



NYIPLA PTAB MEETING:

Notice of Proposed Rulemaking for the PTAB



Co-chair, Charley Macedo



Co-chair, Ken Adamo



Hon. James Worth



Hon. Michael Tierney



Tuesday, May 21, 2024



4:00 PM - 5:00 PM

Disclaimer

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UNITED STATES
PATENT AND TRADEMARK OFFICE



NYIPLA: Proposals in Notice of Proposed Rulemaking (NPRM)

Michael Tierney, Vice Chief Administrative Patent Judge

James Worth, Acting Senior Lead Administrative Patent Judge

May 21, 2024



UNITED STATES
PATENT AND TRADEMARK OFFICE ®

Agenda

- I. Notice of Proposed Rulemaking
- II. Director Review
- III. Briefing discretionary denial issues, and rules for 35 U.S.C. § 325(d) considerations, instituting parallel and serial petitions, and termination due to settlement agreement

Notice of Proposed Rulemaking

Notice of proposed rulemaking (NPRM)

- **NPRM or Proposed Rule:** A proposed rule lays out how we plan to address a specific problem and requests comment on our plan. It consists of proposed regulatory text and a preamble ... After a proposed rule is published in the *Federal Register* and after public hearings, if the Agency holds them, we can proceed to a final rule or, if the comments warrant, we can develop a different rule and re-propose it.*

* This language is used across the government and this language came from the U.S. Department of Labor, Mine Safety and Health Administration.

Disclaimer

- These slides provide only a high-level overview of portions of the NPRMs and are not intended to provide a comprehensive recitation of the proposed rules for which the Office is seeking feedback.
- Stakeholders, especially those interested in providing comments, are encouraged to review the full text of the NRPMs as published in the Federal Register.

NPRM: Director Review

Background: Director Review

- On June 21, 2021, the Supreme Court issued its decision in *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1986 (2021)
 - Addressed the Constitution’s Appointments Clause as it relates to administrative patent judges (“APJs”)
 - The Court held that “the unreviewable authority wielded by APJs during inter partes review is incompatible with their appointment by the Secretary to an inferior office”
- The Court’s remedy provides that the Director “may review final PTAB decisions and, upon review, may issue decisions [themselves] on behalf of the Board”

Background: Updates and request for comments

- On June 29, 2021, the Office implemented an interim process for Director Review, consistent with *Arthrex*
- On April 22, 2022, the USPTO published two webpages to increase openness as it formalized the interim Director review process.
- On July 20, 2022, the USPTO published a request for comments:
 - Included 12 questions about Director Review and Precedential Opinion Panel (POP) review (among other things), seeking public input to inform rulemaking
 - Comment period closed October 19, 2022
- On July 24, 2023, the USPTO released its revised interim Director Review process.



NPRM: Request for Comments

Deadline to
comment:
June 17, 2024

- On April 16, 2024, the USPTO issued an NPRM titled “Rules Governing Director Review of Patent Trial and Appeal Board Decisions”
 - Stakeholders may submit comments in response to the NPRM until **June 17, 2024**.
 - All comments must be submitted in writing through the [Federal eRulemaking Portal](#)



Proposed provisions: Generally

- Section 42.75(a)
 - Consistent with the current interim process, a party may only request Director Review of:
 - (1) a **decision** on whether to **institute** an AIA trial,
 - (2) a **final written decision** in an AIA proceeding, or
 - (3) a panel decision **granting** a request for **rehearing** of a decision on whether to institute a trial or a final written decision in an AIA proceeding

Proposed provisions: *Sua Sponte*

- Section 42.75(b)
 - The Director may grant review *sua sponte*
 - Initiation of *sua sponte* review will be within 21 days after expiration of the period for filing a request for rehearing, pursuant to § 42.71(d), absent exceptional circumstances.

Proposed provisions: Requests and Timing

- Section 42.75(c)
 - A party to a proceeding under part 42 may file one request for Director Review of a decision as provided in paragraph (a) of this section, instead of filing a request for rehearing of that decision pursuant to § 42.71(d), subject to the limitations herein and any further guidance provided by the Director.
- Section 42.75(c)(1)
 - A request for Director Review must be filed within the time period set forth in § 42.71(d) unless an extension is granted by the Director upon a showing of good cause.

