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Using Data Analytics to Gain Advantage in PTAB Proceedings

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Duane Morris & Selvam Taiwan

Taipei: May 25, 2019

Seoul: May 30, 2019

Overview of PTAB Proceedings

What is the PTAB?

The America Invents Act (AIA) of 2012 was the biggest overhaul of the US Patent Act in 60 yrs.

- **It transformed the US patent system from "first to invent" to "first to file".**
- **Created the Patent & Trademark Appeals Board (PTAB), as part of the USPTO.**
- **Created new methods to challenge the validity of a patent at the PTAB, instead of in court.**

PTAB v. Litigation

Nicknamed the "Patent Death Squad," the PTAB is faster, cheaper, more effective than litigation, for invalidating patents.

Method	Time	Cost	Effectiveness
PTAB	6 - 18 mos.	< $500K	
LAWSUIT	24 - 36+ mos.	> $1,000,000	

PTAB Organization

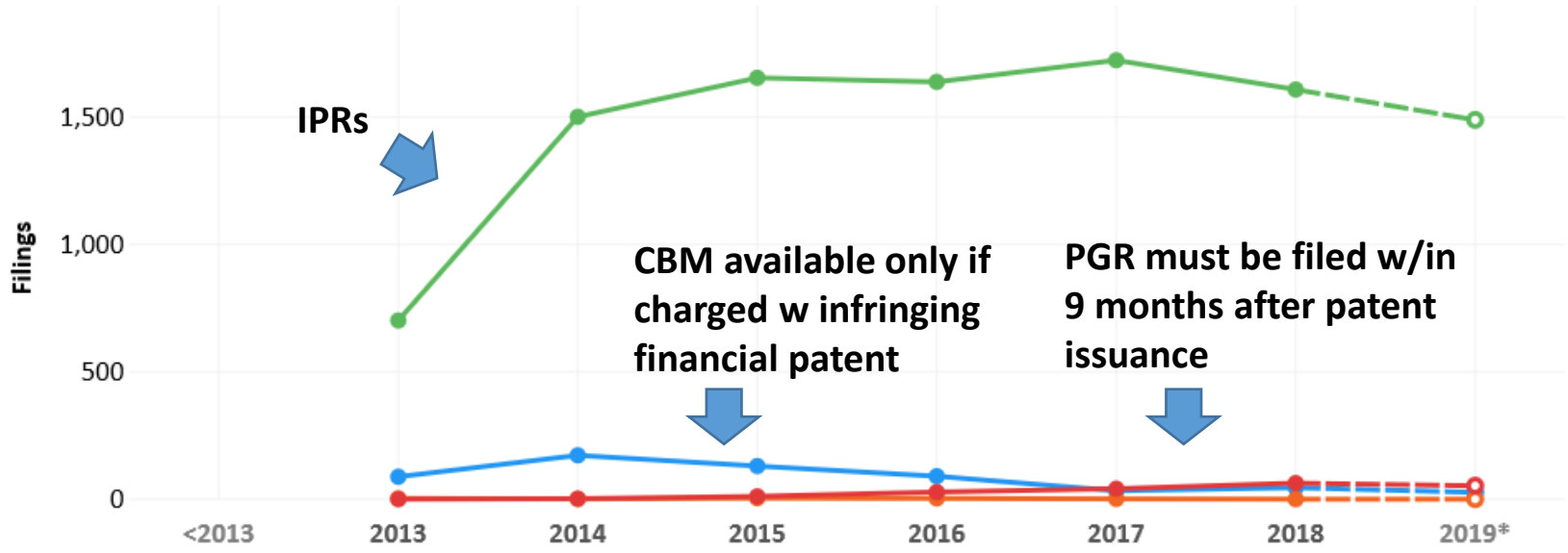
- **Panels of three admin judges at USPTO HQ (Virginia), or Dallas, Denver, Detroit, San Jose.**
- ***Appeals Division*: Appeals by patent applicants from decisions of patent examiners.**
- ***Trial Division*: New post-grant proceedings.**

Types of PTAB Proceedings

PTAB Type	Who can File	When to File	Potential Grounds
Post Grant Review	**Anyone**	***Within 9 months of issuance***	**Any invalidity ground except failure to disclose best mode**
Inter Partes Review	**Haven't litigated over validity of the patent in the past year.**	**At least 9 mos. after patent issued and any PGR is finished**	***Prior publications or patents only*** **(not prior sale, prior use, indefiniteness, inequitable, etc.)**
Covered Business Method	**Accused of infringing *patent re financial products/services***	**After Sept. 2012**	**Any invalidity ground except failure to disclose best mode**

Most PTAB Filings are IPRs

Trials Started per Year

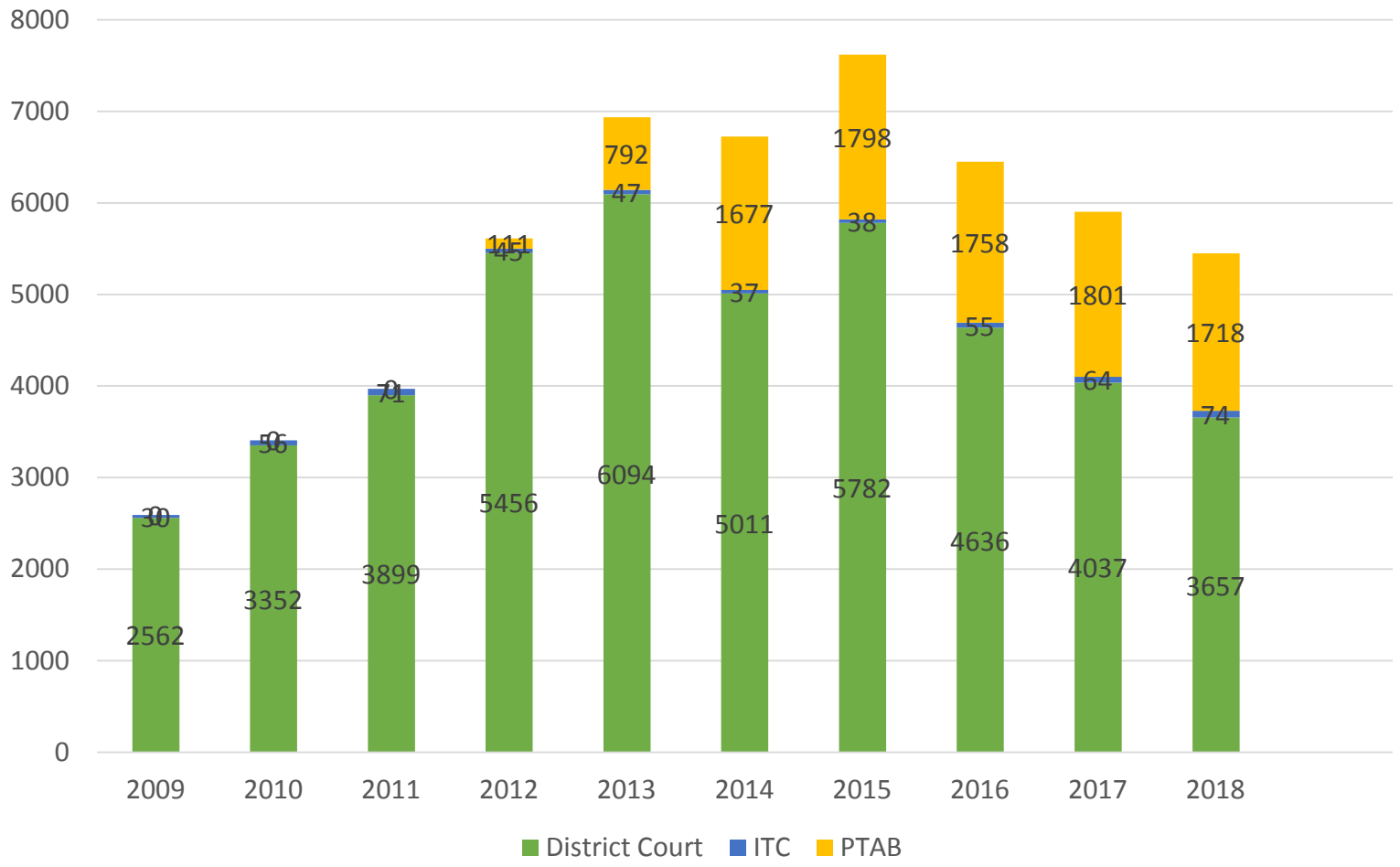


	<2013	2013	2014	2015	2016	2017	2018	2019*
CBM	15	89	173	131	91	34	46	3
DER	0	4	2	5	4	2	1	0
IPR	96	702	1,501	1,654	1,638	1,723	1,608	483
PGR	0	1	3	12	29	42	64	20

* 2019 numbers are year-to-date. Open dots are full-year estimates.

