

New Proposals May Normalize 2 PTAB Petitions Per Patent

By **Ted Cannon** (June 21, 2023)

The U.S. Patent and Trademark Office recently announced it is considering, among other issues, changes to how the Patent Trial and Appeal Board will handle multiple petitions filed by a petitioner around the same time against the same patent.[1]



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One change being considered for such parallel petitions would allow petitioners to pay additional fees to double the current word count limit for a single petition.[2] The USPTO observes: "Under this change, a petitioner may file effectively two petitions as one long petition." [3] A petitioner would not be allowed to file more than one expanded petition.[4]

The USPTO is also considering requiring petitioners who file parallel petitions to show good cause why parallel petitions are necessary.[5] In deciding whether good cause has been shown, the board would consider factors relating to the complexity of the issues presented, including the number of claims asserted in litigation and the existence of priority-date disputes or alternative claim constructions.[6]

Implementing both proposals for a higher word-count limit and show of good cause would encourage petitioners to pay to file a single expanded petition equivalent to two petitions to avoid needing to show good cause.

How to handle parallel petitions has been a significant and developing issue since enactment of the America Invents Act. The AIA's estoppel provisions are the only express statutory rules that may potentially restrict parallel petitions.[7]

Those provisions bar the petitioner or some related entities in an inter partes review or post-grant review for which a final written decision has issued from requesting or maintaining a subsequent IPR or PGR against the same claims.[8] But estoppel does not bar filing or proceeding with multiple petitions before issuance of a final written decision.

In addition to statutory estoppel, the AIA gives the USPTO director authority that may be used to regulate the filing of parallel petitions. For example, the statute requires the director to prescribe regulations for conducting PTAB proceedings, including "setting forth the standards for the showing of sufficient grounds to institute a review." [9]

The board has long interpreted the statute's permissive standard for instituting an IPR or PGR as granting the director discretion whether to institute a review.[10]

The AIA provides little guidance on how the director should exercise this discretion. The statute provides that the director's institution decision:

may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.[11]

The board has interpreted that provision as providing one basis for discretionary denial, but not as precluding other bases. Some AIA legislative history suggests the USPTO use its

expanded procedural authority to address "abuses," such as using IPRs and PGRs "as tools for harassment" or repeated "administrative attacks on the validity of a patent." [12]

The initial regulations established a 60-page limit for IPR petitions and an 80-page limit for PGR petitions. [13] The USPTO stated these limits were "considered sufficient in all but exceptional cases." [14] Petitioners could move to waive the limits but needed to show how such a waiver was in the interests of justice. [15] Neither the initial nor subsequent regulations have ever restricted the filing of multiple petitions.

In the absence of rules prohibiting multiple petitions, and the high interests-of-justice standard for exceeding page limits, it was perhaps inevitable that petitioners began filing parallel petitions against the same patent shortly after the AIA was implemented. [16]

In deciding whether to institute multiple parallel petitions, the board initially applied redundancy principles similar to those it applied to single petitions presenting multiple grounds. [17]

For example, the board denied parallel petitions that: did not "add substantively to the grounds" presented in instituted petitions, [18] cited a reference "as disclosing the same features" allegedly disclosed by other references in another petition, [19] and were not "necessary to address all of the challenged claims" or shown "to be superior to other" petitions. [20]

In 2019, the board, in a precursor to its current guidelines, ordered a petitioner who filed five parallel petitions to rank the petitions "in the order in which it wishes the panel to consider the merits" and explain "the differences between the Petitions, why the differences are material, and why the Board should exercise its discretion to consider the additional Petitions." [21]

The board also authorized the patent owner to respond. [22] The board applied the substance of that order to subsequent petitions in the July 2019 update to its trial practice guide [23] and its November 2019 consolidated trial practice guide. [24]

In addition, the board added guidance that: "one petition should be sufficient to challenge the claims of a patent in most situations," multiple petitions "may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns," and multiple petitions "are not necessary in the vast majority of cases." [25]

The guidance acknowledges there may be circumstances in which more than one petition may be necessary, such as when the patent owner has asserted a large number of claims or when there is a priority-date dispute. [26] But the guidance indicates cases where two petitions are needed "should be rare" and it is "unlikely that circumstances will arise where three or more petitions ... will be appropriate." [27]

It is apparent the USPTO's proposals for a higher word-count limit and good cause would effectively eliminate the current guidance disfavoring two petitions while codifying the current guidance against three or more petitions.

Implementing both proposals together would tend to normalize the effective filing of two petitions — in the form of an expanded petition — while eliminating most filings of three or more petitions.

As a result, the effective number of petitions instituted per patent would likely increase. That conclusion is borne out by fiscal year 2020 USPTO statistics related to parallel petition filings.

The statistics indicate that 15% of fiscal year 2020 AIA patent challenges were parallel petition attempts.[28] The average number of petitions in such attempts was 2.28, indicating that a significant majority of attempts involved two petitions.[29]

The success rate — meaning the percentage of attempts resulting in institution of more than one petition — was 30%.[30] The overall institution rate by patent was 64%.[31]

These statistics support a reasonable approximation that, on average, each parallel petition attempt in fiscal year 2020 resulted in institution of about one petition.[32]

Most petitioners inclined to file multiple petitions under current guidance would instead opt to file an expanded petition under the higher word-count limit proposal. Filing an expanded petition would be equivalent to filing two petitions without risking denial of one of them as redundant. Filing three or more petitions is currently rare, and the good-cause proposal would likely make it rarer still.

The higher word-count limit proposal's incentive for multipetition filers to opt to file expanded petitions would likely increase the effective number of petitions instituted per patent.