Proposed provisions: Format, Length, Content

- Section 42.75(c)(2)
 - Requests are subject to
 - length limitations (i.e., 15 pages) of 37 C.F.R. § 42.24(a)(1)(v), and
 - formatting requirements of 37 C.F.R. § 42.6(a)
- Section 42.75(c)(3)
 - No new evidence or argument unless authorized by the Director

Proposed provisions: Final Agency Decision

- Section 42.75(d)
 - A decision on institution, a final written decision, or a decision granting rehearing of such decision on institution or final written decision shall become the decision of the agency unless:
 - (1) A party requests rehearing or Director Review within the time provided by § 42.71(d); or
 - (2) In the absence of such a request, the Director initiates *sua sponte* review as provided by § 42.75(b). Upon denial of a request for Director Review of a final written decision or of a decision granting rehearing of a final written decision, the Board's decision becomes the final agency decision.

Proposed provisions: Effect on underlying proceeding and Grant and scope

- Section 42.75(e)(1)
 - A request for Director Review or the initiation of review on the Director's own initiative does not stay the time for the parties to take action in the underlying proceeding.
- Section 42.75(e)(2)
 - If the Director grants Director Review, the Director shall issue an order or decision that will be made part of the public record, subject to the limitations of any protective order entered in the proceeding or any other applicable requirements for confidentiality.
 - If the Director grants review and does not subsequently withdraw the grant, the Director Review will conclude with the issuance of a decision or order that provides the reasons for the Director's disposition of the case.

Proposed provisions: Appeal and Delegation

- Section 42.75(e)(3)
 - A Director Review decision of a final written decision, or a decision granting rehearing of a final written decision, is appealable using the same procedures under 35 U.S.C. 141(c), 319.
 - A request for Director Review or the initiation of sua sponte Director Review will be treated as a request for rehearing under § 90.3(b)(1) and will reset the time for appeal until after all issues on Director Review in the proceeding are resolved.
- Section 42.75(f)
 - The Director may delegate their review of a decision on institution, a final written decision, or a decision granting rehearing of such a decision, subject to any conditions provided by the Director.

Proposed provisions: *Ex parte* communications

- Section 42.75(g)
 - All communications from a party to the Office concerning a specific Director Review request or proceeding must copy counsel for all parties.
 - Third parties may not request Director Review or communicate with the USPTO concerning the Director Review of a particular case unless the Director invites them to do so.

Submitting comments

Submit a formal comment

www.regulations.gov/search?filter=PTO-P-2024-0014

 **PROPOSED RULE**
Rules Governing Director Review of Patent Trial and Appeal Board Decisions
Agency Patent and Trademark Office | Posted Apr 16, 2024 | ID PTO-P-2024-0014-0001
 Comments Due Jun 17, 2024

Submit a formal comment

www.federalregister.gov/documents/2024/04/16/2024-07759/rules-governing-director-review-of-patent-trial-and-appeal-board-decisions



The screenshot shows the top portion of a Federal Register document page. At the top left is the National Archives logo. In the center is the 'FEDERAL REGISTER' title with the subtitle 'The Daily Journal of the United States Government'. To the right is the seal of the Patent and Trademark Office. Below the title is a blue bar with a 'PR' icon and the text 'Proposed Rule'. The main title of the document is 'Rules Governing Director Review of Patent Trial and Appeal Board Decisions'. Below this is the text 'A Proposed Rule by the Patent and Trademark Office on 04/16/2024'. At the bottom left, a grey box contains a speech bubble icon and the text 'This document has a comment period that ends in 48 days. (06/17/2024)'. At the bottom right, a green button with the text 'SUBMIT A FORMAL COMMENT' is highlighted with a red rectangular border.



**NPRM: PTAB Rules of Practice for Briefing
Discretionary Denial Issues, and Rules for 325(d)
Considerations, Instituting Parallel and Serial
Petitions, and Termination Due to Settlement
Agreement**

Background: Advance notice of proposed rulemaking (ANPRM)

- On April 21, 2023, the USPTO issued an ANPRM that sought comment on a range of possible proposals for AIA proceedings.
- The goal of the ANPRM is to ensure AIA practices align with the USPTO's mission to promote and protect innovation and investment, and with the congressional intent behind the AIA.
- The ANPRM was a precursor to a Notice of Proposed Rulemaking (NPRM), which proposes specific rules and has an additional public comment period.