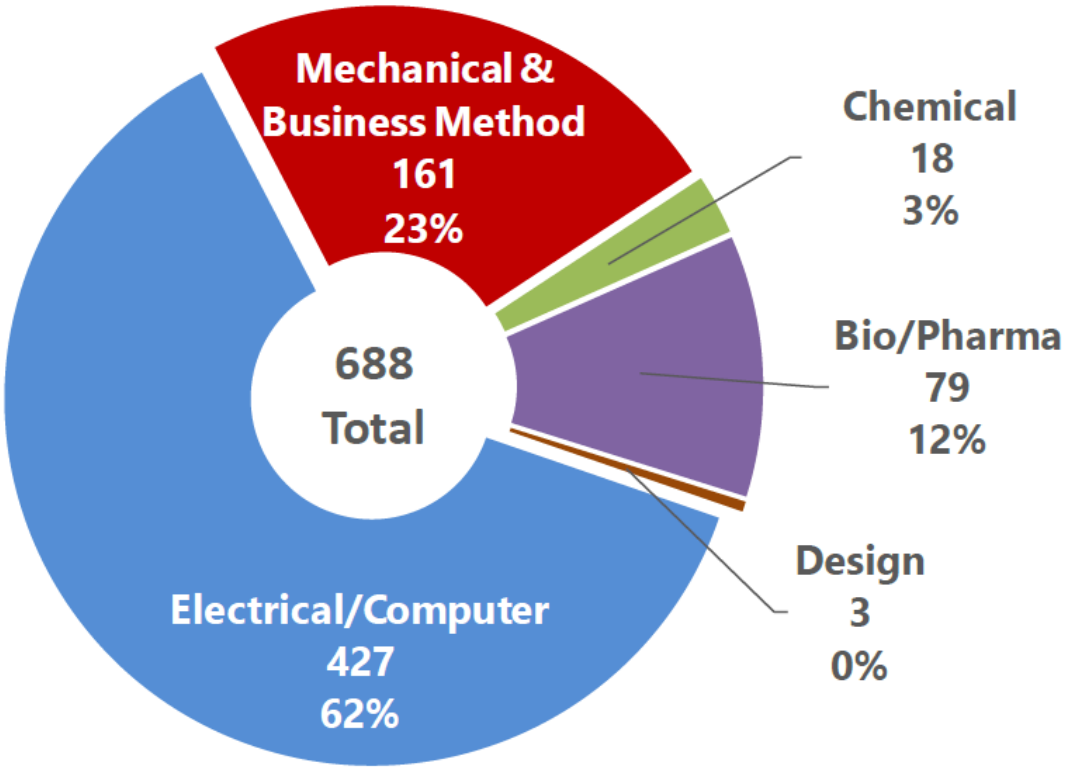
Source: Lex Machina

Patent Filings in District Court, ITC, PTAB



Sources: Lex Machina, ITC

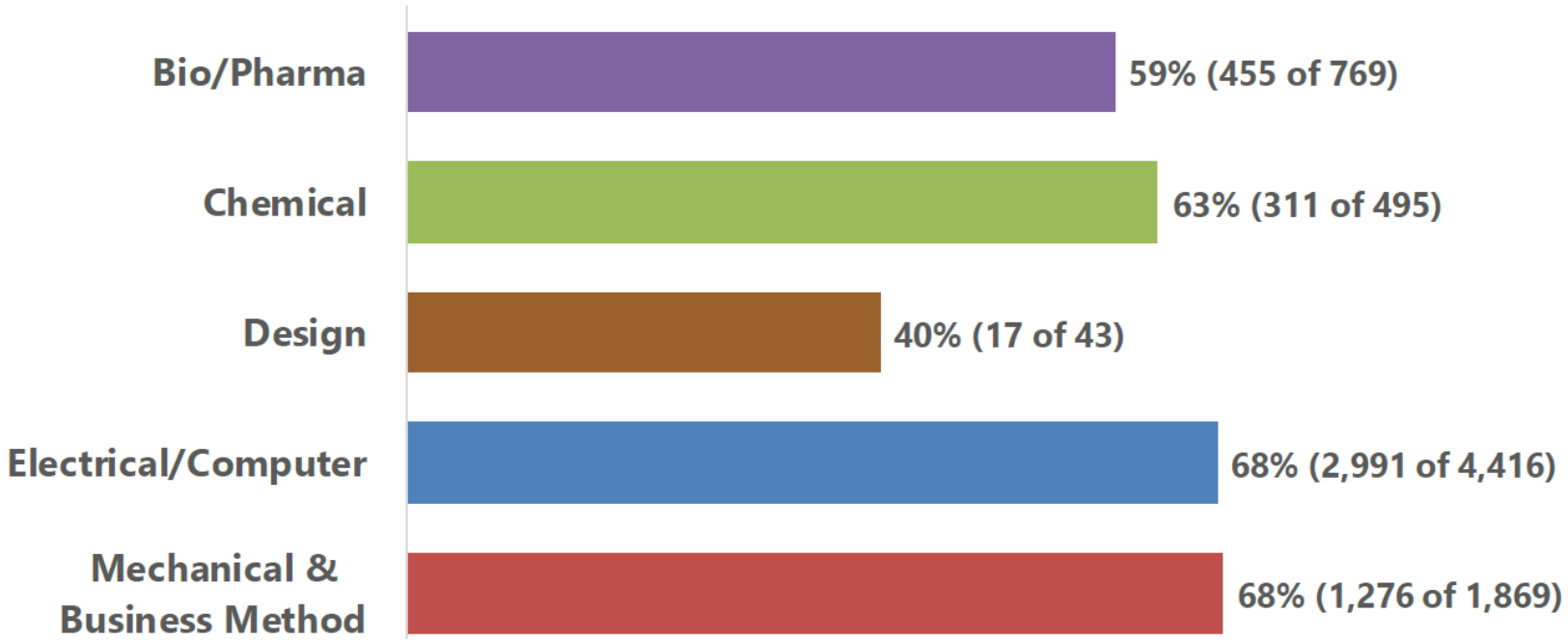
PTAB Petitions by Technology



10/1/2018 to 2/28/2019

Source: USPTO

Institution Rate by Technology

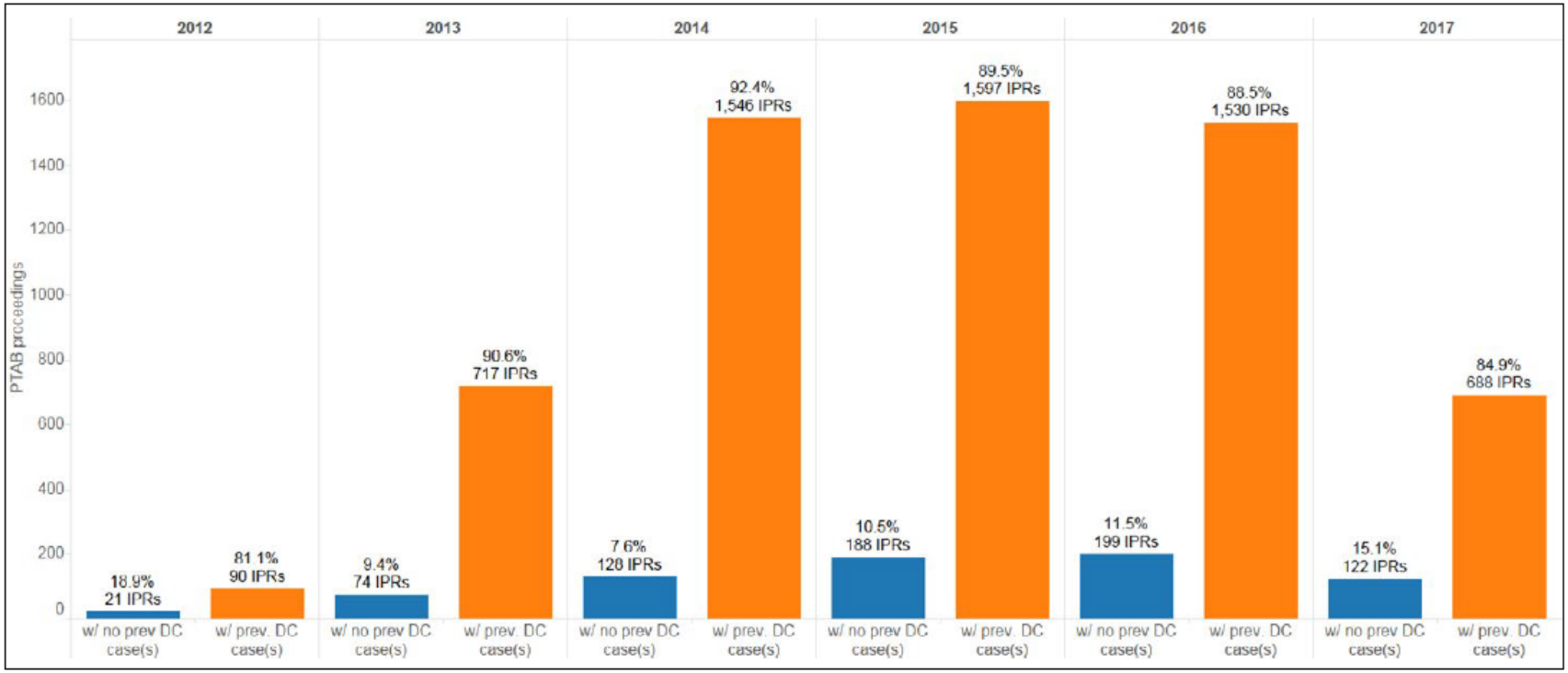


10/2012 to 2/2019

Source: USPTO

Most PTABS are in Response to Litigation

PTAB petitions with patents litigated in district court prior to petition

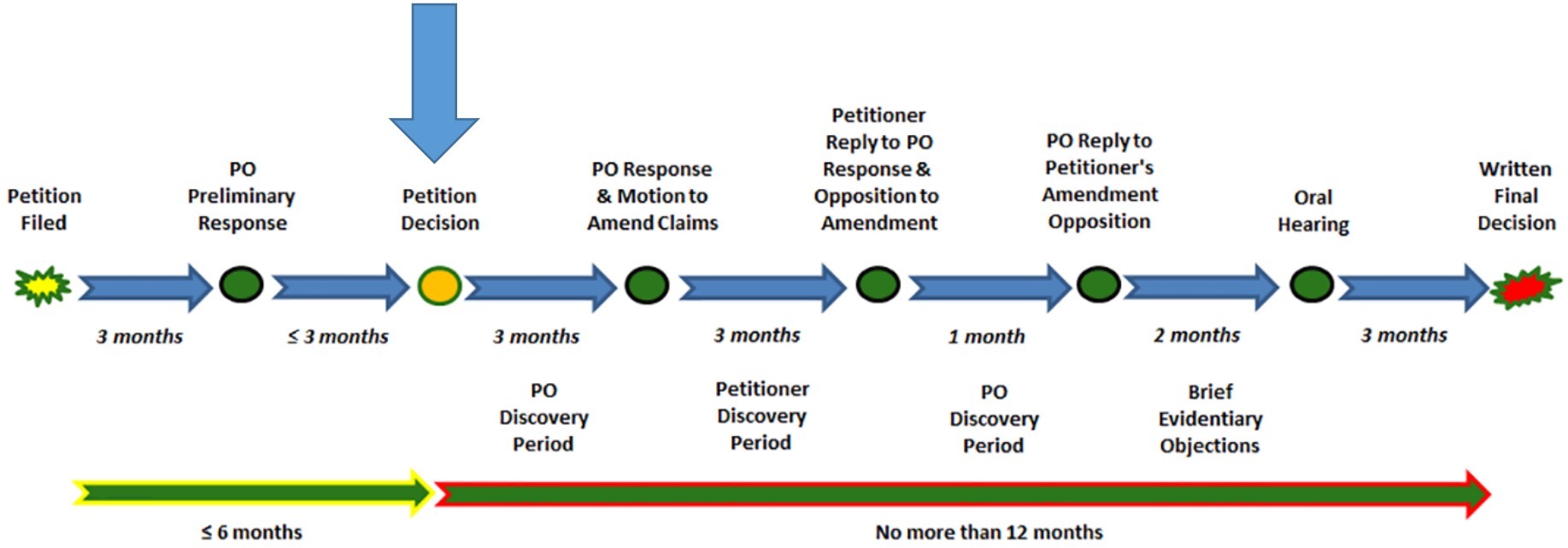


But also popular for invalidating *blocking patents*.

Source: Lex Machina 2017 PTAB Report

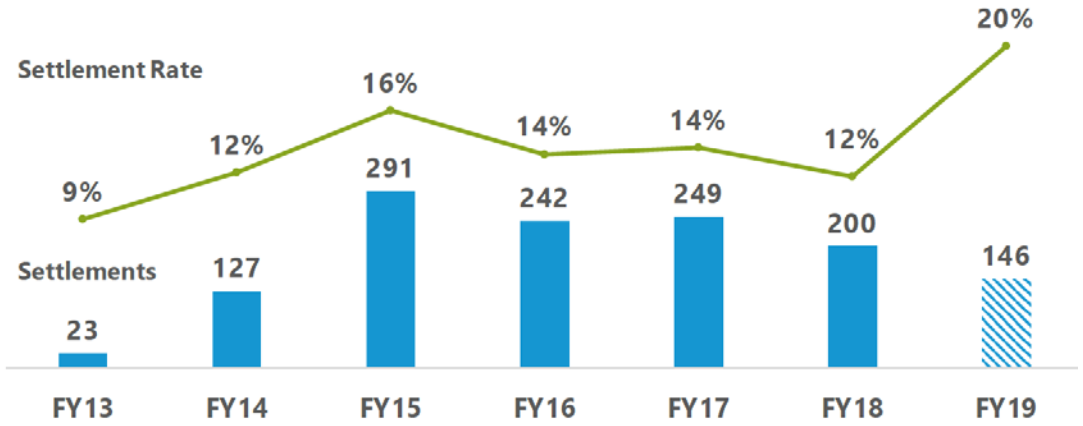
IPR Timeline

Institution **if Reasonable likelihood of prevailing on at least one claim.**

