

Tallying Repetitive Inter Partes Review Challenges

By **Steven Carlson and Ryan Schultz** (September 14, 2018, 5:09 PM EDT)

How many bites at the apple does the Patent Trial and Appeal Board allow? That is, are parties limited to a single invalidity challenge to a patent claim in inter partes review, or are parties able to file serial challenges against a claim? While the statutes governing this important question may be open to interpretation on this fundamental question, the PTAB has adopted a decidedly permissive approach. This article reviews the statutory and legislative background and the empirical facts of current practice, and offers some strategic pointers for offense and defense at the PTAB.



Steven Carlson

Two primary statutory provisions govern the number of “bites at the apple” that a party can take in an inter partes review. A party may not “request or maintain a proceeding” with respect to a claim once there is a final written decision as to that claim. Moreover, this restriction applies not only to the petitioner, but also to that party’s “real party in interest or privy.” In full, this statute provides:



Ryan Schultz

The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.[1]

One interpretation of this statute is that a party is entitled to a single written decision as to a challenged patent claim. That is, once there is a final written decision as to a patent claim, that petitioner may not “request or maintain” another proceeding as to that claim. A fair question, then, is whether the PTAB should ever issue multiple written decisions against a claim that has been repeatedly challenged by a petitioner; and if not, whether a single petitioner should be allowed to take to trial multiple petitions against a single claim. Likewise, should the PTAB even allow a petitioner to institute multiple petitions against a single claim?

The legislative history of the America Invents Act confirms that Congress was concerned with the possibility that companies might launch serial attacks on a patent, burdening patent owners in multiple waves of U.S. Patent and Trademark Office litigation. In the debates concerning the proposed Patent Reform Act of 2007, the Senate report referenced the “one bite at the apple” rule. These comments were directed to the then-proposed “first window” and “second window” post-grant review

proceedings. This “second window” is akin to the now-enacted IPR provisions. Congress was concerned about serial petitions:

In addition, the same party who has once filed a PGR petition, whether in the first or second window, regarding any claim in a patent, may not file another PGR on the same patent, regardless of the issues raised in the first PGR. This “one bite at the apple” provision was included in Committee to quell concerns that a party bent on harassing a patent holder might file serial PGR petitions.[2]

Congress’ concern over the potential burden of serial petitions continued through the 2011 debates, with both the Senate and House reiterating the goal of precluding these repetitive challenges. Sen. Chuck Grassley, R-Iowa, explained:

In addition, the bill would improve the current inter partes administrative process for challenging the validity of a patent... It would also include a strengthened estoppel standard to prevent petitioners from raising in a subsequent challenge the same patent issues that were raised or reasonably could have been raised in a prior challenge. The bill would significantly reduce the ability to use post-grant procedures for abusive serial challenges to patents.[3]

The resulting statutory restriction of Section 315(e)(1) applies not only to a petitioner, but also to any other “real party in interest” and any other “privy” of the petitioner. There is little guidance as to how this restriction should be applied. Nonetheless, the Federal Circuit recently commented that Congress applied an “expansive formulation” in adopting this language.

The Federal Circuit cast concern that the PTAB had applied an “impermissibly shallow” view in determining who counts as a real party in interest or a privy of the petitioner. In *Applications in Internet Time LLC v. RPX Corp.*, the PTAB had allowed RPX to institute an IPR proceeding despite the close ties between it and Salesforce, which was time-barred from filing its own IPR petition. The Federal Circuit found the PTAB has applied an “unduly restrictive view” of Congress’ requirement, and remanded the case, directing the PTAB “with an eye toward whether the non-party is a clear beneficiary that has a pre-existing, established relationship with the petitioner.” That case, now on remand, will call for the PTAB to identify more expansive criteria for determining the scope of the “real party in interest” and/or “privy” rule, thus potentially limiting who else may take a “bite at the apple” to challenge a patent claim.

Empirical Study

Robins Kaplan LLP analyzed the petitioning practice of the top five filers of IPRs, specifically Apple Inc., Samsung Electronics Co. Ltd., Google Inc., Microsoft Corp. and LG Electronics Inc. From this data set, it is clear that serial, overlapping petitions are commonplace at the PTAB, even by a single entity. Indeed, a party can file three, four, five, six or more petitions on a single patent, which these top five filers commonly have done. For example, Samsung filed six petitions each challenging at least claim 1 of U.S. Patent No. 8,504,746.[4]

Each of the petitions filed by these top five petitioners was reviewed to identify which claims were the focus of the petitions, as well as identifying the named real parties in interest. In addition, it was noted which petitions resulted in a final written decision. **The data** cover the time period from inception of IPR practice through June 23, 2018.

Apple is the top filer of IPR petitions. Over 56 percent of Apple’s petitions are duplicative, in that they challenge at least one claim that is the subject of attack by another Apple petition. Microsoft is even higher, at 59 percent. Samsung, Google and LG have 38 percent, 38 percent and 34 percent duplicative

petitions, respectively.

Duplicative Petition Practice

Apple	56 percent
Samsung	38 percent
Google	38 percent
Microsoft	59 percent
LG Electronics	34 percent

From these duplicative petitions, the PTAB will commonly issue multiple rulings on petitions from a single entity attacking the same claim. See **accompanying data** (highlighting in pink the rulings on overlapping claims).

Analysis and Strategic Outlook

The PTAB has condoned the filing of multiple, overlapping petitions that attack a common patent claim, often followed by issuing written rulings on these overlapping petitions. The PTAB currently allows this practice, notwithstanding the rule that a petitioner against a claim that results in a final written decision “may not request or maintain a proceeding before the Office with respect to that claim.”

The legal basis for allowing such multiple petitions to proceed is apparently that until there is an actual written decision issued by the PTAB, a petitioner is ostensibly free to request and maintain multiple petitions. Therefore, petitioners commonly file multiple, overlapping petitions, and, if instituted, those petitions are often consolidated and calendared for a single hearing, and then the PTAB will proceed to issue multiple rulings on multiple petitions at the same time.

The Federal Circuit has yet to rule whether the PTAB can properly adjudicate multiple petitions from a single petitioner challenging a single patent claim. Litigants should not count on this practice being approved. For now, petitioners appear to have considerable latitude in filing multiple petitions challenging a particular claim. For petitioners, this approach can be tremendously beneficial, by providing a mechanism to bring multiple waves of prior art against a patent claim, and to try various combinations of art to find one that ultimately prevails. Filing such multiple petitions can also be a way to impose leverage on a patent owner. However, given the ruling in *Applications in Internet Time* that restricted multiple petitions (there by a separate entity), cautious challengers might prepare for tightening of the gate by the PTAB.

The PTO director has broad authority to restrict multiple challenges against a patent. Where multiple petitions are filed against a patent, “the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.”[5] Thus, when multiple petitions have been filed against a patent, the PTO has the power to stay or terminate the duplicative petitions. Therefore, challengers are advised that they may be vulnerable to having duplicative petitions stayed or terminated. Therefore it may be prudent to concentrate the best arguments into a single petition, that is, to only count on a single bite at the apple.

Steven C. Carlson is a partner and Ryan M. Schultz is a principal at Robins Kaplan LLP.

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[1] 35 U.S.C. § 315(e)(1).

[2] Senate Report 110-259, The Patent Reform Act of 2007, 110th Congress, to accompany S. 1145, at 22.

[3] Senate Debate 2-28-2011 (157 Cong. Rec. S936-S953) (comments of Senator Grassley).

[4] See IPR2016-01224; IPR2016-01200; IPR2016-01211; IPR2016-01206; IPR2016-01223; IPR2016-01213.

[5] Section 315(d).