Background:

Public feedback received

- Over 14,000 comments
- Broad cross-section of individuals, companies, industry groups, bar associations, etc.
- Comments can be viewed at www.regulations.gov/docket/PTO-P-2020-0022/comments

NPRM: Request for Comments

Deadline to
comment:
June 18, 2024

- On April 19, 2024, the USPTO issued an NPRM titled “Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement”
 - Stakeholders may submit comments in response to the NPRM until **June 18, 2024**.
 - All comments must be submitted in writing through the [Federal eRulemaking Portal](#)



NPRM

Briefing

Proposed provisions: Patent owner preliminary response

- Section 42.107(a)(1)

(a) Patent owner preliminary response.

(1) The patent owner may file a preliminary response to the petition. The response is limited to setting forth the reasons why no *inter partes* review should be instituted under [35 U.S.C. 314](#) based on issues other than discretionary denial, and can include supporting evidence. The preliminary response is subject to the word count under § 42.24. A patent owner preliminary response shall not address discretionary denial, which may only be raised pursuant to § 42.107(b), unless otherwise authorized by the Board.

Proposed provisions: Request for discretionary denial

- Section 42.107(b)(1)

(b) *Request for discretionary denial.*

(1) In addition to a preliminary response to the petition, the patent owner may file a single request for discretionary denial of the petition. [37 CFR 42.20\(b\)](#) notwithstanding, no prior Board authorization is required to file the single request for discretionary denial. The request is limited to addressing any applicable discretionary institution issues and factors, other than those involving parallel petitions under § 42.108(d). Applicable discretionary institution issues include those enumerated in § 42.108(e) and (f), as well as any issue that the patent owner believes, based on Office rules, precedent, or guidance, warrants discretionary denial of the petition. If the patent owner files a request for discretionary denial, the petitioner may file an opposition limited to the issues raised in the request, and the patent owner may file a reply limited to the issues raised in the opposition. The request, opposition, and reply are subject to the page limits under § 42.24(e). The Board may also *sua sponte* raise any applicable discretionary denial issue, in which case the Board will provide an opportunity for briefing by the parties.

Proposed provisions: Request for discretionary denial

- Section 42.107(b)(2)

(2) A request for discretionary denial must be filed no later than two months after the date of a notice indicating that the petition to institute an *inter partes* review has been granted a filing date. An opposition to the request for discretionary denial must be filed no later than one month after the filing of the request for discretionary denial. A reply in support of the request must be filed no later than two weeks after the filing of the opposition.

Proposed provisions: Institution considerations

- Section 42.108(c)

(c) *Institution considerations.* *Inter partes* review shall not be instituted unless the Board decides that the information presented in the petition demonstrates that there is a reasonable likelihood that at least one of the claims challenged in the petition is unpatentable. The Board's decision will take into account a patent owner preliminary response when such a response is filed, including any testimonial evidence. A petitioner may seek leave to file a reply to the preliminary response in accordance with §§ 42.23 and 42.24(c). Any such request must make a showing of good cause.

Proposed provisions: Considerations of discretionary denial

- Section 42.108(c)(1)

(1) *Consideration of discretionary denial.* The Board's decision will also take into account, when filed, a patent owner's request for discretionary denial, including any opposition and reply, and a petitioner's filing pursuant to § 42.108(d). To the extent the patent owner contends that there are substantive weaknesses in the petitioner's grounds of unpatentability that are relevant to the exercise of discretion under [35 U.S.C. 314\(a\)](#), the patent owner may indicate in their request that they will address those substantive weaknesses in the preliminary response permitted by § 42.107(a). Nothing in § 42.108 shall be construed to limit the Board's discretion to deny institution or dismiss a proceeding as a sanction or for any other reason deemed warranted by the Board.

Proposed provisions: Discretionary considerations for joined petitions

- Section 42.108(c)(2)

(2) *Discretionary considerations for joined petitions.* In reaching a decision on institution of a petition accompanied by a timely motion for joinder, the Board will not consider arguments on discretionary considerations under § 42.108(d) (parallel petitions) or § 42.108(f) ([35 U.S.C. 325\(d\)](#)) where the petition sought to be joined was instituted. However, the Board may deny the accompanying motion for joinder where the later-filed petition implicates other bases for discretionary denial.

Proposed provisions: Type-volume or page limits for petitions, motions, oppositions, replies, and sur-replies.

- Section 42.24

(e) *Requests for discretionary denial.* The following page limits apply to briefing in connection with a patent owner request for discretionary denial but do not include a table of contents; a table of authorities; a listing of facts that are admitted, denied, or cannot be admitted or denied; a certificate of service; or an appendix of exhibits:

(1) *Patent owner request:* 10 pages.

(2) *Petitioner opposition:* 10 pages.

