **§ 42.53 Taking testimony**

Uncompelled direct testimony submitted in affidavit; other testimony submitted in deposition transcript. § 42.53(a).

Uncompelled testimony may be taken at any time; otherwise, it is taken during period set by the Board. § 42.53(b)(1).

Deposition testimony may be taken at any reasonable time and location within US before disinterested official. § 42.53(b)(2).

Uncompelled testimony outside US only to be taken upon agreement of parties or as Board directs. § 42.53(b)(3).

Compelled testimony duration as follows: direct examination – 7 hours; cross-examination – 4 hours; redirect – 2 hours. § 42.53(c)(1).

Uncompelled direct testimony as follows: cross-examination – 7 hours; redirect – 4 hours; re-cross – 2 hours. § 42.53(b)(2).

Parties must agree on time and place for taking testimony. If no agreement, must initiate a conference with the Board. § 42.53(d)(1).

Cross-exam should take place after supplemental evidence relating to direct testimony and more than one week prior to filing a paper expecting to make use of such testimony. Party may choose order in which to cross-examination witnesses. § 42.53(d)(2).

For direct deposition testimony, party seeking same must serve, at relevant time (see rule): (i) list and copy of each document in party's control to be relied upon, and (ii) list of anything not in party's control. § 42.53(d)(3).

Party seeking deposition must file notice of same at least 10 business days prior. § 42.53(d)(4).

Regarding the scope and content of testimony, the notice must list (A) time and place; (B) name and address of witness; (C) list of exhibits to be relied upon; (D) general description of nature of testimony. § 42.53(d)(5)(i).

For cross-examination, scope is limited to scope of direct. § 42.53(d)(5)(ii).

For any additional party seeking to take direct testimony of third-party witness at time and place noticed above, additional party must provide a counter notice. § 42.53(d)(5)(iv).

Objection to a defect in the notice is waived unless promptly moved to quash. § 42.53(d)(6).

If interpreter used in deposition, must provide 5 business days' notice to Board. § 42.53(e).

Witness must be duly sworn by officer before whom deposition is taken. Officer must be authorized under 35 USC § 23. § 42.53(f)(1).

Testimony is taken in regular order by officer or disinterested person in presence of officer, unless waived by agreement. § 42.53(f)(2).

Exhibits used must be numbered as in § 42.63(c) and must be served at deposition, if not previously served. Objected-to exhibits shall be accepted pending decision on objection. § 42.53(f)(3).

All objections shall be noted on record. § 42.53(f)(4).

Transcript must be read and signed by witness unless otherwise agreed, waived, refused by witness. § 42.53(f)(5).

Officer shall prepare certified transcript, stating, unless waived: (i) witness was duly sworn, (ii) transcript is a true record; (iii) name of recorder; (iv) presence or absence of opponent; (v) place of deposition and start/end times; (vi) officer has no disqualifying interest; (vii) circumstances under which witness refuses to sign, if applicable. § 42.53(f)(6).

Proponent of testimony must provide copy of transcript to other parties, unless agreed otherwise; testimony must be filed as an exhibit. § 42.53(f)(7).

Objections are waived unless made of record during deposition and timely filed I motion to exclude. § 42.53(f)(8).

Costs of taking testimony shall be borne by proponent of testimony, except as otherwise agreed or ordered. § 42.53(g).

#### **§ 42.54 Protective order**

Party may file a motion to seal. Motion must include a certification that moving party has worked to resolve dispute. The Board may issue protective order, for good cause, to protect a party or person from disclosing confidential information.

#### **§ 42.55 Confidential information in a petition**

Petitioner filing confidential information may, concurrent with petition, file a motion to seal with protective order.

Petitioner must file, but need not serve, confidential information under seal. Patent owner may only access sealed information prior to trial by agreeing to default protective order or through Board, for default protective order. For protective orders other than a default protective order, access to sealed information prior to trial can be accessed by agreement of parties or obtaining protective order. § 42.55(a), (b).

#### **§ 42.56 Expungement of confidential information**

Party may file a motion to expunge confidential information after final judgment or after denial to institute trial.

#### **§ 42.61 Admissibility**

Evidence not taken in accordance with this subpart is not admissible. § 42.61(a).

Do not need to certify evidence when such evidence is a record of the Office to which all parties have access. § 42.61(b).

Specification and drawings of US application only admissible as evidence to prove what specification or drawings describe. If relying on data in specification, must include affidavit by person having first-hand knowledge. § 42.61(c).

#### **§42.62 Applicability of Federal Rules of Evidence**

Federal Rules of Evidence generally apply, except as relating to criminal proceedings, juries, and unrelated sections thereof.

Terms defined:

“Appellate courts” means CAFC;

“civil action”, “civil proceeding”, “action” mean action before Board;

“courts”, “magistrate”, “trier of fact”, “judge” mean Board;

“judicial notice” means official notice;

“Trial” or “hearing” in Fed. R. Evidence 807 means time for taking testimony.

