
From: Ward, Trenton (External)
Sent: Thursday, December 6, 2018 3:15 PM
To: Precedential_Opinion_Panel_Request
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Subject: IPR2017-00190: Authority Under 35 U.S.C. 315(d) to Stay a Reissue or Reexamination Proceeding
Attachments: IPR2017-00190_2018-07-27_Paper 84_Kaken Request for Rehearing and for Expanded Panel.pdf

To the Honorable Board,

Based on my professional judgment, I believe this case requires an answer to a precedent-setting question of exceptional importance:

Whether the authority under 35 U.S.C. § 315(d) to stay a reissue or reexamination proceeding before the Office “during the pendency of an inter partes review” ends once a final written decision has been entered and all requests for rehearing have expired or concluded or, instead, ends after the exhaustion of an appeal?

PTAB panels have inconsistently answered this important question.

The “Director has an interest in creating binding norms for fair and efficient Board proceedings, and for establishing consistency across decision makers.” Patent Trial and Appeal Board (“PTAB”) Standard Operating Procedure 2 (Rev. 10) (“SOP2”), 2. To that end, Precedential Opinion Panel (“POP”) review “may be used to resolve conflicts between Board decisions.” SOP2, 4.

POP review is necessary here because PTAB panels are currently answering the above question in directly contradictory ways. For instance, consistent with the plain language of § 315(d), Patent Owner is aware of at least eight cases where Board panels have lifted stays in concurrent reissue or reexamination proceedings after a final written decision but before exhaustion of an appeal. See Table 1 below. Patent Owner is unaware of any cases to the contrary. **Nevertheless, the panel in this proceeding applied § 315(d) inconsistently and denied a request to lift a stay under analogous circumstances.**

This request also implicates issues related to transparency and clarity in agency decision-making. Although unclear from the records, other panels may have made similar denials. Because motions to lift a stay must be authorized by the panel, denials of such requests may occur only by email and, when they do, likely do not become part of the record. In fact, in this proceeding, were it not for Patent Owner’s efforts, the Board’s inconsistent and unexplained decision would not have become part of the transparent record.

Accordingly, in the interests of consistency, clarity, and transparency, a precedential decision by the Board is necessary to establish whether a stay of a concurrent proceeding under 35 U.S.C. § 315(d) should be lifted after a final written decision but before exhaustion of an appeal. Pursuant to SOP2,

Kaken Pharmaceutical, Inc. and Bausch Health Companies Inc. (collectively “Patent Owner”) therefore respectfully submits this Request for POP review. According to SOP2, § II(C), Patent Owner attaches herewith Patent Owner’s Request for Rehearing Under 37 C.F.R. § 42.71(d), and for an Expanded Panel, which was timely filed and is still pending before the Board. See No. IPR2017-00190, Paper 84 (PTAB July 27, 2018); see also *infra* § II.

I. POP Review is Needed

POP review is necessary here to address a “conflict between Board decisions,” to establish binding agency authority for a major procedural issue, and to promote consistency, clarity, and transparency in PTAB decisions. SOP2, 4. Without POP review, Board panels will continue to contradict each other, some lifting stays prior to exhaustion of all appeals and others waiting until appeals are exhausted. Given this panel-by-panel, inconsistent application of § 315(d), patent owners are left with uncertainty in making important business decisions related to their patent rights.