(3) *Patent owner reply:* 5 pages.

CLE Code

NPRM

Serial Petitions

Proposed provisions: Definitions

- Section 42.2: Serial Petition

Serial petition means a petition that:

- (1) Challenges same or overlapping claims of the same patent that have already been challenged by the petitioner, the petitioner's real party in interest, or a privy of the petitioner; and
- (2) Is filed after:
 - (a) The filing of a patent owner preliminary response to the first petition; or
 - (b) The expiration of the period for filing such a response under § 42.107(a)(2) or § 42.207(a)(2), or as otherwise ordered, if no preliminary response to the first petition is filed.

Proposed provisions: Institution factors for serial petitions

- Section 42.108(e)

(e) *Institution factors for serial petitions.* The Board, in its discretion, may deny institution of any serial petition, as defined in § 42.2, for *inter partes* review challenging claims of the same patent that overlap with claims challenged in a previously filed petition for *inter partes* review, post-grant review, or covered business method patent review.

Proposed provisions: Institution factors for serial petitions

- Section 42.108(e)(1)-(4)

The Board will consider the following factors in determining whether to deny institution:

(1) Whether, at the time of filing of the first petition, the petitioner knew of the prior art asserted in the second petition or should have known of it;

(2) Whether, at the time of filing of the second petition, the petitioner had already received the patent owner preliminary response to the first petition or had received the Board's decision on whether to institute review in the first petition;

(3) The length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition; and (4) Whether the petitioner provided an adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent.

(4) Whether the petitioner provided an adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent.

NPRM

Parallel Petitions

Proposed provisions: Definitions

- Section 42.2: Parallel Petition

Parallel petitions means two or more petitions that:

(1) Challenge the same patent by the petitioner; and

(2) Are filed on or before:

(i) The filing of the first patent owner preliminary response to any of the petitions; or

(ii) (ii) The due date set forth in § 42.107(a)(2) or § 42.207(a)(2) for filing a patent owner preliminary response to the first petition, if no patent owner preliminary response to the petitions is filed.

Proposed provisions: Parallel petitions challenging the same patent

- Section 42.108(d)

(d) *Parallel petitions challenging the same patent.* The Board will not institute parallel petitions, as defined in § 42.2, absent a showing of good cause as to why more than one petition is necessary. A petitioner filing a parallel petition may, either in the petition or in a separate paper filed concurrently with the petition and limited to no more than five pages, provide information relevant to the good cause determination. [37 CFR 42.20\(b\)](#) notwithstanding, the patent owner is authorized, without prior Board authorization, to file a separate paper of no more than five pages, on or before the deadline for the preliminary response, limited to providing an explanation of why the Board should not institute more than one petition.

Proposed provisions: Parallel petitions challenging the same patent

- Section 42.108(d)(1)-(4)

Information relevant to the good cause determination may include:

- (1) A petitioner's ranking of their petitions in the order in which petitioner desires the Board to consider the merits of their petitions relative to the other parallel petitions;
- (2) An explanation of the differences between the petitions and why the issues addressed by the differences are material;
- (3) The number of patent claims of the challenged patent that have been asserted by the patent owner in district court litigation;
- (4) The number of claims the petitioner is challenging;

Proposed provisions: Parallel petitions challenging the same patent (cont.)

- Section 42.108(d)(5)-(9)

Information relevant to the good cause determination may include:

- (5) Whether there is a dispute about the priority date of the challenged patent;
- (6) Whether there are alternative claim constructions that require different prior art references on mutually exclusive grounds;
- (7) Whether the petitioner lacked information, such as the identity of asserted claims, at the time they filed the petitions;
- (8) The complexity of the technology in the case; and
- (9) Any other information believed to be pertinent to the good cause determination.

NPRM

35 U.S.C. § 325(d)

Proposed provisions: Discretion based on previously presented art or arguments

- Section 42.108(f)

(f) *Discretion based on previously presented art or arguments.* A petition for *inter partes* review may be denied under [35 U.S.C. 325\(d\)](#) if the same or substantially the same prior art was previously meaningfully addressed by the Office or the same or substantially the same arguments were previously meaningfully addressed by the Office with regard to the challenged patent or a related patent or application, unless the petitioner establishes material error by the Office. If some, but not all, of the grounds of unpatentability presented in a petition implicate considerations under [35 U.S.C. 325\(d\)](#), the Board may deny the petition if section 325(d) is sufficiently implicated such that instituting on all grounds of unpatentability would not promote the efficient administration of the Office or support the integrity of the patent system.

