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# PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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## A Slip of the Pen May Cost You Your IPR

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February 26, 2015 – The Patent Office is getting *inter partes* review (IPR) petitions by the boat load. See, e.g., [http://www.uspto.gov/sites/default/files/documents/aia\\_statistics\\_02-19-2015.pdf](http://www.uspto.gov/sites/default/files/documents/aia_statistics_02-19-2015.pdf). Some patent challengers are adding to the volume by filing numerous IPRs against a single patent. They use each IPR for a distinct set of claims. For example, Ford filed five IPRs against one patent, in IPR2015-00722, 758, 784, 785, 791. It may be that petitioners are finding Patent Office page lengths for IPRs too confining. But the volume of IPRs has potential to overwhelm the Patent Trial and Appeal Board (PTAB). Indeed, the volume of IPR filings may be affecting the willingness of the PTAB to accept petitions, and its assessment of fact and law as it goes about accepting and rejecting petitions.

In IPR2014-01242, the PTAB rejected a petition. The reason for the rejection was the one-year bar for filing. The underlying reason, however, may have been an excusable slip of a pen, a slip that was not excused.

To refresh the reader, an IPR can be filed by a person sued for patent infringement only within one year of the date of service of the complaint. 35 U.S.C. §315(b). IPR rules have turned that deadline into a requirement that the petitioner must satisfy. They must certify that they are not barred or estopped from requesting the IPR. 37 C.F.R. §42.104(a). As stated in *Johnson Health Tech Co. v. Icon Health & Fitness, Inc.*, IPR2014-01242, Decision: Denying Institution of *Inter Partes* Review (PTAB February 11, 2015), the petitioner “bears the burden of showing compliance.”

Two parties filed the “Johnson petition.” They were Johnson Health Tech Co. Ltd., and Johnson Health Tech North America, Inc. Call them “Johnson” and “North.” Johnson is the parent of North. *Id.* at 2. North had been sued more than a year before the date of the IPR petition. The PTAB resolved that North was barred from filing the petition.

But Johnson had not been sued. *Id.* The issue arose, however, that the bar of 35 U.S.C. §315 extends not just to parties who are sued, but their privies. The PTAB, as a result, had a decision to make whether Johnson, the parent, was the privy of North, the subsidiary. Oddly, Johnson, as a petitioner, said little to support its standing as *not* North’s privy. *Id.* at 8. The patent owner, in contrast, identified “myriad” facts. *Id.*

Myriad facts, however, did not become a part of the PTAB’s decision that Johnson was a privy of North. Instead, the PTAB stated that Johnson and North shared a “close and significant business relationship,” and that North was “simply an intermediary” between Johnson and ultimate purchasers of accused products. *Id.* at 8-9. These facts may have been enough to justify dismissing the petition. The PTAB, continued, however, that after Johnson filed for a previous reexamination of the patent involved, North represented in the litigation that North had done the filing, and represented it so twice. *Id.* at 9. Those representations, the PTAB reasoned, showed that Johnson and North had “blurred sufficiently the lines of corporate separation” such that Johnson was concluded to exercise control, or could have exercised control, over the business matters of North. *Id.* That sealed the deal. The petition was denied.

Were the representations of North that it filed for reexamination when Johnson had actually done the filing a slip of the pen? No doubt. In the PTAB opinion, and probably in the representations, Johnson was designated “JHT” and North was designated “JHTNA.” Someone may have slipped up keeping track of acronyms. But the slip, nevertheless, may well have been the one thing that most cost Johnson its IPR.

*The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer weekly summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.*



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