

# Fewer Bites at the IPR Apple?

Impact of Recent Decisions and Guidance  
on Multiple Petitions



**Olivia T. Nguyen**  
ASSOCIATE  
PATENT LITIGATION  
ONguyen@perkinscoie.com

**Evan S. Day**  
SENIOR COUNSEL  
PATENT LITIGATION  
EDay@perkinscoie.com

## What can you expect when multiple *inter partes* review petitions are filed against the same patent?

Recent decisions from the U.S. Patent Trial and Appeal Board indicate it may in some cases deny later “serial” IPR petitions even when filed by petitioners different from those responsible for an initial petition on the same patent.

The Board has also changed its IPR practice guide to announce that it will scrutinize multiple “parallel” petitions filed by the same petitioner simultaneously. This article discusses these recent developments relating to serial and parallel IPR petitions and offers practical tips for practitioners.

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## Impact of Recent Decisions and Guidance on Multiple Petitions

Recent guidance and decisions show that the U.S. Patent Trial and Appeal Board (Board) intends to take a tougher stance on multiple *inter partes* review (IPR) petitions filed against any single patent. The hardened position applies not only when a single petitioner files “serial” petitions against the same patent but also when different petitioners challenge the same patent, as well as when a single petitioner files multiple, “parallel” petitions regarding the same patent at the same time. Additionally, the Board’s *Consolidated Trial Practice Guide*, issued in November 2019, warns petitioners filing multiple simultaneous petitions that they must justify doing so and identify which petition has the highest priority.

### Board’s Discretion to Deny

The U.S. Congress granted the Board broad discretionary power to deny institution of America Invents Act (AIA) proceedings, which includes IPRs, under 35 U.S.C. § 314(a). Denial is discretionary because the statute “does not specify any particular circumstance in which review *must* be authorized.”[1]

Therefore, the Board may deny a petition under § 314(a) even if the petition shows a reasonable likelihood that at least one claim is unpatentable or even if the Board has not conducted a substantive analysis of the petition at all. In either case, a discretionary denial under § 314(a) is nonappealable under § 314(d): “No Appeal.—The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.”

#### WHAT IS A DISCRETIONARY DENIAL?

When the Board denies institution based on discretionary factors even where a petition shows a reasonable likelihood that at least one claim is unpatentable or the Board has not conducted a substantive analysis.

## General Plastic Denial of Serial Petitions Under Section 314(a)

While there is no per se rule barring follow-on petitions, the Board may use its discretion under 35 U.S.C. § 314(a) in certain cases to deny institution of petitions against patents that have already been challenged. In its 2017 decision in *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, the Board identified certain nonexclusive factors that it may consider in deciding whether to invoke its discretion to deny institution. Those *General Plastic* factors are:

### GENERAL PLASTIC FACTORS

- 1 Whether the same petitioner previously filed a petition directed to the same claims of the same patent
- 2 Whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it
- 3 Whether at the time of filing of the second petition the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition
- 4 The length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition
- 5 Whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent
- 6 The finite resources of the Board
- 7 The requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.[2]

In formulating the factors, the Board warned that there must be restrictions on follow-on petitions to prevent petitioners from “strategically stag[ing] their prior art and arguments in multiple petitions, using [the Board’s] decisions as a roadmap, until a ground is found that results in the grant of review.”[3]

Specifically, the Board noted that its intent “was to take undue inequities and prejudices to Patent Owner into account.”[4] In particular, factors 2, 4, and 5 allow the Board “to assess and weigh whether a petitioner should have or could have raised the new challenges earlier.”[5] Factor 3 is “directed to Petitioner’s potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as our institution decisions on the first-filed petitions, prior to its filing of follow-on petitions.”[6] Factor 1 responds to congressional concerns about balancing the goal of “remov[ing] current disincentives to current administrative processes” without allowing AIA post-grant reviews to be “used as tools for harassment.”[7] Factors 6 and 7 are directed at the Board’s efficiency.

Previous Board decisions have been split on whether the factors are relevant in situations where a new petitioner files a petition for IPR of a patent that has already been challenged by another. In some decisions, the Board declined to weigh the *General Plastic* factors. In one such case, the Board stated:

Whether it is the *same* petitioner that is bringing a second petition is at the heart of the *General Plastic* factors. In particular, the Board, in formulating the factors, “recognize[d] the potential for abuse of the review process by repeated attacks on” a patent by the same petitioner. . . . In our view, these same staging concerns have less persuasive value when the second petition is filed by a different petitioner, absent evidence of cooperation between the first and second petitioners.[8]

Other decisions have applied all the *General Plastic* factors but weighed factor 1 (“whether the same petitioner previously filed a petition”) in favor of considering the petition.[9]

### **Applying *General Plastic* to Petitions Filed by Different Petitioners**

Although *General Plastic* originally applied to subsequent petitions filed on the same patent by the same petitioner, as the first *General Plastic* factor explicitly states, the Board has nevertheless shifted its approach to apply the *General Plastic* factors even when different petitioners file subsequent petitions on the same patent.