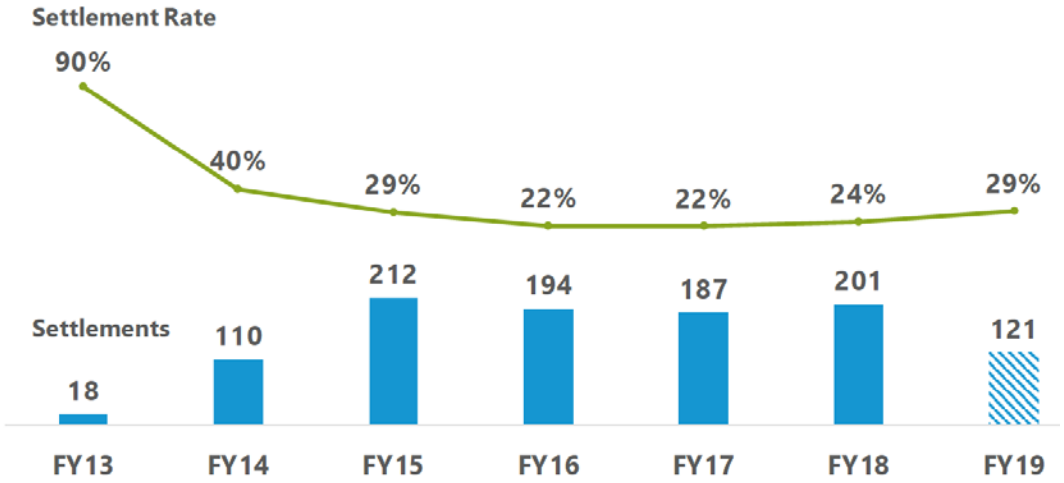


Settlements Pre- and Post-Institution

Settled Pre-Institution



Settled Post-Institution



Source: USPTO 10/2012 to 2/2019

IPR v. Litigation

	IPR	District Court
Burden of Proof	**Preponderance (more likely than not)**	**Clear and convincing**
Discovery	**Rarely granted**	**Extensive**
Trial	**Oral argument; usually no witnesses, just affidavits**	**Oral argument, witnesses, written and video testimony, etc.**
Judge	**3 judges with patent and tech experience**	**Judge/jury may have little or no experience**

Prompt Action Required

PETITIONER:

Before filing petition, select prior art carefully, and fully prepare arguments and experts to support claim construction and grounds for invalidation.

