



Legislative Proposal to Improve *Inter Partes* Reviews for Both Patent Owners and Petitioners

April 1, 2021

The Amicus Committee of the Naples Roundtable has solicited input from across the patent bar to develop a balanced set of legislative proposals with the aim of improving the overall functioning of *inter partes* reviews for parties on both sides of the “v”—including both Patent Owners and Petitioners alike. This set of proposals must be regarded as a “package deal” in which no one side will get everything it wants, but each side gets enough to make a deal viable. Moreover, no one provision in this “package deal,” taken in isolation, would necessarily be supported by the Amicus Committee in the absence of a countervailing proposal to balance out the other. Overall, the goal of these proposals, taken together, is to increase consistency among, and decrease frictions and inefficiencies between, IPRs and district court litigation.

Patent Owner-favorable provisions in our proposal are:

1. Increase the burden of persuasion in IPRs to “clear and convincing evidence.”
2. Codify the *Phillips* district court-style claim construction standard in IPRs.
3. Expand the estoppel provision to include grounds a petitioner reasonably could have raised in the petition itself, rather than only during the instituted review.
4. Expand the estoppel provision to include grounds a joinder petitioner could have raised itself earlier, rather than only the grounds actually raised in the lead petition.
5. Create a reexamination “off ramp” for amending claims (described in more detail below).

Petitioner-favorable provisions in our proposal are:

1. Add indefiniteness under § 112(b) and double-patenting as grounds that can be raised in an IPR.
2. Codify the litigation-stay four-factor test that existed in the transitional program for covered business method patents, in order to increase the likelihood of a stay of parallel district court litigation.
3. Limit the discretionary reasons an IPR petition may be denied by the Director.
4. Expand the appeal bar so that it does not turn on the happenstance of the timing of an estoppel-triggering event, whether before or after institution.
5. Phase out motions to amend claims in IPR (described in more detail below).

A new procedure for amending claims via a reexamination off-ramp has benefits for both Patent Owners and Petitioners:

- Patent Owners will get certainty that their amended claims will be entered and examined on the merits by a reexamination specialist and will not need to simultaneously defend the patent in the IPR while the reexamination is ongoing.
- Petitioners will not need to defend against a patent in litigation while the reexamination is ongoing and will not be precluded from challenging the amended claims if sued in the future.

A redline showing how our proposal would amend the IPR statute is enclosed.

President
Naples Roundtable

Redline Showing Legislative Changes to 35 U.S.C. Chapter 31

35 USC Ch. 31: INTER PARTES REVIEW

Title 35—PATENTS

PART III—PATENTS AND PROTECTION OF PATENT RIGHTS

CHAPTER 31—INTER PARTES REVIEW

Sec.

- 311. Inter partes review.
- 312. Petitions.
- 313. Preliminary response to petition.
- 314. Institution of inter partes review.
- 315. Relation to other proceedings or actions.
- 316. Conduct of inter partes review.
- 317. Settlement.
- 318. Decision of the Board.
- 319. Appeal.

§311. Inter partes review

(a) In General.—Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

(b) Scope.—A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under—

(1) section 102 or 103 and only on the basis of prior art consisting of patents or printed publications;

(2) [section 112\(b\)](#); or

(3) [double patenting on the basis of patents or printed publications](#).

(c) Filing Deadline.—A petition for inter partes review shall be filed after the later of either—

(1) the date that is 9 months after the grant of a patent; or

(2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

§312. Petitions

(a) Requirements of Petition.—A petition filed under section 311 may be considered only if—

(1) the petition is accompanied by payment of the fee established by the Director under section 311;

(2) the petition identifies all real parties in interest;

(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including—

(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

Comments

Commented [A1]: Explanation: These changes add indefiniteness and double patenting as grounds that can be raised in an IPR petition, thus overruling *Samsung v. Prisua* with respect to claim indefiniteness (http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/19-1169.Opinion.2-4-2020_1526242.pdf) and harmonizing IPR and ex parte reexams with respect to double patenting (see *In re Lonardo*, 119 F.3d 960 (Fed. Cir. 1997)).



(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;

(4) the petition provides such other information as the Director may require by regulation; and

(5) the petitioner provides copies of any of the documents required under paragraphs (2), (3), and (4) to the patent owner or, if applicable, the designated representative of the patent owner.

(b) Public Availability.—As soon as practicable after the receipt of a petition under section 311, the Director shall make the petition available to the public.

§313. Preliminary response to petition

If an inter partes review petition is filed under section 311, the patent owner shall have the right to file a preliminary response to the petition, within a time period set by the Director, that sets forth reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.

§314. Institution of inter partes review

(a) Threshold.—~~Unless the Director rejects the petition under section 324(d), The a petition that meets the requirements of this chapter shall be instituted if~~ Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

(b) Timing.—The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after—

(1) receiving a preliminary response to the petition under section 313; or

(2) if no such preliminary response is filed, the last date on which such response may be filed.

(c) Notice.—The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

(d) No Appeal.—The determination ~~by the Director~~ whether to institute ~~or maintain~~ an inter partes review under this ~~section~~ ~~chapter~~ shall be final and nonappealable.