Board may consider any source or relevant material in determining foreign law.

#### **§ 42.63 Form of evidence**

All evidence filed as exhibit. § 42.63(a).

Translation required when document relied upon not in English; must include affidavit of accuracy. § 42.63(b).

Exhibits must be uniquely numbered. Petitioner exhibits range is 1001-1999; patent owner exhibits range is 2001-2999. § 42.63(c).

Exhibits filed with petition must have: label, petitioner’s name, and exhibit number.

Exhibits not filed with the petition must have a label including, in this order: party's name, exhibit number, names of parties, and trial number.

When exhibit is a paper, each page must be numbered with label affixed to lower right corner of 1<sup>st</sup> page without obscuring; if obscuring is impossible, use duplicate first page.

Each party must maintain exhibit list and must serve same when evidence served. Must file exhibit list.

#### **§ 42.64 Objection; motion to exclude; motion in limine**

Objection to deposition evidence must be made during deposition. Evidence to cure objection must be provided during deposition, unless stipulated otherwise on deposition record. § 42.64(a).

For an objection to evidence other than deposition evidence, the objection must be served within 10 business days of institution of trial; after institution of trial, must serve objection within 5 business days of service of evidence objected to. Objection must identify grounds with specificity. § 42.64(b)(1).

Party may respond to objection, within 10 business days thereof, with supplemental evidence. § 42.64(b)(2).

Motion to exclude evidence must be filed to preserve an objection; it must identify and explain objections in the record; it may be filed without prior authorization from the Board. § 42.64(c).

#### **§ 42.65 Expert testimony; tests and data**

Expert testimony without underlying data or facts forming basis of opinion is entitled to little or no weight. Testimony on law or examination practice not admitted. § 42.65(a).

If technical tests or data is relied upon, must provide affidavit explaining: (1) why test or data is used; (2) how test was performed and data generated; (3) how data is used to determine a value; (4) how test is regarded in the art; (5) other necessary information. § 42.65(b).

### **§ 42.70 Oral argument**

Request for oral argument must be filed as a separate paper and must specify issues to be argued.

Demonstrative exhibits must be served at least 5 business days before oral argument and filed no later than time of oral argument.

### **§ 42.71 Decision on petitions or motions**

Board may consider petitions or motions in any order; may grant, dismiss, deny. § 42.71(a).

Decision on motion without judgment is not final for judicial review purposes. Can request rehearing by panel, if original decision is not a panel decision. Standard is abuse of discretion. § 42.71(b).

Decision by Board on whether to institute a trial is final and nonappealable, but may request rehearing. Standard is abuse of discretion. § 42.71(c).

Rehearing - Can request rehearing without prior Board authorization. Must specifically identify all matters believed Board misapprehended. Party must identify where each matter was previously addressed in a motion, opposition, or a reply. Rehearing request does not toll times for taking action. Request must be filed: (1) within 14 days of entry of non-final decision or a decision to institute trial; or (2) within 30 days of entry of a final decision or a decision not to institute trial. § 42.71(d).

### **§ 42.72 Termination of trial**

Board may terminate trial without rendering final written decision where appropriate.



## § 42.73 Judgment

Judgment disposes of all issues, except in case of termination. § 42.73(a).

Party can request judgment against itself. § 42.73(b).

Judgment may include recommendation for further action by examiner or Director. § 42.73(c).

### Estoppel –

Petitioner is estopped from requesting proceeding on claim for which it obtained a final written decision on patentability in inter partes review, post-grant review, or business method patent review on any ground raised or could have been raised. § 42.73(d)(1).

Exception – petitioner or real party in interest who settled under 35 USC § 317 or 327. § 42.73(d)(1).

For derivation, losing party who could have properly moved for relief on an issue but did not, may not take action in the Office after the judgment that is inconsistent with that party's failure to move. § 42.73(d)(2).

Exception – losing party not estopped with respect to subject matter for which that party was awarded favorable judgment. § 42.73(d)(2).

Patent applicant or owner is precluded from taking action inconsistent with an adverse judgment. § 42.73(d)(3).

## § 42.74 Settlement

Parties may agree to settle. Board may independently determine question of jurisdiction, patentability, or Office practice. § 42.74(a).

Agreements between parties re: termination must be in writing and filed with Board. § 42.74(b).

Party may request settlement be kept confidential and separate from file of patent application. Request must be filed with settlement. § 42.74(c).

### Certificate

#### 35 USC § 307 – Certificate on patentability, unpatentability, and claim cancellation

For reexamination proceeding, Director will publish and issue decision regarding canceled, amended, or confirmed claims.

#### **§ 42.80 Certificate**

After final written decision in inter partes review, post-grant review, or business method patent review, the Office will publish a certificate canceling or confirming claim(s), or incorporating amended claims.