PATENT OWNER:

- **Retain counsel fast. Must file notice identifying counsel and other matters w/in 21 days.**
- **File strong Preliminary Response, seeking to convince PTAB not to institute.**

Major Developments Concerning PTAB

Inter Partes Review is Constitutional

***Oil States Energy v. Greene's Energy* (USSCt., April 2018).**

- **Oil States sued Greene's for patent infringement in 2012.**
- **Greene's filed IPRs in response, challenging the patents.**
- **Oil States argued IPR is unconstitutional, patents may be taken away only by a jury trial.**
- **Supreme Court disagrees, holds patents may be granted or taken away by the USPTO.**
- **IPR is Constitutional. The process lives on.**

Partial Institutions of IPRs not Allowed

SAS Institute Inc. v. Iancu **(USSCt., April 2018).**

- **SAS filed IPR petition challenging 16 patent claims.**
- **PTAB instituted review on just some of the challenged claims; issued final decision on just those claims.**
- **Supreme Court found that improper.**
- **If PTAB institutes IPR on *any* claim in petition, must issue final written decision on *every* claim in the petition.**

Claim Construction Standard Narrowed

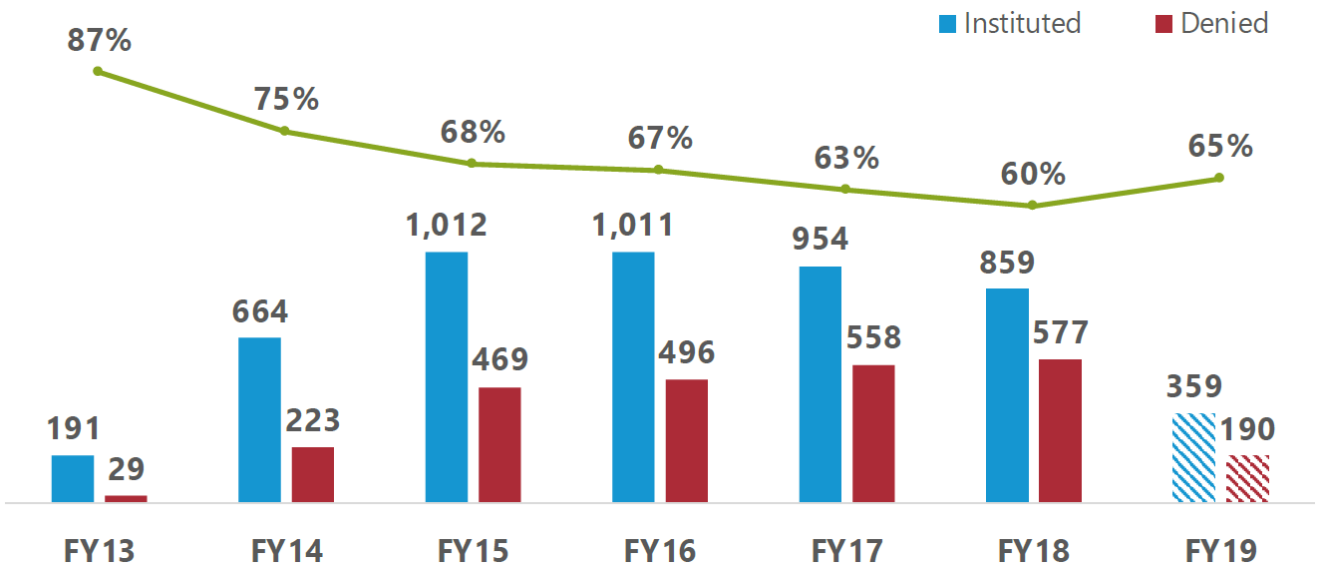
PTAB was using broadest reasonable construction standard when evaluating patent claims.

Courts applied narrower claim construction standard, based on *Phillips v. AWH Corp*. (Fed. Cir. 2005).

Many complained that was unfair, making invalidation easier before the PTAB.

10/2018: USPTO published rule requiring PTAB to apply same standard as courts.

Institution Rates Have Declined



- **Stronger preliminary responses, as the practice matures?**
- **PTAB response to criticism ("patent death squad")?**

Source: USPTO (2013 - 2/28/2019)

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Improving PTAB Strategy With Data Analytics

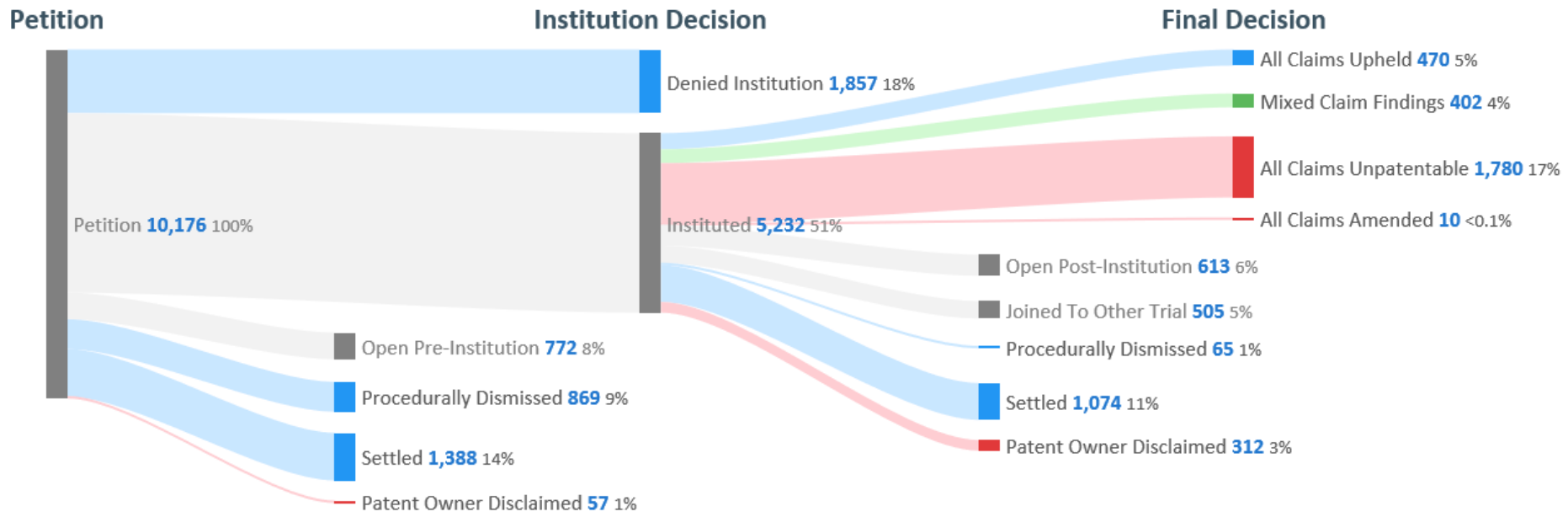
What is Data Analytics?

Examining data in order to draw conclusions to help make more informed business or legal decisions.

PTAB: Results of all Petitions

Showing **10,176** PTAB trials; filed between 2012-09-16 and 2019-05-22 .

Trial Flow | Summary | Timing | Law Firms | Trial Resolutions | Grounds



Source: Lex Machina

PTAB: All Cases Denied Institution

Showing **1,857** PTAB trials; which reached Institution Decision: Denied Institution ; filed between 2012-09-16 and 2019-05-22 .

