

Taming the uncertainty of ad hoc procedures in PTAB remand proceedings

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Consider the following very real scenario.

The U.S. Court of Appeals for the Federal Circuit hears your appeal of an inter partes review but does not affirm the decision.

Instead, it remands the matter back to the Patent Trial and Appeal Board for a new final written decision.

If you are not certain of what to do next, you are in good company.

While the U.S. Patent and Trademark Office has a bevy of statutes, regulations and case law that guide practitioners through pending procedures, there are no formal rules governing how the PTAB is to handle an IPR decision that has been remanded to it from the Federal Circuit.

Indeed, practitioners and the PTAB alike find themselves in uncharted territory here.

Patterns have emerged as to how the PTAB is handling remands in America Invents Act trials.

Unlike traditional IPR procedures, there are no set rules on timing, additional briefing or whether new evidence may be introduced when addressing the Federal Circuit's concerns.

The result is uncertainty and risk for practitioners.

To date, the PTAB has completed remand proceedings and issued new final written decisions in at least 14 remand proceedings.

Through these cases, patterns have emerged as to how the PTAB is handling remands in America Invents Act trials.

An analysis of the 14 proceedings yields practical advice on what practitioners might expect if they find themselves in remand situations.

PTAB TO FEDERAL CIRCUIT AND BACK

A party in an AIA trial for inter partes review, post-grant review or covered business method review may appeal a final written PTAB decision to the Federal Circuit.

The Federal Circuit can affirm the PTAB's decision — in whole or in part — or it can remand the decision to the PTAB to address certain issues.

Accordingly, the PTAB needs to take appropriate actions to comply with a remand from the Federal Circuit and to issue a new final written decision.

In one of its early remand decisions, the Federal Circuit made clear that it had no intention of micromanaging remand proceedings:

We do not direct the board to take new evidence or, even, to accept new briefing. The board may control its own proceedings, consistent with its governing statutes, regulations and practice. 37 C.F.R. § 42.5(a). Those statutes, regulations and practices embody expedition- and efficiency-based policies that the board must consider in determining the scope of the remand proceedings.¹

WHAT TO EXPECT IF YOUR CASE IS REMANDED

Same panel and conference call

Similar to rehearings in AIA trials, the same PTAB panel for an AIA trial will handle the subsequent remand proceeding.

Remand proceedings formally commence with the Federal Circuit's issuance of a mandate.²

In most cases, the PTAB holds a conference call with the parties to discuss the need for remand briefing and on what issues.

The PTAB usually follows up with an order setting forth deadlines, page limits and other constraints for remand briefs.

After briefing is complete, the PTAB issues a new final written decision.

No timing guarantees

Unlike the one-year statutory timeline — with limited extensions — of AIA trials,³ there are no time lines for completing remand proceedings.

Based on our review of completed remand proceedings, the PTAB tends to issue a new final written decision within a few months of

completion of remand briefing.

The PTAB has issued a new final written decision in as little as five weeks after submission of remand briefs.

However, it has also taken much more time in other cases.

No new evidence allowed

The PTAB typically authorizes parties to submit briefing, but not new evidence, to address some or all of the issues the panel needs to address on remand.

Often the PTAB expressly instructs the parties to cite in their remand briefs to their earlier papers where the evidence was discussed.

For example, in *Sipnet EU S.R.O. v. Straight Path IP Group Inc.*, No. IPR2013-246, 2016 WL 7335394 (P.T.A.B. May 23, 2016), the PTAB panel authorized remand briefs to address the impact of the Federal Circuit's decision reversing one of the PTAB's claim constructions.⁴

Specifically, the panel authorized seven-page briefs but prohibited "any new evidence or any new argument."

The panel required the parties "to provide citations in this additional briefing to those portions of the previously existing record where the argument or evidence was originally introduced."⁵

The PTAB seems to prefer simultaneous filing of remand briefs, although briefing is sometimes staggered.⁶

Where briefing is staggered, reply briefs may or may not be preauthorized.⁷

Additional briefing is not guaranteed

In at least two IPR remand proceedings, the PTAB panels declined to authorize any briefing on remand.

In *Corning Optical Communications RF LLC v. PPC Broadband Inc.*, No. IPR2013-00340, 2016 WL 8944597 (P.T.A.B. Aug. 4, 2016), the PTAB panel denied the parties' requests to submit remand briefs.

In doing so, the panel suggested that the claim construction issue flagged by the Federal Circuit had been raised by the patent owner during the trial, and that the parties thus had ample opportunity to address it previously.

In a third case, *ZTE Corp. et al. v. IPR Licensing Inc.*, No. IPR2014-525, 2017 WL 3142042 (P.T.A.B. July 24, 2017), the board limited the petitioner to a three-page submission consisting of an introductory paragraph and a simple list of citations to the record where the petitioner had previously addressed the central issue on remand.