### **Part 90 – Judicial Review of PTAB Decisions**

#### 35 USC § 141 – Appeal to CAFC

- (a) Examination – PTAB decisions rejecting an application under § 134(a) are appealable to the CAFC.
- (b) Reexamination (ex parte) – PTAB decisions rejecting a reexamination application under § 134(b) are appealable to the CAFC.
- (c) Inter partes review and post-grant – decisions by the PTAB under § 318(a) or § 328(a) are appealable to the CAFC.
- (d) Derivation proceedings – Can be appealed to the CAFC, but appeal to CAFC will be dismissed in favor of civil action under § 146 if adverse party files a notice within 20 days of the appeal to the CAFC. If the party that filed the appeal to CAFC does not

now file a civil action under § 146 within 30 days after such notice from the adverse party, the Board's decision governs any further proceedings.

#### 35 USC § 142 – Notice of Appeal

When appeal is taken to the CAFC, appellant shall provide written notice to PTO. Appellant has 63 days to notify PTO after final Board decision – 37 CFR § 90.3.

#### 35 USC § 143 – Proceedings on Appeal

Director must provide CAFC with records from PTO. PTO can intervene in derivation proceeding or post-grant review.

#### 35 USC § 144 – Decision on Appeal

CAFC shall review decision from PTO and issue mandate and opinion to Director to be entered at PTO. CAFC decision shall govern further proceedings.

#### 35 USC § 145 – Civil Action to Obtain Patent

Party can file a civil action in the District Court for the E.D. Virginia if dissatisfied with a PTAB decision in an appeal under § 134(a) – (non-reexam application). Must be filed within 63 days after Board decision. 37 CFR § 90.3.

#### 35 USC § 146 – Civil Action in derivation proceeding

Party can file a civil action in the District Court for the E.D. Virginia if dissatisfied with a PTAB decision as in 35 USC § 141(d). Must be filed within 63 days after Board decision, or as provided in § 141(d), if applicable.

Comments – Under AIA, civil actions are no longer brought in the District of Columbia; instead, they are brought in the E.D. of Virginia. Further, PTAB decisions are appealable to the E.D. of Virginia or CAFC only for (1) regular examination (including reissue) and (2) derivation

proceedings. The CAFC has exclusive jurisdiction over: (1) inter partes review, (2) post-grant review, and (3) ex parte reexaminations.

### **§ 90.1 Scope**

Judicial review of PTAB decisions governed by 35 USC §§ 141-146; inter partes reexamination proceedings and interference proceedings are ruled by law in effect on July 1, 2012 (a.k.a. “old” patent law). § 90.1

### **§ 90.2 Notice; service**

Appeals under 35 USC § 141 – must be filed with Director as in 37 CFR § 104.2; copy must be filed with PTAB, as in § 41.10(a), 41.10(b), or 42.6(b). § 90.2(a)(1).

Must comply with Federal Rules of Appellate Procedure and CAFC rules. § 90.2(a)(2).

For appeals from ex parte reexamination proceedings, notice is served as provided in 37 CFR § 1.550(f).

For appeals from inter partes review, post-grant review, business method review, or derivation proceeding, notice of appeal must provide sufficient information to allow Director to know whether to intervene (35 USC § 143); notice must be served as in 37 USC § 42.6(e). § 90.2(a)(3)(ii).

For a derivation proceeding, party can proceed with a civil action in E.D. Virginia if unsatisfied with PTAB decision, pursuant to 35 USC § 146. Party must file a notice of election with USPTO as in 37 CFR § 104.2. § 90.2(b)(1). A copy of notice of election must be filed with PTAB and as necessary under 37 CFR § 42.6(e). § 90.2(b)(2), (3).

When proceeding with a civil action under 35 USC § 146, party must file a copy of complaint within 5 business days after filing the complaint in district court with the PTAB, as in 37 CFR § 42.6(e), and the Office of the Solicitor, as in 37 CFR § 104.2. § 90.2(c).

### **§ 90.3 Time for appeal or civil action**

Appeal to CAFC – Notice of appeal under 35 USC § 142 must be filed no later than 63 days after the date of the final Board decision.

Time to file Civil Action – 63 days after final Board decision, under 35 USC § 145, 146.

Notice of election – governed by 35 USC § 141(d) (within 20 days after other party files Notice of Appeal to CAFC).

Time computations for filing appeal are reset if a notice of rehearing is timely filed. 37 CFR § 90.3(b)(1).

If last day for filing appeal or civil action ends on a holiday, time is extended as in 35 USC § 21(b). 37 CFR § 90.3(b)(2).

Director may extend the time for filing an appeal or civil action with written request if (1) filed before expiration period, with good cause, or (2) AFTER expiration period with good cause, and failure to act was result of excusable neglect. Request must satisfy 37 CFR § 104.2. 37 CFR § 90.3(c).