IPR2019-00248	2018-11-08	2019-05-22	9496122	14594262	Daihen Corporation
IPR2019-00263	2018-11-15	2019-05-21	8764575	14182775	SZSarasota LLC Hangar15 Florida, LLC Marjac Ventures, LLC SZSC, LLC No Call East, LLC Y&J Global Enterprises of Florida, LLC Sky Zone, LLC Sky Zone Franchise Group, LLC Flying Panda PSL LLC 2Infinity Florida LLC
IPR2018-01571	2018-09-04	2019-03-04	8206427	08463836	Cook Incorporated Cook Medical LLC
IPR2018-01570	2018-09-04	2019-03-04	8206427	08463836	Cook Incorporated Cook Medical LLC
IPR2018-01569	2018-08-31	2019-03-01	8206427	08463836	Cook Incorporated Cook Medical LLC
IPR2018-01433	2018-07-20	2019-01-28	9183846	14361367	Motorola Solutions, Inc.

Source: Lex Machina

PTAB: All Cases Procedurally Dismissed

Showing **870** PTAB trials; which reached Pre-Institution: Procedurally Dismissed ; filed between 2012-09-16 and 2019-05-24 .

Trial	Filed	Decision	Patent	Application	Petitioners	Patent Owners
IPR2019-00398	2018-12-10	—	6949771	10128446	Nichia Corporation	Document Security Systems, Inc.
CBM2018-00042	2018-09-14	—	8386362	10206810	Investors Exchange LLC IEX Group, Inc.	Nasdaq, Inc.
CBM2018-00041	2018-08-24	—	8244622	10206151	Investors Exchange LLC IEX Group, Inc.	Nasdaq, Inc.
CBM2018-00038	2018-07-20	—	7895112	10206316	Investors Exchange LLC	Nasdaq, Inc.
IPR2018-00744	2018-03-05	—	9635957	15043287	Fasteners for Retail, Inc.	RTC Industries, Inc.
IPR2019-00078	2018-10-12	—	9786140	15221497	InVue Security Products Inc.	Mobile Tech, Inc.
IPR2019-00079	2018-10-12	—	9786140	15221497	InVue Security Products Inc.	Mobile Tech, Inc.
IPR2019-00053	2018-10-12	—	5890195	08855944	ARM, Inc. ARM, Ltd.	Complex Memory, LLC

Source: Lex Machina

PTAB: Grounds for Institution/Final Decision

Showing **10,176** PTAB trials; filed between 2012-09-16 and 2019-05-22 .

Trial Flow | Summary | Timing | Law Firms | Trial Resolutions | Grounds

Statute		Trials	Grounds
Institution Decision: Instituted			
§ 101	new & useful	236	240
§ 102	novelty	1,830	2,634
§ 103	non-obvious	4,792	13,686
§ 112	best mode	86	127
Institution Decision: Denied Institution			
§ 101		68	68
§ 102		1,383	2,099
§ 103		3,137	9,566
§ 112		100	147
Final Decision: Unpatentable			
§ 101		136	136
§ 102		673	894
§ 103		1,887	4,636
§ 112		28	29
Final Decision: Upheld			
§ 101		5	5
§ 102		363	451
§ 103		893	1,977
§ 112		8	9

Source: Lex Machina

Judges: Compare All

Administrative Patent Judges

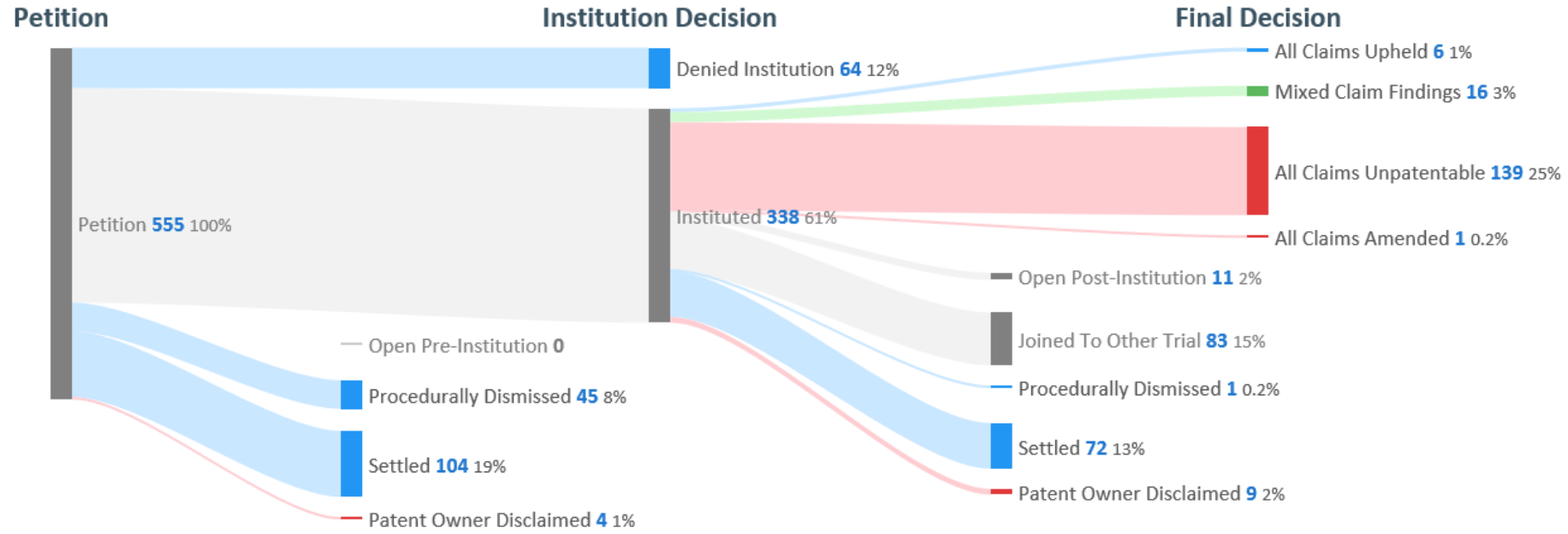
First Name	Last Name	# of Open Trials	# of Trials
Joni	Chang	11	555
Kevin	Turner	10	532
Jameson	Lee	9	525
Sally	Medley	24	521
Thomas	Giannetti	22	459
Brian	McNamara	21	451
Michael	Zecher	10	443
Jennifer	Bisk	6	441
Karl	Easthom	7	441
Justin	Arbes	22	423

Source: Lex Machina

Judge: Results of all Petitions

Showing **555** PTAB trials before Judge Joni Y. Chang; filed between 2012-09-16 and 2019-05-23 .