Due process issues are the exception

On rare occasions, PTAB panels have authorized new evidence and new argument on remand.

For example, in *SAS Institute Inc. v. ComplementSoft LLC*, No. IPR2013-00226, 2017 WL 2199146 (P.T.A.B. May 17, 2017), after the Federal Circuit held that the petitioner had been denied the opportunity to address a new claim construction a PTAB panel had adopted in its final written decision, the panel authorized the petitioner to submit new declaratory evidence on remand.

The PTAB panel also scheduled a telephonic hearing in which each side would be given 15 minutes for oral argument.

In *Eli Lilly & Co. v. L.A. Biomedical Research Institute*, No. IPR2014-00752, 2017 WL 2312913 (May 26, 2017), a PTAB panel distinguished *SAS Institute* and rejected the petitioner's request to submit new declaratory evidence.

However, the panel in *Eli Lilly* ruled that the parties' remand briefs could address any evidence in the record and were "not limited to the evidence discussed in the papers filed during trial."

PRACTICE TIPS

If the Federal Circuit remands your case back to the PTAB, consider taking these steps:

Be proactive

The party must be proactive in contacting the PTAB panel to seek authorization for additional briefing. By waiting too long after the issuance of the mandate, the party may risk forfeiting the opportunity for remand briefing.

Justify need for new evidence

If a party wants, or needs, to make new arguments or to rely on new evidence on remand, it must be prepared to explain why the PTAB should permit it to do so.

A party should try to identify issues flagged by the Federal Circuit that it had little or no reason to address during trial, perhaps because the opposing party never raised them.

Avoid overconfidence

A Federal Circuit win does not guarantee a PTAB win, and parties should not assume the Federal Circuit decision is determinative of the outcome on remand.

Some parties have preserved the original PTAB victory on remand despite the Federal Circuit's reversal of a favorable construction by the PTAB.⁸

Others have persuaded the PTAB to flip the outcome even in cases that were merely vacated and remanded for insufficient reasoning.⁹

In sum, while the PTAB's structuring of remand proceedings may be ad hoc, it is hardly random.

The guiding principle is that proceedings are structured to keep both the parties and the board focused narrowly on the issues the PTAB was instructed to revisit on remand.

NOTES

¹ *Ariosa Diagnostics v. Verinata Health Inc.*, 805 F.3d 1359 (Fed. Cir. 2015).

² See Fed. Cir. R. 41.

³ 35 U.S.C.A. §§ 141, 319 and 329.

⁴ See, e.g., supplemental briefing in *Sipnet EU S.R.O. v. Straight Path IP Grp. Inc.*, No. IPR2013-00246, 2016 WL 3219664 (P.T.A.B. Apr. 14, 2016). The patent owner's remand brief was filed April 14, 2016, and the revised final written decision was issued May 23, 2016.

⁵ *Id.*; see also *Shaw Indus. Grp. Inc. v. Automated Creel Sys. Inc.*, No. IPR2013-00132, 2016 WL 3126776 (P.T.A.B. June 3, 2016) ("No new evidence shall be filed with the briefs. When citing evidence, the parties shall provide citations to those portions of the previously existing record where the evidence was originally introduced.").

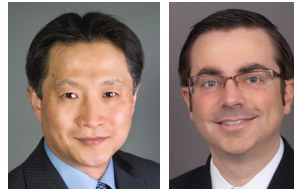
⁶ Compare *Shaw Indus. Grp. Inc. v. Automated Creel Sys. Inc.*, No. IPR2013-00132, 2016 WL 3126776 (P.T.A.B. June 3, 2016) (simultaneous briefing schedule), with *Ariosa Diagnostics v. Verinata Health Inc.*, No. IPR2013-00276 (P.T.A.B. Jan. 13, 2016) (staggered briefing schedule).

⁷ Compare *Ariosa Diagnostics v. Verinata Health Inc.*, No. IPR2013-00276, (P.T.A.B. Jan. 13, 2016) (authorizing reply brief), with *Microsoft Corp. v. ProxyConn*, IPR2012-00026, 2015 WL 5122238 (P.T.A.B. Sept. 1, 2015) (requiring parties to seek authorization separately for reply briefs if necessary).

⁸ See, e.g., *Mastercard Int'l Inc. v. D'Agostino*, No. IPR2014-00543, 2017 WL 3209162 (P.T.A.B. July 28, 2017).

⁹ See, e.g., *MotivePower Inc. v. Cutsorth Inc.*, No. IPR2013-00274, 2016 WL 5226532 (P.T.A.B. Sept. 9, 2016) (reversing prior invalidity ruling for two claims).

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