§315. Relation to other proceedings or actions

(a) Infringer's Civil Action.—

(1) Inter partes review barred by civil action.—An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

(2) Stay of civil action.—If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed until either—

(A) the patent owner moves the court to lift the stay;

(B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or

(C) the petitioner or real party in interest moves the court to dismiss the civil action.

(3) Treatment of counterclaim.—A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

Comments

Commented [A2]: Explanation: This change limits the Director's discretion to deny an IPR petition (that otherwise meets the "reasonable likelihood" threshold and all other statutory requirements) to the situations where the petition is raising the "same or substantially the same prior art or arguments previously ... presented to the Office" under § 325(d). This change would overrule the PTAB's *Apple v. Fintiv* precedent and its progeny.
[https://www.uspto.gov/sites/default/files/documents/IPR2_020-00019,%20Apple%20v.%20Fintiv,%20Paper%2011%20\(3.20.20\).pdf](https://www.uspto.gov/sites/default/files/documents/IPR2_020-00019,%20Apple%20v.%20Fintiv,%20Paper%2011%20(3.20.20).pdf)

Commented [A3]: Explanation: This change expands the appeal bar to include determinations, made by anyone in the Office, to "institute" or "maintain" an IPR. The addition of "maintain" in this sentence would ensure that the appeal bar does not turn on the happenstance of the timing of an estoppel-triggering event, as occurred in *Uniloc 2017 LLC v. Facebook* (Fed. Cir. Mar. 9, 2021) (holding that §314(d) does not bar appeal of estoppel determination if the estoppel-triggering event occurred *after* institution instead of *before* institution).
http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/19-1688.OPINION.3-9-2021_1745086.pdf



(b) Patent Owner's Action.—

(1) An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

(2) Request for stay.—If a party seeks a stay of a civil action alleging infringement of a patent under section 281 relating to an inter partes review of that patent, the court shall decide whether to enter a stay based on—

(A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;

(B) whether discovery is complete and whether a trial date has been set;

(C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present a clear tactical advantage for the moving party; and

(D) whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and on the court.

(c) Joinder.—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314. Any person joined as a party to an inter partes review, and any real party in interest or privy of such person, shall be estopped under subsection (e) to the same extent as if such person had been the lead petitioner in that inter partes review.

(d) Multiple Proceedings.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, 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.

(e) Estoppel.—

(1) Proceedings before the office.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 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~~ in the petition.

(2) Civil actions and other proceedings.—The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised ~~during that inter partes review~~ in the petition.

§316. Conduct of inter partes review

(a) Regulations.—The Director shall prescribe regulations—

(1) providing that the file of any proceeding under this chapter shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion;

(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

Comments

Commented [A4]: Explanation: This provision adopts the 4-factor stay test from CBM, thus increasing the likelihood that an instituted IPR petition will result in a stay of litigation. See *Versata Software, Inc. v. Callidus Software, Inc.* (Fed. Cir. 2014). <https://www.patentdocs.org/2014/11/versata-software-inc-v-callidus-software-inc-fed-cir-2014.html>

Commented [A5]: Explanation: This change overrules *Network-1 Technologies, Inc. v. Hewlett-Packard Co.* (Fed. Cir., September 24, 2020), by extending reasonably-could-have-raised estoppel against the joinder petitioner (not merely grounds that the joinder petitioner actually raised in the petition). <https://www.patentpostgrant.com/ptab-joinder-provides-estoppel-benefit/>

Commented [A6]: Explanation: These changes overrule *Shaw Industries* by extending the estoppel provision to grounds that the petitioner raised or reasonably could have raised in its petition (not merely grounds raised or reasonably could have been raised in the instituted trial). https://foiadocuments.uspto.gov/federal/15-1116_1.pdf



(3) establishing procedures for the submission of supplemental information after the petition is filed;

(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title;

(5) setting forth standards and procedures for discovery of relevant evidence, including that such discovery shall be limited to—

(A) the deposition of witnesses submitting affidavits or declarations; and

(B) what is otherwise necessary in the interest of justice;

(6) prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding;

(7) providing for protective orders governing the exchange and submission of confidential information;

(8) providing for the filing by the patent owner of a response to the petition under section 313 after an inter partes review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response;

(9) setting forth standards and procedures ~~for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d) is made available to the public as part of the prosecution history of the patent~~ governing any request for reexamination and the conduct of such reexamination under subsection (d);

(10) providing either party with the right to an oral hearing as part of the proceeding;

(11) requiring that the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review under this chapter, except that the Director may, for good cause shown, extend the 1-year period by not more than 6 months, and may adjust the time periods in this paragraph in the case of joinder under section 315(c);

(12) setting a time period for requesting joinder under section 315(c); and

(13) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.

(b) Considerations.—In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.

(c) Patent Trial and Appeal Board.—The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each inter partes review instituted under this chapter.