Trial Flow | Summary | Timing | Law Firms | Trial Resolutions | Grounds

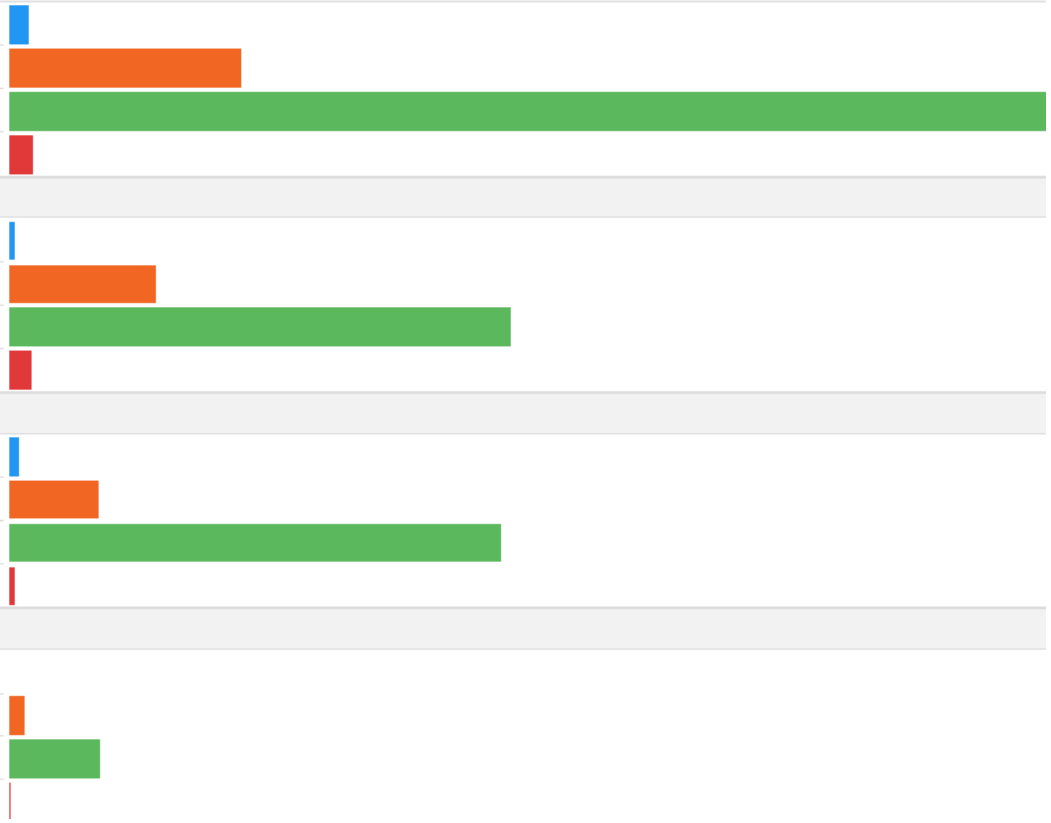


Source: Lex Machina

Judge: Grounds for Institutions/Decisions

Showing **555** PTAB trials before Judge Joni Y. Chang: filed between 2012-09-16 and 2019-05-23 .

Statute		Trials	Grounds
Institution Decision: Instituted			
§ 101	new & useful	12	12
§ 102	novelty	93	139
§ 103	non-obvious	316	749
§ 112	best mode	11	14
Institution Decision: Denied Institution			
§ 101		3	3
§ 102		55	88
§ 103		103	300
§ 112		9	13
Final Decision: Unpatentable			
§ 101		6	6
§ 102		43	53
§ 103		139	294
§ 112		3	3
Final Decision: Upheld			
§ 101		0	0
§ 102		9	9
§ 103		25	54
§ 112		1	1



Source: Lex Machina

Judge: List of all Cases

Showing **555** PTAB trials before Judge Joni Y. Chang; filed between 2012-09-16 and 2019-05-23 .

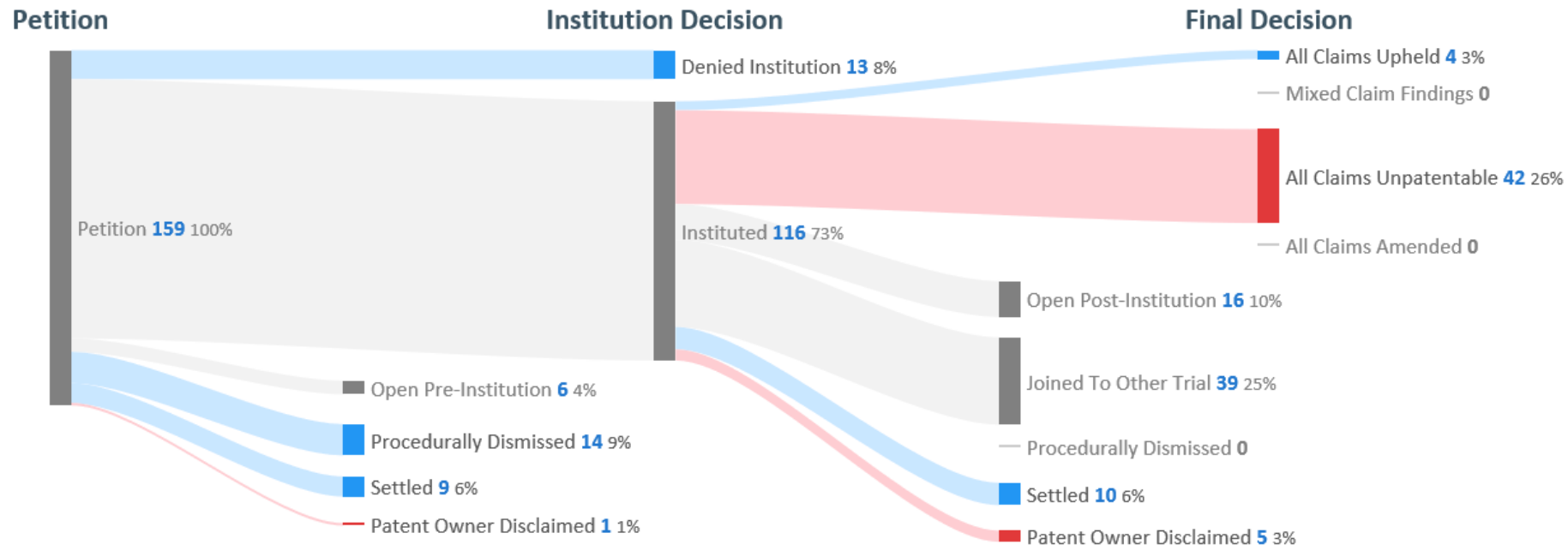
Trial	Filed	Institution Decision	Patent	Application	Petitioners	Patent Owners
IPR2018-01608	2018-08-28	2019-02-28	7030330	10391002	Darfon Electronics Corporation	Lite-On Singapore PTE,
IPR2018-00321	2017-12-18	2018-06-25	9659314	14512348	Oath, Inc. Verizon Corporate Resources Group LLC Verizon Internet Services Inc. Cellco Partnership DBA Verizon Wireless Verizon Communications, Inc. Verizon Online LLC	Bridge and Post, Inc.
IPR2019-00008	2018-10-31	2019-05-16	8378623	12940085	Toyota Motor Corporation	General Electric Compa
CBM2019-00004	2018-11-08	—	8977571	12545127	WFC Holdings LLC Wells Fargo Bank, N.A. Wells Fargo & Company	United Services Autom
IPR2019-00805	2019-03-11	—	8590383	12144756	Olympus Medical System Corp	General Electric Techn
IPR2018-01645	2018-08-31	2019-01-15	9014667	12919965	Lenovo Group Limited Motorola Mobility LLC Lenovo Holding Company, Inc. Lenovo (United States) Inc.	Koninklijke KPN N.V.
IPR2018-01639	2018-08-31	2018-11-01	9014667	12919965	HTC Corporation	Koninklijke KPN N.V.

Source: Lex Machina

Law Firm: Results of all Petitions

Showing **159** PTAB trials with Duane Morris as a law firm; in which the selected law firm represented a Petitioner ; filed between 2012-09-16 and 2019-05-22 .