In *Shenzhen Silver Star Intelligent Technology Co. v. iRobot Corp. (Silver Star)*, the Board denied institution of later petitions filed by different petitioners from an initial petition based on *General Plastic*.<sup>[10]</sup>

**Dispute Background.** The petitioner filed an IPR petition after the Board had denied institution of an earlier IPR petition filed by another party who had been sued by the patent owner at approximately the same time as the petitioner and was a co-respondent in the International Trade Commission (ITC) investigation.

**Application of *General Plastic*.** The Board found that the first *General Plastic* factor weighed in favor of institution because the petitioner was not the “same petitioner” as the earlier petition. However, the Board weighed the second through fifth factors against institution because both petitioners were co-respondents in the ITC investigation.

In particular, the Board found that the later petitioner likely knew of the prior art asserted in the earlier petitions based on invalidity contentions filed in the ITC, could have taken advantage of the “opportunity to strategically stage [its] prior art and arguments,” and failed to explain its delay in filing after the first petition.<sup>[11]</sup> Accordingly, the Board exercised its discretion under 35 U.S.C. § 314(a) to deny institution.

In 2019, the Board took the reasoning in *Silver Star* a step further by relying on the *General Plastic* factors to deny IPR petitions filed by a former defendant in a related litigation. The case was *Valve Corp. v. Electronic Scripting Products, Inc.*<sup>[12]</sup>

Under a narrow interpretation of the Board’s decisions, an earlier-sued defendant’s IPR petition could preclude later petitions by other defendants. But the Board has insisted that its approach is not so rigid.

**Dispute Background.** In *Valve Corp.*, the later petitioner had been dismissed from underlying litigation in the U.S. District Court for the Northern District of California because of venue issues before its co-defendant (HTC America) filed IPR petitions against two asserted patents. A few months after that, the U.S. Court of Appeals for the Federal Circuit ruled in an unrelated case, *Click-to-Call Technologies, LP v. Ingenio, Inc.*, that the one-year time limit of 35 U.S.C. § 315(b) for IPRs filed by petitioners who had been served with a patent infringement lawsuit applied even to parties who had been sued and then saw the suit dismissed.<sup>[13]</sup> The later petitioner filed IPR petitions a few weeks after that decision; however, in the meantime, the Board had instituted one of two petitions filed by HTC America, but it denied the other based on a narrow claim construction urged by the patent owner.

**Application of *General Plastic*.** In its decisions addressing the later-filed petitions, the Board found that the first *General Plastic* factor weighed against institution despite the difference in petitioners because both the earlier and later petitioners had been accused of infringement in the related litigation based on the same accused product.

The Board stated that a *General Plastic* discretionary denial “is not limited solely to instances when multiple petitions are filed by the same petitioner. Rather, when different petitioners challenge the same patent, [the Board] consider[s] any relationship between those petitioners when weighing the *General Plastic* factors.”<sup>[14]</sup> According to the Board, the two petitioners were similarly situated and shared a “significant relationship . . . with respect to Patent Owner’s assertion” of the patent at issue, and factor 1 weighed against institution.<sup>[15]</sup> Additionally, the

Board noted that the later petitioner relied on the Board's previous institution decision because it addressed a narrower claim construction adopted by the Board in the earlier proceeding.

### Recent Board Decisions Involving Different Petitioners

At first glance, the recent cases on multiple petitions may appear to create an inequity for later-sued defendants, given that patent-owner plaintiffs can, and often do, stagger the filing of their complaints for patent infringement in district courts. Under a narrow interpretation of the Board's decisions, an earlier-sued defendant's IPR petition could preclude later petitions by other defendants. But the Board has insisted that its approach is not so rigid. For example, the Board has stated that it will "decline to wield [the patent owner's] own litigation activities as a shield in [an] *inter partes* review."<sup>[16]</sup> In addition, the Board has stated that complaints about serial petitions are unpersuasive "when the volume [of petitions] appears to be a direct result of [the patent owner's] own litigation activity."<sup>[17]</sup>

The Board designated the *Valve* decision precedential in April 2019. Since then, many of the Board's decisions citing that opinion have distinguished the case on its facts. For example, the Board has found no "significant relationship" between competitors<sup>[18]</sup> or petitioners who are defendants in "separate lawsuits in separate federal courts."<sup>[19]</sup> In addition, the Board has found no significant relationship where the patent owner has not alleged one.<sup>[20]</sup>