For instance, among the cases in Table 1, the Board panel in *Hewlett-Packard Company v. MCM Portfolio, LLC*, IPR2013-00217, lifted a stay of a reissue application following the final written decision but before a subsequent notice of appeal. Paper 32, at 2 (PTAB Sept. 12, 2014). In *Gnosis S.p.A. v. Merck & CIE*, IPR2013-00117, the Board lifted the stay in a reexamination proceeding following both the final written decision and the notice of appeal, while the appeal was pending. Paper 74, at 3 (PTAB Feb. 5, 2015). These cases are consistent with the statutorily-granted right to reissue (35 U.S.C. § 251), the special status afforded reissue applications (MPEP § 1442), the plain language of 35 U.S.C. § 315(d), and PTAB’s interpretation of the same. Specifically, Congress allowed for stays during the “pendency” of an inter partes review. 35 U.S.C. § 315(d) (emphasis added). Pendency before the Board is “normally no more than one year,” consistent with the 12-month statutory mandate for obtaining a final written decision following institution of an inter partes review and clearly inconsistent with including the time to exhaust all appeals. 37 C.F.R. § 42.100; see also 35 U.S.C. § 316(a)(11). Also consistent with that view, in *Valeo*, IPR2016-00502, Paper 44 at 7 (PTAB July 20, 2017), the Board made clear that a pending reissue application is not “concurrent” with an inter partes review proceeding when the Board “already issued a Final Written Decision.” Notably, this interpretation is also entirely consistent with the Board’s practice of applying the estoppel provisions of 35 U.S.C. § 315(e)(1) upon *final written decision* and *not upon exhaustion of any appeal therefrom*. See, e.g., *Apple Inc. v. Papst Licensing GmbH & Co., KG*, IPR2016-01860, Paper 28 at 9 (PTAB Jan. 10, 2018) (rejecting argument that the Board should not apply estoppel provisions until exhaustion of appeals in other proceedings and, instead, terminating inter partes review under §315(e)(1) following final written decisions in those proceedings); see also *Facebook, Inc. v. Uniloc USA, Inc.*, IPR2017-01427, Paper 30 at 2-3, 8 (PTAB May 29, 2018) (applying estoppel provisions within one week of final written decision in another proceeding and well before the exhaustion of all appeals).

In the face of the plain language of the statute and PTAB’s prior interpretation thereof, the Board here denied Patent Owner’s request to lift the stay of a reissue application after entry of the final written decision. See IPR2017-00190, Ex. 2203, at 1, 3. The Board did not cite any precedent or controlling authority in its decision. *Id.* at 3. Patent Owner brought to the Board’s attention some of the contradictory decisions in Table 1 and sought clarification of the Board’s decision. *Id.* at 2. Only then did the Board state that the reissue application would remain stayed until “either the time for appeal has expired and no appeal has been filed, or upon the exhaustion of any appeal from this proceeding.” *Id.* at 1. But the Board again provided no reasoning, legal authority, or justification for its contradictory decision. See *id.* Notably, such limited explanation fails to provide a “satisfactory explanation” for the Board’s decision-making. See Paper 84, at 9-12; see also *id.* at 12-14 (citing *Ultrasat, Inc. v. CaptionCall, LLC*, 872 F.3d 1267, 1271-75 (Fed. Cir. 2017)).

Patent Owner timely sought rehearing of the Board's decision, and that request remains pending. See *generally* Paper 84. Together with Patent Owner's request for rehearing, Patent Owner also included the email correspondence recording the Board's denial of Patent Owner's request to lift stay. See *id.* (citing Ex. 2203). But for Patent Owner's rehearing request, the Board's denial would not be in the record of this proceeding. See *Ultratec*, 872 F.3d at 1275. The Board has yet to respond to Patent Owner's July 27th-request for rehearing, whether by entering an order or requesting additional briefing. Cf. Office Practice Trial Guide, 77 Fed. Reg. 48755, 48768 (Aug. 14, 2012) ("The Board envisions that, absent a need for additional briefing by an opponent, requests for rehearing will be decided approximately one month after receipt of the request.").

At this time, Patent Owner has not identified any prior PTAB case law, order, or other decision consistent with this panel's decision. And neither the Board nor Petitioners have pointed to any such cases. Accordingly, there is a clear conflict between this panel's application of § 315(d) and prior Board decisions.

This conflict thwarts consistent panel procedure and denies parties clarity and transparency with respect to their rights before the PTAB. See SOP2, at 2, 4 (POP review is used for "creating binding norms for fair and efficient Board proceedings," and for promoting "certainty and consistency."). Because stays in concurrent reissue and reexamination proceedings impact patent-owner property rights beyond the instant inter partes review proceeding, the unpredictability of the Board's decision paralyzes a patent owner's ability to pursue statutorily-granted reissue rights, make decisions with respect to ongoing or future litigation, and creates additional questions about liability for stakeholders by making intervening rights less than clear. These consequences are amplified, as in the present case, by unexplained decision-making and delays in Board action.