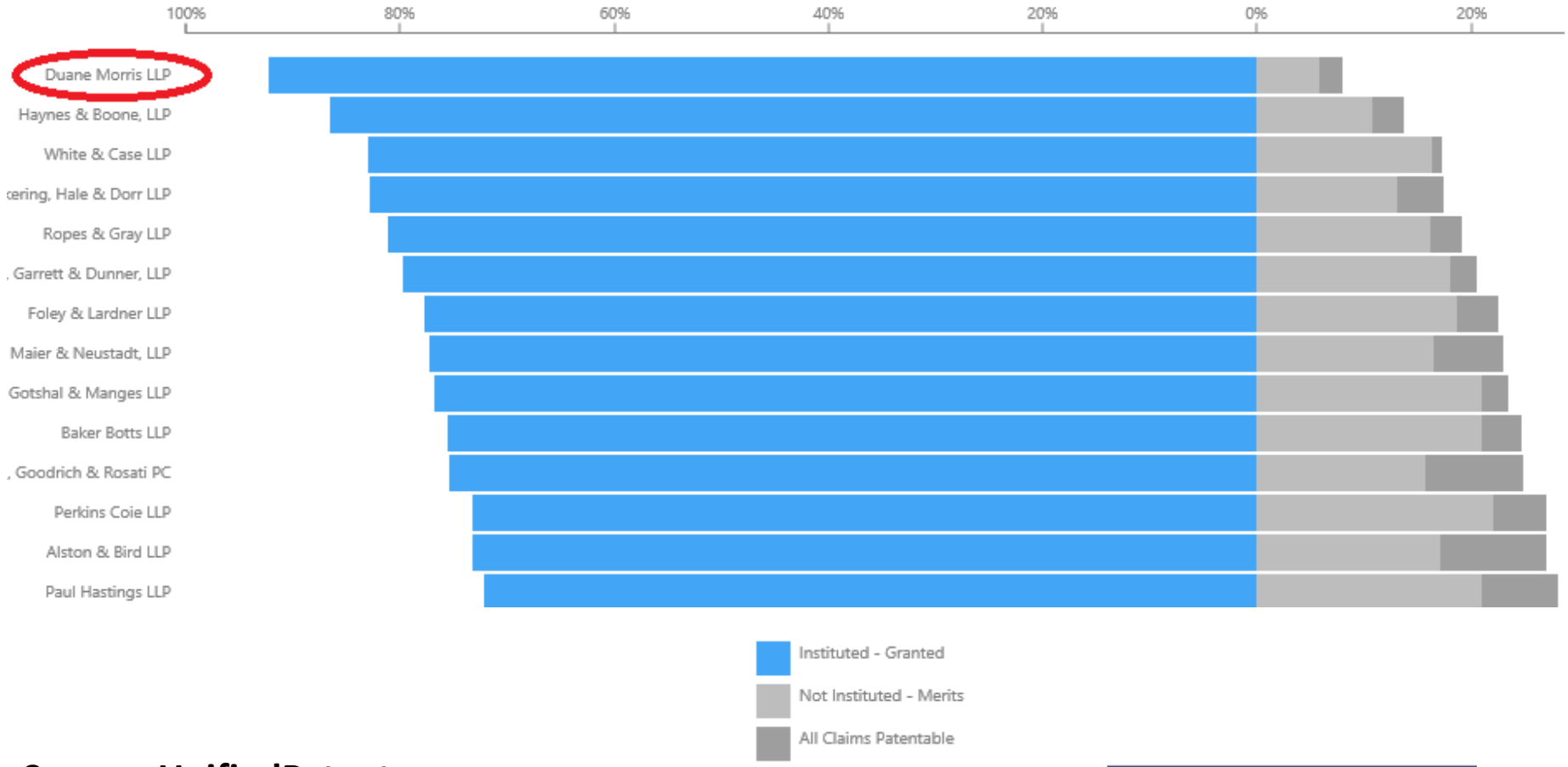
Trial Flow | Summary | Timing | Law Firms | Trial Resolutions | Grounds



Source: Lex Machina

Law Firm: Success Rate

Institutional Success Rates – Petitioner Law Firm



Source: UnifiedPatents.com

Law Firm: List of all Cases

Showing **159** PTAB trials with Duane Morris as a law firm; in which the selected law firm represented a Petitioner filed between 2012-09-16 and 2019-05-22 .

Trial	Filed	Institution Decision	Patent	Application	Petitioners	Patent Owners
IPR2018-01760	2018-09-18	2019-05-20	9413722	14855374	Cisco Systems, Inc.	Centripetal Netwo
IPR2018-01435	2018-07-20	2019-02-19	6999933	10105498	MModal Services, Ltd. New MMI Holdings, Inc. Multimodal Technologies, LLC MModal LLC	Nuance Communi
IPR2018-01431	2018-07-20	2019-02-20	8117034	10106981	MModal Services, Ltd. New MMI Holdings, Inc. Multimodal Technologies, LLC MModal LLC	Nuance Communi
IPR2018-01018	2018-05-03	2018-11-19	7729728	11420860	ARRIS Solutions, Inc. Netgear, Inc. ARRIS International plc Arris Enterprises LLC Ruckus Wireless, Inc. Belkin International, Inc.	XR Communicatio
IPR2018-01418	2018-07-18	2019-02-27	7962103	12463657	Arris Enterprises LLC Amazon.com, Inc. Roku, Inc. ARRIS Solutions, Inc. Belkin International, Inc. Netgear, Inc. Ruckus Wireless, Inc. ARRIS International plc	Hera Wireless S.A

Source: Lex Machina

Law Firm: All Cases Settled Pre-Institution

Showing **9** PTAB trials with Duane Morris as a law firm; which reached Pre-Institution: Settled ; filed between 2012-09-16 and 2019-05-23 .
patents from all cases in Lex Machina.

Case List

Order by most recent document activity

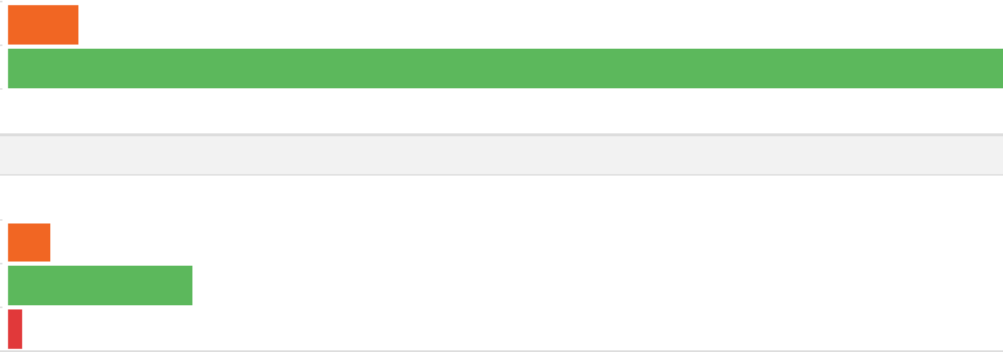
Trial	Filed	Institution Decision	Patent	Application	Petitioners	Patent Owners
IPR2019-00544	2019-01-15	—	9843612	14984709	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2019-00543	2019-01-15	—	9843612	14984709	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2019-00540	2019-01-15	—	9253332	13674227	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2019-00539	2019-01-15	—	9253332	13674227	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2019-00541	2019-01-15	—	9094525	13674233	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2019-00542	2019-01-15	—	9094525	13674233	Cisco Systems, Inc.	Meetrix IP, LLC
IPR2018-01109	2018-05-17	—	6829612	09931084	FilmFestivalPanda.com LLC	IMDB.COM, Inc.
PGR2016-00028	2016-07-12	—	9155776	14720556	Amneal Pharmaceuticals LLC Amneal Pharmaceuticals Company GmbH	Yeda Research an
CBM2014-00121	2014-05-07	—	8402281	12916274	Phoenix Payment Systems, Inc.	Protegrity Corp