Based on the 64% per-patent institution rate in fiscal year 2020, on average, each expanded petition would result in institution of the equivalent of 1.28 petitions, significantly higher than the approximate one petition instituted per parallel petition attempt in fiscal year 2020.

Thus, implementing the proposal for a higher word-count limit would likely increase the effective number of petitions instituted per patent even if the parallel petition attempt rate remained constant.

Moreover, it is unlikely the parallel petition attempt rate would remain constant after implementation of the higher word-count limit proposal. Indeed, implementing the higher word count proposal would likely encourage petitioners to more frequently file two petitions per patent in the form of expanded petitions.

The board's current practice of always requiring petitioners to justify the filing of multiple petitions, and the attendant risk that second petitions may be denied institution, undoubtedly deters some petitioners from filing two petitions.

The higher word-count limit proposal would eliminate the risk of filing two petitions by allowing petitioners to effectively file two petitions without justification and without any chance of the second petition being denied institution due to redundancy.[33]

Thus, while any prediction of future petitioner behavior is necessarily imprecise, implementing the higher word-count limit proposal would foreseeably cause petitioners to more frequently file two petitions per patent in the form of expanded petitions. The incentive to file expanded petitions would, in turn, further increase the effective number of petitions instituted per patent.

The most obvious practical effect of the higher word-count limit proposal is that petitioners,

by paying additional fees, could pursue additional grounds without risking denial of institution for redundancy.

Petitioners may use the additional grounds to address the types of complexity — such as alternative claim constructions, priority-date disputes or the patent owner's assertion of numerous claims — that currently justify filing multiple petitions. Or petitioners may present additional prior art combinations that currently may be considered redundant.

In either case, petitioners and patent owners alike can reasonably expect implementation of the higher word-count limit proposal to increase the average number of instituted grounds petitioners are allowed to pursue against each patent.

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[1] Federal Register, Vol. 88, No. 77 at 24512-24513 (Apr. 21, 2023).

[2] *Id.* at 24513.

[3] *Id.*

[4] *Id.*

[5] *Id.* at 24512.

[6] *Id.* at 24513.

[7] See 35 U.S.C. §§ 315(e) and 325(e).

[8] *Id.*

[9] 35 U.S.C. §§ 316(a) and 326(a).

[10] See 35 U.S.C. §§ 314(a) and 324(a) ("The Director may not authorize ...").

[11] 35 U.S.C. § 325(d).

[12] House of Representatives Report 112-98, Part 1 at 48 (Jun. 1, 2011).

[13] 37 C.F.R. § 42.24(a)(1). The page limits were later changed to word-count limits.

[14] Federal Register, Vol. 77, No. 157 at 48717 (Aug. 14, 2012).

[15] 37 C.F.R. § 42.24(a)(2).

[16] See, e.g., IPR2014-00535, Paper 1; IPR2014-00536, Paper 1; IPR2014-0536, Paper 1 (three parallel petitions filed March 25, 2014).

[17] See *Liberty Mut. Ins. Co. v. Progressive Casualty Ins. Co.*, CBM2012-00003, Paper 7 at 2 (PTAB Oct. 25, 2012) (denying multiple grounds as redundant). The Board's partial-institution practice of instituting some grounds but denying others within a single petition was abrogated by the Supreme Court in *SAS Institute, Inc. v. Iancu*, 138 S. Ct. 1348, 1359-60 (2018).

[18] *Canon Inc. v. Intellectual Ventures I LLC*, IPR2014-00536, Paper 9 at 20 (PTAB Sept. 24, 2014). In this case, the petitioner foreshadowed the USPTO's expanded-word-count proposal, arguing its payment of separate fees for each petition accounted for the burden of instituting multiple petitions. IPR2014-00536, Paper 10 at 5, 10 (Oct. 8, 2014 request for rehearing). The Board disagreed, holding the payment of separate fees assured the petitions would be considered, not instituted. IPR2014-00536, Paper 11 at 3-4 (PTAB Nov. 5, 2014).

[19] *Asustek Comp. Inc. v. Exotablet, Ltd.*, IPR2015-00043, Paper 6 at 9-10 (PTAB Apr. 23, 2015).

[20] *Alarm.com Inc. v. Vivint, Inc.*, IPR2015-01967, Paper 12 at 20-21 (PTAB Mar. 30, 2016).

[21] *Comcast Cable Comms., LLC v. Rovi Guides, Inc.*, IPR2019-00279, Paper 7 at 4 (PTAB Apr. 22, 2019).

[22] *Id.*

[23] <https://www.uspto.gov/sites/default/files/documents/trial-practice-guide-update3.pdf> (July 2019 Trial Practice Guide Update) at 26-27.

[24] <https://www.uspto.gov/sites/default/files/documents/tpgnov.pdf> (November 2019 Consolidated Trial Practice Guide) at 59-61.

[25] *Id.* at 59.

[26] *Id.*

[27] *Id.*

[28] https://www.uspto.gov/sites/default/files/documents/multiple_petition__mta_study.pdf.

[29] *Id.*

[30] *Id.*

[31] https://www.uspto.gov/sites/default/files/documents/ptab__aia_fy2022_roundup.pdf.

[32] Such an approximation assumes 30% of the parallel petition attempts were successful, each successful attempt resulted in institution of two petitions, 34% of the parallel petition attempts resulted in institution of one petition (based on the 64% overall per-patent institution rate minus the 30% parallel petition success rate), and the remaining 36% of the parallel petition attempts resulted in denial of all petitions. Available USPTO statistics are insufficient to account for instances in which three or more parallel petitions were instituted

but suggest that such instances were rare and, thus, unlikely to significantly affect the approximation.

[33] As under current guidance, expanded petitions would still face the risk of denial on the merits.