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More Rule Changes for PTAB Proceedings

By [Michael A. Stramiello](#), [Paromita Chatterjee](#), [Joseph E. Palys](#) & [Naveen Modi](#)

On April 1, 2016, the U.S. Patent and Trademark Office (“USPTO”) issued a final rules package making what it classifies as “targeted modifications” to the rules governing trial practice before the Patent Trial and Appeal Board (PTAB). 81 Fed. Reg. 18750. These amendments to the rules (“2016 Amendments”) were initially proposed to the public in a “proposed rules package” released August 2015, and follow a first, “ministerial” round of changes to the rules that went into effect in May 2015 (80 Fed. Reg. 28561).

The 2016 Amendments, which take effect on May 2, 2016, include some substantive changes, such as allowing patent owners to submit new testimonial evidence with the preliminary response and implementing word count limits for major briefings. The 2016 Amendments also make explicit some current Board practices (*e.g.*, regarding claim construction and demonstratives). In addition, the 2016 Amendments implement a more explicit duty of candor and good faith to the Board. The USPTO also announced that it will publish a revised Office Patent Trial Practice Guide reflecting the 2016 Amendments, as well as developments on how the USPTO handles motions to amend, additional discovery, real party-in-interest and privity issues, multiple proceedings, and confidential information.

Here are several things that you should know about the 2016 Amendments:

I. New Testimonial Evidence with Preliminary Response

The 2016 Amendments permit patent owners to file—with their *preliminary* response—new testimonial evidence. 81 Fed. Reg. at 18750. The previous rules barred new testimonial evidence prior to institution “beyond that already of record” (37 C.F.R. § 42.107(c)), allowing the Board to make exceptions in the interests of justice (77 Fed. Reg. 48764). Patent owners should note that this benefit will be curtailed in at least two ways. First, petitioners will be able to seek leave to file a reply to the preliminary response with a showing of good cause. *Id.* at 18763. Second, the Board will view genuine issues of material fact created by the testimonial evidence in “the light most favorable to the petitioner solely for purposes of deciding whether to institute.” *Id.* at 18763.

II. Rule 11-Type Certification (Regarding Misuse of AIA Proceedings)

The 2016 Amendments require a Rule 11-type certification for all papers filed in a proceeding and provide for sanctions for noncompliance. *Id.* 18763. This requirement builds on the duty of candor and good faith already owed to the office under 37 C.F.R. § 42.11.



III. Claim Construction Standards

The 2016 Amendments adhere to the broadest reasonable construction standard for claims that will not expire before a final written decision is issued. *Id.* at 18762. As an exception, however, the 2016 Amendments allow parties to request a *Phillips*-type claim construction if the requesting party certifies that the involved patent will expire within 18 months from the entry of the Notice of Filing Date Accorded to Petition. *Id.* at 18766. Regarding the rationale for this change, the 2016 Amendments note that “no opportunity to amend exists and claims should be construed to preserve validity if possible.” *Id.* at 18752.

IV. Major Briefing Word Count

The 2016 Amendments also provide word-count limits in major briefings, which include petitions, patent owner preliminary responses, patent owner responses, and replies. *Id.* at 18750. For other briefing, page limits remain in place. *Id.* at 18761. Because of this change, the USPTO will no longer review petitions to determine whether claim charts contain arguments. *Id.* at 18762.

Patent owner preliminary responses and patent owner responses would have word-count limits keyed to the corresponding petition:

- for IPRs and derivation proceedings, 14,000 words (replacing the current limit of 60 pages); and
- for CBMs and PGRs, 18,700 words (replacing the current limit of 80 pages).

Id. at 18765. In all AIA proceedings, petitioner replies would have a limit of 5,600 words (replacing the current limit of 25 pages). *Id.*

In addition, the 2016 Amendments require parties to submit certifications indicating word count. *Id.* at 18765.

V. Demonstratives

The 2016 Amendments require parties to serve demonstratives at least seven days before oral argument (rather than five) and file them no later than the time of the oral argument. *Id.* at 18766.



If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings Washington D.C. lawyers:

Naveen Modi
1.202.551.1990
naveenmodi@paulhastings.com

Mita Chatterjee
1.202.551.1997
mitachatterjee@paulhastings.com

Joseph E. Palys
1.202.551.1996
josephpalys@paulhastings.com

Michael A. Stramiello
1.202.551.1958
michaelstramiello@paulhastings.com

Paul Hastings LLP

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