Source: Lex Machina

Law Firm: Grounds - All Claims Unpatentable

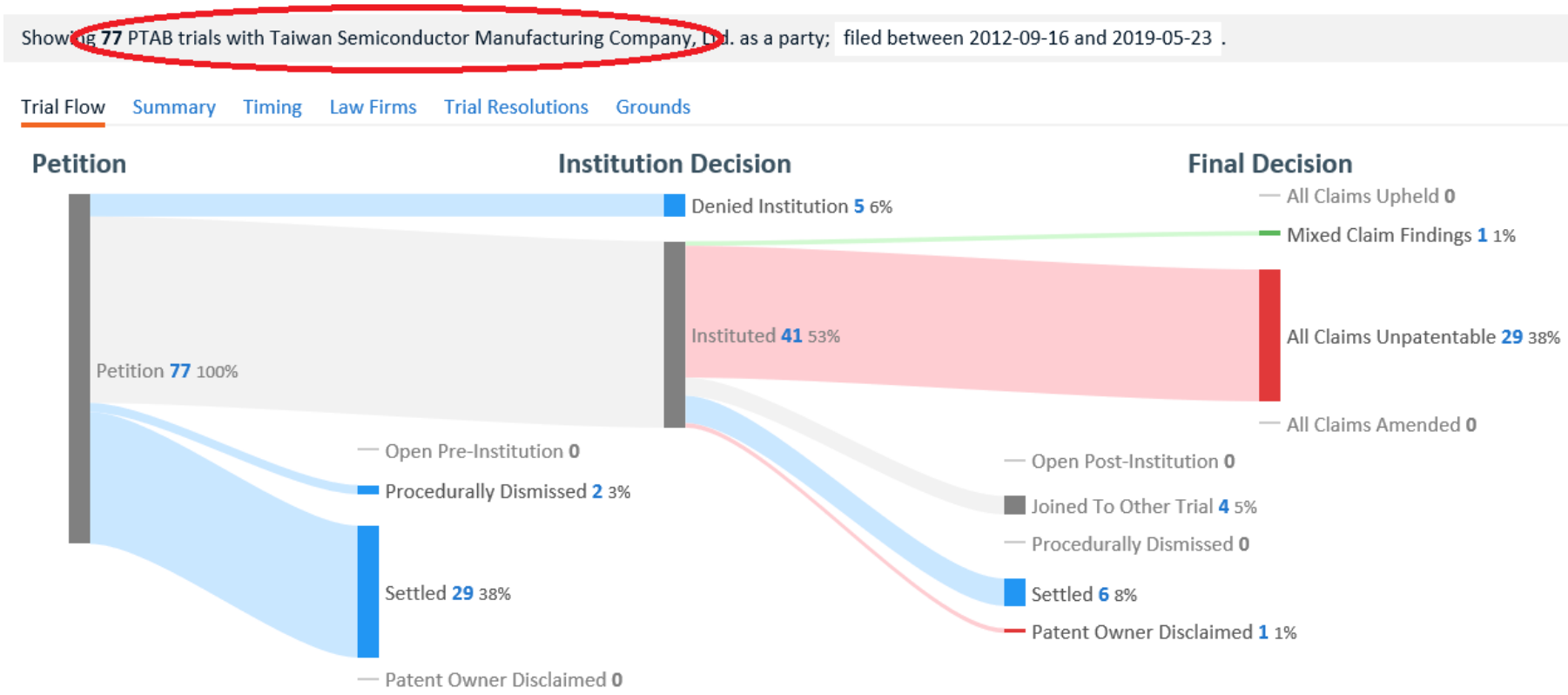
Showing **42** PTAB trials with Duane Morris as a law firm which reached Final Decision: All Claims Unpatentable ; filed between 2012-09-16 and 2019-05-23 .

Statute	Trials	Grounds
Institution Decision: Instituted		
§ 101	0	0
§ 102	4	5
§ 103	42	89
§ 112	0	0
Institution Decision: Denied Institution		
§ 101	0	0
§ 102	3	3
§ 103	10	13
§ 112	1	1
Final Decision: Unpatentable		
§ 101	0	0
§ 102	4	5
§ 103	42	89
§ 112	0	0
Final Decision: Upheld		
§ 101	0	0
§ 102	0	0
§ 103	0	0
§ 112	0	0



Source: Lex Machina

Party: Results of all Petitions



Source: Lex Machina

Party: All Cases Settled Pre-Institution

Showing **29** PTAB trials with Taiwan Semiconductor Manufacturing Company, Ltd. as a party; which reached Pre-Institution: Settled ; filed between 2012-09-16 and 2019-05-23 .

Trial	Filed	Institution Decision	Patent	Application	Petitioners	Patent Owners
IPR2019-00046	2018-10-08	—	6346736	09469498	Taiwan Semiconductor Manufacturing Company, Ltd.	Godo Kaisha IP B
IPR2018-00471	2018-01-15	—	6924226	10328629	Applied Materials, Inc. Taiwan Semiconductor Manufacturing Company, Ltd. TSMC North America	Dr. Uri Cohen
IPR2018-00470	2018-01-15	—	6924226	10328629	Applied Materials, Inc. Taiwan Semiconductor Manufacturing Company, Ltd. TSMC North America	Dr. Uri Cohen
IPR2018-00469	2018-01-15	—	7282445	11654478	Applied Materials, Inc. Taiwan Semiconductor Manufacturing Company, Ltd. TSMC North America	Dr. Uri Cohen
IPR2018-00468	2018-01-15	—	7199052	11057485	Applied Materials, Inc. Taiwan Semiconductor Manufacturing Company, Ltd. TSMC North America	Dr. Uri Cohen
IPR2018-00467	2018-01-15	—	6518668	09730220	Applied Materials, Inc. Taiwan Semiconductor Manufacturing Company, Ltd. TSMC North America	Dr. Uri Cohen
IPR2018-00771	2018-03-14	—	6924226	10328629	Taiwan Semiconductor Manufacturing Company, Ltd. Applied Materials, Inc. TSMC North America	Dr. Uri Cohen
IPR2018-00770	2018-03-14	—	6924226	10328629	TSMC North America Applied Materials, Inc.	Dr. Uri Cohen

Source: Lex Machina

Comments? Questions?

Thank you.

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Christopher Neumeyer assists companies in Asia with diverse matters involving technology and intellectual property, including negotiating and drafting complex agreements, resolving transactions and disputes concerning patents, trade secrets, debt collection, investments, defective products, competition law, and regulatory compliance. Mr. Neumeyer also works closely with his US colleagues on US litigation and administrative proceedings.

Prior to joining Duane Morris, he practiced litigation in the US for ten years and served as APAC Counsel for Texas Instruments and Legal Director at Lite-On Technology Corporation.

Mr. Neumeyer is licensed to practice in the State of California, US District Court for the Northern District of California, Ninth Circuit Court of Appeals, and in Taiwan as a registered foreign attorney. He has lived in Taiwan since 2000.

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The LEGAL 500 ASIA PACIFIC LEADING FIRM 2018

RANKED IN ASIA PACIFIC CHAMBERS AND PARTNERS 2018 LEADING FIRM

Most Recommended Law Firm
BTI CONSULTING GROUP

asialaw PROFILES 2018 RECOMMENDED FIRM

IFLR 1000 RECOMMENDED FIRM 2018

Representative PTAB Proceedings

- **Ranked #1 most effective firm in study by Patexia IP of all IPRs from 2012-2016.**
- **Ranked #1 most effective firm in study by Unified Patents in 2018.**
- **Represented TSMC in IPR of patents 6,805,779, 6,806,652, 6,853,142, 7,147,759.**
- **Representing Cisco Systems in IPR of patents 9,253,332, 9,094525, 9,843,612.**
- **Representing Ruckus Wireless in IPR of patents 9,270,024, 7,454,234, 7,873,389.**
- **Represented Sony Computer Entertainment in IPR of patent 5,561,811.**
- **Represented Verizon in IPR of patents 6,078,654, 6,188,756 and 6,496,579.**
- **Represented GoPro in IPR of patents 8,896,694 and 8,890,954.**
- **Represented NetApp in IPR of patent No. 5,978,791.**
- **Represented Carl Zeiss in IPR of patent 6,313,452.**
- **Represented Wright Medical in IPR of patents 6,440,138, 6,863,672, 6,955,677.**
- **Represented Accord Healthcare in IPR of U.S. Patents 8,404,703 and 8,569,325.**

Representative Patent Litigation

- *TSMC v. Zond* (D Del. 2014). Represented TSMC.
- *Semcon Tech LLC v. TSMC* (D. Del. 2013). Represented TSMC.
- *Formosa Epitaxy v. Lexington Luminance* (D. MA 2013). Represented Formosa.
- *DW-link v. Giant Manufacturing* (CDCA 2013). Represented Giant.
- *Eidos Display v. AUO, et al*. (EDTX 2011). Represented Innolux.
- *Apeldyn v. AUO, et al*. (D Del. 2008). Represented Chi-Mei Innolux.
- *Plasma Physics v. Chi-Mei Optoelectronics* (EDNY 2008). Represented Chi-Mei.
- *Mosaid v. Powerchip Semiconductor*, (EDTX 2006). Represented Powerchip.
- *O2 Micro v. Beyond Innovation Tech* (EDTX 2004). Represented BIT.
- *Verifire Network Solutions v. Cisco Systems* (E.D. Tex. 2015). Represented Cisco.
- *Chrimar Systems v. Belkin International* (E.D. Tex. 2015). Represented Belkin.
- *UrgenSync, LLC v. EarthLink LLC* (E.D. Tex. 2015). Represented EarthLink.
- *Script Security Solutions v. AT&T Digital Life* (E.D. Tex. 2015). Represented AT&T.
- *Novocrypt v. Seagate Technology* (E.D. Tex. 2015). Represented Seagate.