The Board's inconsistent application of § 315(d) merits POP review.

II. Patent Owner's Request for POP Review is Timely or Otherwise Permissible

SOP2 requires that this "email be **accompanied by** a request for rehearing filed with the Board." SOP2, 5 (emphasis added). Accordingly, Patent Owner provides its previously filed Request for Rehearing along with this email. Patent Owner's request satisfied the requirements of 37 C.F.R. § 42.71(d), including compliance with the due dates set forth therein. See *id.*; see also Paper 84 (filed on July 27, 2018, within 14 days from the Board's panel decision (Ex. 2203) on July 13, 2018).

SOP2 does not state a deadline for requesting POP review. See SOP2, 5–6. To the extent, however, that the Screening Committee interprets the procedures in SOP2 to generally require submission of a POP-review request by the same deadline set for the request for rehearing under 37 C.F.R. § 41.52(a) or 42.71(d), several factors nevertheless support consideration of Patent Owner's request for POP review. When Patent Owner filed its Request for Rehearing, SOP2 had not yet been revised, and procedures for requesting POP review were not yet available.

Further, the flexible nature of SOP2 in this instance is reasonable, providing parties in Patent Owner's position with a fair procedure for POP requests to be considered. As noted above, Patent Owner's Request for Rehearing, which forms the basis for this POP request, has not been decided and is still pending before the Board without any other mechanism for obtaining a decision. Patent Owner's reissue application has been stayed for over fifteen months and each day Patent Owner's Request for Rehearing remains unaddressed, the Board prevents Patent Owner from exercising its statutory right to pursue reissue claims pursuant to 35 U.S.C. § 251. See Paper 84, at 11. Accordingly, even if the Screening Committee generally requires that requests for POP review be submitted within the time

limit set for corresponding requests for rehearing, the unique circumstances of this case should permit Patent Owner to avail itself of this new procedure.

Alternatively, SOP2 provides that the Director may convene a POP review “**sua sponte**” and “in his or her sole discretion and without regard to the procedures set forth herein.” SOP2, 5 (emphasis added). Should the Screening Committee determine that Patent Owner’s request is untimely, sua sponte review is appropriate here to resolve the “conflict between Board decisions” described above, which arose before SOP2 was put in place. SOP2, 4; see also *supra* § 1.

For each of the above-stated reasons, Patent Owner respectfully requests POP review of the PTAB panel decision.

Thank you,

/s/ Trenton A. Ward
ATTORNEY OF RECORD FOR PATENT OWNER

Table 1			
Orders Lifting Stays in Concurrent Reissue or Reexamination Proceedings PRIOR to Appeal Exhaustion			
No.	Case No.	Parties	Paper No.
1.	IPR2013-00071	Avaya Inc., Dell Inc., Sony Corporation of America, and Hewlett-Packard Co. v. Network-1 Security Solutions, Inc.	103
2.	IPR2013-00092	Sony Corporation of America, Axis Communications AB, and Axis Communications Inc. v. Network-1 Security Solutions, Inc.	25
3.	IPR2013-00117	Gnosis S.p.A., Gnosis Bioresearch S.A., and Gnosis U.S.A., Inc. v. Merck & CIE	74
4.	IPR2013-00217	Hewlett-Packard Company v. MCM Portfolio, LLC	32
5.	IPR2013-00547	Google Inc. v. Grandeye Ltd.	38
6.	IPR2013-00548	Google Inc. v. Grandeye Ltd.	39
7.	IPR2014-00043	GEA Process Engineering, Inc. v. Steuben Foods, Inc.	121
8.	IPR2016-00204	Argentum Pharmaceuticals LLC, Mylan Pharmaceuticals Inc.,	86

		Breckenridge Pharmaceutical, Inc. and Alembic Pharmaceuticals, Ltd. v. Research Corporation Technologies, Inc.	
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