(d) Amendment of the Patent.—

(1) ~~In general~~ Request for reexamination.—If a petition for inter partes review has been filed with respect to a patent, the patent owner may amend the claims challenged in the petition by filing a request for reexamination of the patent under section 302. The petition for inter partes review shall not be instituted under section 314(a), and any review previously instituted with respect to the petition shall be terminated without issuance of a final written decision under section 318(a), if—

(A) the patent owner files the request for reexamination with respect to each claim challenged in the petition for inter partes review no later than 2 months after the institution date of the inter partes review;

(B) the request is accompanied by an amendment that narrows the scope of each claim challenged in the petition for inter partes review and adds no new claims;

Comments

Commented [A7]: Explanation: This change reflects the change in section 316(d) below which replaces motions to amend in IPR with a reexamination off-ramp.

Commented [A8]: Explanation: This change replaces motions to amend in IPR with a reexamination off-ramp. The claims will be examined on the merits by a reexamination specialist, and the patent owner will not need to simultaneously defend the patent in the IPR while the reexamination is ongoing. The petitioner, for its part, will not need to defend against a patent in litigation while the reexamination is ongoing and will not be precluded from challenging the amended claims if sued in the future.



(C) the request is accompanied by a copy of the petition for inter partes review, together with all the evidence and exhibits filed with the petition;

(D) the request sets forth the pertinency and manner of applying the prior art cited in the petition for inter partes review in the same manner as set forth in the grounds of unpatentability in the petition;

(E) the request explains with particularity why the patent owner believes the amended claims are patentable over each ground of unpatentability in the petition;

(F) the request is accompanied by the reexamination fee established by the Director pursuant to the provisions of section 41; and

(G) reexamination of the patent is ordered under paragraph (2).

(2) Conduct of reexamination.—The Director shall, within 1 month of receiving a request for reexamination meeting the requirements of paragraph (1), order a reexamination of the patent for resolution of each ground of unpatentability set forth in the copy of the petition for inter partes review that accompanied the request, without regard to whether the request or the petition raises a substantial new question of patentability. If reexamination is ordered under this paragraph, the Director shall cause an examination to be made of the amended claims, and the reexamination shall be conducted according to procedures established by chapter 30, except that the patent owner shall not have the right to—

(A) file a statement pursuant to section 304; or

(B) file any amendment adding any new claims or enlarging the scope of any claim relative to the amendment that accompanied the request under paragraph (1).

(3) Effect on litigation.—If reexamination is ordered under paragraph (2) with respect to a patent, any civil action alleging infringement of the patent under section 281 shall be dismissed with respect to that patent, and the patent may not be asserted in any civil action under section 281 until the reexamination has concluded with the issuance of a certificate under section 307.

(4) Effect on petitioner.—If a patent has been amended in a reexamination ordered under paragraph (2), the time limitation set forth in section 315(b)(1) shall be measured from the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the amended patent. ~~During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:~~

~~(A) Cancel any challenged patent claim.~~

~~(B) For each challenged claim, propose a reasonable number of substitute claims.~~

~~(2) Additional motions.—Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 317, or as permitted by regulations prescribed by the Director.~~

~~(3) Scope of claims.—An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.~~

(e) Evidentiary Standards.—In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by clear and convincing ~~a preponderance of the~~ evidence.

(f) Claim Construction.—In an inter partes review instituted under this chapter, each patent claim challenged by the petitioner shall be construed using the same claim construction standard that would be used to construe the claim in a civil action under section 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. Any prior claim construction determination concerning a term of the claim in a civil action, or a proceeding before the International Trade Commission, that is timely made of record in the inter partes review proceeding shall be considered.

Comments

Commented [A9]: Explanation: This change increases the burden of persuasion to “clear and convincing” evidence, thus harmonizing the burdens in IPR and litigation.

Commented [A10]: Explanation: This change codifies the USPTO’s regulation (37 CFR 42.100(b)) which adopted the *Phillips* district court-type claim construction standard, thus harmonizing the standards in IPR and litigation.



§317. Settlement

(a) In General.—An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the inter partes review is terminated with respect to a petitioner under this section, no estoppel under section 315(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review. If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).

(b) Agreements in Writing.—Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of an inter partes review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the inter partes review as between the parties. At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause.

§318. Decision of the Board

(a) Final Written Decision.—If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner ~~and any new claim added under section 316(d)~~.

(b) Certificate.—If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, and confirming any claim of the patent determined to be patentable, ~~and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable~~.

(c) Intervening Rights.—Any proposed amended ~~or new~~ claim determined to be patentable and incorporated into a patent following a reexamination an inter partes review under ~~this chapter~~ section 316(d) shall have the same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended ~~or new~~ claim, or who made substantial preparation therefor, before the issuance of a certificate under ~~subsection (b)~~ section 307.

(d) Data on Length of Review.—The Office shall make available to the public data describing the length of time between the institution of, and the issuance of a final written decision under subsection (a) for, each inter partes review.

§319. Appeal

A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the inter partes review shall have the right to be a party to the appeal.

Comments

Commented [A11]: Explanation: These changes reflect the change above which replaced motions to amend with reexamination.