By contrast, the Board has found a significant relationship between an indemnitor and indemnitee,<sup>[21]</sup> a supplier and a buyer,<sup>[22]</sup> and co-defendants in consolidated cases.<sup>[23]</sup> However, the Board has indicated that the existence of a significant relationship cannot be negated by arguments that the petition was filed without contribution or cooperation from the prior petitioner.<sup>[24]</sup>

The Board has also closely scrutinized patent owner arguments concerning gamesmanship. As explained above, the Board has found no gamesmanship when the delay in filing resulted from a patent owner's litigation activity. And when considering whether a petitioner has received an unfair advantage from seeing a prior filing or proceeding, the Board has found no unfair advantage in situations where the preliminary response "did not include substantive arguments"<sup>[25]</sup> or was "extremely reference-specific" and not relevant to the prior art in the petition.<sup>[26]</sup> Nor has the Board found an unfair advantage where the petitioner filed a substantively identical petition with a motion for joinder (i.e., a "copycat" or "me too" petition)<sup>[27]</sup>. In sum, the Board requires a patent owner to provide clear evidence of gamesmanship.<sup>[28]</sup>

### Multiple Parallel Petitions

In the new *Consolidated Trial Practice Guide*, the Board addressed petitions challenging claims of the same patent at the same time filed by the same petitioner. In a significant shift, the Board also stated that "[b]ased on the Board's experience, one petition should be sufficient to challenge the claims of a patent in most situations," including in parallel petition situations—i.e., where the same petitioner files multiple petitions to the same patent simultaneously.<sup>[29]</sup> Focusing on institution equities, the Board explained that "[t]wo or more petitions filed against the same patent at or about the same time (e.g., before

the first preliminary response by the patent owner) may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns.”[30] It further noted that “multiple petitions by a petitioner are not necessary in the vast majority of cases.”[31]

Where a petitioner files more than one petition against the same patent, the Board stated that going forward the petitioner should identify (in the petition or a separate paper):

- a ranking of the petitions in the order in which it wishes the Board to consider the merits, if the Board uses its discretion to institute any of the petitions; and
- a succinct explanation of the differences between the petitions, why the issues addressed by the differences are material, and why the Board should exercise its discretion to institute additional petitions if it identifies one petition that satisfies petitioner’s burden under 35 U.S.C. § 314(a).

**Equitable considerations for denying institution will play a central role in patent owner preliminary responses after *Valve Corp.***

The *Consolidated Trial Practice Guide* gives two examples of situations in which more than a single petition may be necessary:

- when the patent owner has asserted a large number of claims in litigation, and
- when there is a dispute about priority date requiring arguments under multiple prior art references.

However, these examples are not exhaustive. Since the Board issued its updated guidance, the Board has also instituted multiple petitions that provide “different unpatentability arguments to account for different claim interpretations,”[32] where multiple defendants in district court proceedings filed only two consolidated petitions,[33] where a petitioner “[f]aced with word count limitations and a large number of challenged claims” chose to “distribute its analysis of those claims among a number of petitions,”[34] and in situations with various combinations of these factors.

By contrast, filing parallel petitions on different references, without an explanation of the materiality of those differences, may not be sufficient.[35] The Board now looks to the petitioner to justify instituting more than one IPR of a single challenged patent, and that explanation should come in (or be filed concurrently with) its petition.

On the other side, a patent owner should consider submitting a response that explains why the Board should not exercise its discretion to institute more than one petition (if it institutes at all). For example, the patent owner may explain why differences identified by the petitioner are “directed to an issue that is not material or not in dispute.”[36] In this scenario, the patent owner’s position may be strengthened where it has proffered the necessary stipulations, e.g., that claim limitations are not disputed or that certain references qualify as prior art. The Board has considered a patent owner’s unwillingness to narrow issues identified by the petitioner as a factor favoring institution of multiple petitions.[37]



## Practical Impact of Multiple Petition Guidance and Cases

The Board appears willing to wield its broad discretion under 35 U.S.C. § 314(a) to address criticisms alleging “harassment” of patent owners and “unfair” follow-on petitions that purportedly make inefficient use of the Board’s limited resources. Prospective petitioners should be mindful that equitable considerations for denying institution will play a central role in patent owner preliminary responses. Apparent gamesmanship (such as using a previous decision as a roadmap or test case) may be an aggravating factor, but it will not be presumed if the delay is due to the patent owner’s own litigation activities.