Proposed provisions: Request to deny institution pursuant to discretion under [35 U.S.C. 325\(d\)](#)

- Section 42.108(f)(1)

(1) *Request to deny institution pursuant to discretion under [35 U.S.C. 325\(d\)](#).* A patent owner may file a request for discretionary denial under [35 U.S.C. 325\(d\)](#) under the provisions of § 42.107(b). Such request must identify whether the same or substantially the same prior art was previously meaningfully addressed by the Office and/or whether the same or substantially the same arguments were previously meaningfully addressed by the Office. A petitioner may file an opposition under the provisions of § 42.107(b) to argue that the same or substantially the same prior art or arguments were not previously meaningfully addressed by the Office and/or to argue that there was material error by the Office. The patent owner may file a reply to the opposition under the provisions of § 42.107(b).

Proposed provisions: The same prior art

- Section 42.108(f)(2)

(2) *The same prior art.* Prior art is deemed to be “the same prior art” if a reference that forms the basis of the challenges in the petition was previously meaningfully addressed by the Office and the petition relies on the reference for a factual proposition that directly contradicts a finding made by the Office when the reference was previously meaningfully addressed.

Proposed provisions: Substantially the same prior art

- Section 42.108(f)(3)

(3) *Substantially the same prior art.* Prior art is “substantially the same prior art” if the disclosure in the prior art previously meaningfully addressed by the Office contains the same teaching as that relied upon in the petition.

Proposed provisions: Meaningfully addressed art or arguments

- Section 42.108(f)(4)

(4) *Meaningfully addressed art or arguments.* Art or arguments are deemed to have been meaningfully addressed when the Office has evaluated the art or arguments and articulated its consideration of the art or arguments in the record of the patent or the application from which the patent issued or the record of a related application or patent with claims that are substantially the same. An initialed Information Disclosure Statement, without more, does not satisfy this standard. Art or arguments from a related application or patent will only be considered to be meaningfully addressed if they are addressed by the Office before the issuance of the challenged patent.

Proposed provisions: Related application or patent

- Section 42.108(f)(5)

(5) *Related application or patent.* For purposes of this section, an application or patent is “related” to the challenged patent if it claims priority to a common application or is a parent application or parent patent of the challenged patent.

NPRM

Settlement

Proposed provisions: Termination of proceeding

- Section 42.72

(a) *The Board may terminate a proceeding.* The Board may terminate a proceeding, where appropriate, before institution or after institution, including where the proceeding is consolidated with another proceeding or pursuant to a joint request under [35 U.S.C. 317\(a\)](#) or [327\(a\)](#).

(b) *Motion for termination of a proceeding.* With prior authorization from the Board, parties may file a joint request for termination of a proceeding before institution, or after institution pursuant to [35 U.S.C. 317\(a\)](#) or [327\(a\)](#), by filing a joint motion accompanied by any written agreement or understanding, including any collateral agreements, between the parties as required by § 42.74.

Proposed provisions: Settlement

- Section 42.74:

(b) *Agreements in writing.* Any agreement or understanding between the parties made in connection with, or in contemplation of, the termination of a proceeding shall be in writing, and a true copy shall be filed with the Board before the termination of a proceeding.

NPRM

Post-Grant Review (PGR)

Proposed provisions: Post-grant review

- Sections 42.207 and 42.208
 - The rules in these sections relate to a post-grant review
 - The proposed rules mirror those proposed in § 42.107 and § 42.108 regarding an *inter partes* review.

NPRM

Submitting comments

Submit a formal comment

www.regulations.gov/search?filter=PTO-P-2023-0048

 **PROPOSED RULE**
Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement
Agency Patent and Trademark Office | Posted Apr 19, 2024 | ID PTO-P-2023-0048-0001
 Comments Due Jun 18, 2024

Submit a formal comment

www.federalregister.gov/documents/2024/04/19/2024-08362/patent-trial-and-appeal-board-rules-of-practice-for-briefing-discretionary-denial-issues-and-rules

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Proposed Rule

Patent Trial and Appeal Board Rules of Practice for Briefing Discretionary Denial Issues, and Rules for 325(d) Considerations, Instituting Parallel and Serial Petitions, and Termination Due to Settlement Agreement

A Proposed Rule by the Patent and Trademark Office on 04/19/2024

This document has a comment period that ends in 48 days. (05/18/2024)

SUBMIT A FORMAL COMMENT