As for patent owners, the Board’s guidance on multiple IPR petitions, whether serial or parallel, provides a useful tool to defeat IPR petitions. However, patent owners should be prepared to explain in their preliminary responses why the multiple petitions represent gamesmanship or would otherwise give the petitioner an unfair advantage.

Patent owners should also ensure that their own litigation strategies do not increase the chance that the Board will consider multiple IPR challenges, such as when litigation is staggered against multiple defendants. Additionally, patent owners facing multiple parallel petitions may face a strategic choice whether to stipulate on certain issues or face an increased likelihood of defending against multiple instituted IPRs.

### Practice Tips

**Petitioners filing more than one IPR petition against the same patent should rank their petitions and explain why the differences between them are material.**

**Whenever a patent has been or will be challenged in an IPR more than once, consider the following:**

- The petitioner should have a strong justification for why the Board should institute multiple petitions and explain that justification up front in the petition or a separate paper.
- If a petitioner believes that more than one petition is necessary, it should consider filing all challenges on the same day, so petitions are viewed as parallel petitions instead of follow-on petitions.
- Petitioners in multidefendant cases should be mindful of earlier petitions filed by other defendants, even if they are not coordinated. They should also closely consider the *General Plastic* factors before filing a further petition on a patent that has been previously challenged.
- Petitioners should exercise particular caution when a previous IPR has reached either a patent owner preliminary response or an institution decision.

## ENDNOTES

- [1] *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 18-19 (P.T.A.B. Sept. 6, 2017) (emphasis added).
- [2] *Id.* at 16 (emphasis added).
- [3] *Id.* at 17.
- [4] *Id.*
- [5] *Id.* at 18.
- [6] *Id.* at 17.
- [7] *Id.* (citation omitted).
- [8] *Toshiba Am. Info. Sys., Inc. v. Wallelex Microelectronics Ltd.*, IPR2018-01538, Paper 11 at 19-20 (P.T.A.B. Mar. 5, 2019) (citations omitted).
- [9] *See, e.g., NetApp, Inc. v. Realtime Data LLC*, IPR2017-01195, Paper 9 at 10-11 (P.T.A.B. Oct. 12, 2017) (applying all *General Plastic* factors but noting that factor 2 is directed to situations involving the same petitioner and therefore neutral in the context of a different petitioner).
- [10] IPR2018-00761, Paper 15 (P.T.A.B. Sept. 5, 2018).
- [11] *Id.* at 11-13 (citation omitted).
- [12] IPR2019-00062, -00063, -00084, Paper 11 (P.T.A.B. Apr. 2, 2019) (precedential). The Board issued a virtually identical opinion in *Valve Corp. v. Electronic Scripting Products, Inc.*, IPR2019-00064, -00065, -00085, Paper 10 (P.T.A.B. May 1, 2019), denying petitions filed against related U.S. Patent No. 8,533,935 (“the ‘935 patent”), and citing the denial in the earlier *Valve* case.
- [13] 899 F.3d 1321 (Fed. Cir. 2018), *cert. granted in part sub nom. Dex Media, Inc. v. Click-to-Call Techs., LP*, 139 S. Ct. 2742 (2019).
- [14] *Valve Corp.*, Paper 11 at 2.
- [15] *Id.* at 10.
- [16] *Samsung Elecs. Co. v. Iron Oak Techs., LLC*, IPR2018-01554, Paper 9 at 31 (P.T.A.B. Feb. 13, 2019).
- [17] *Samsung Elecs. Am., Inc. v. Uniloc Lux. S.A.*, IPR2017-01797, Paper 8 at 33 (P.T.A.B. Feb. 6, 2018).
- [18] *See Found. Med., Inc. v. Guardant Health, Inc.*, IPR2019-00652, Paper 12 at 30 (P.T.A.B. Aug. 19, 2019).
- [19] *See Apple Inc. v. UUSI, LLC*, IPR2019-00358, Paper 12 at 14 (P.T.A.B. Aug. 5, 2019).
- [20] *See Microsoft Corp. v. Uniloc 2017 LLC*, IPR2019-01188, Paper 9 at 7-8 (P.T.A.B. Dec. 9, 2019).
- [21] *See Choirock Contents Factory Co. v. Spin Master Ltd.*, IPR2019-00901, Paper 17 at 16-17 (P.T.A.B. Sept. 26, 2019).
- [22] *See PayPal, Inc. v. IOENGINE, LLC*, IPR2019-00887, Paper 21 at 10-11 (P.T.A.B. Oct. 3, 2019).
- [23] *Id.*
- [24] *Id.* at 11.
- [25] *Cook Inc. v. Medtronic, Inc.*, IPR2019-00123, Paper 11 at 36 (P.T.A.B. June 11, 2019) (inadequate allegation that petitioner benefited from prior patent owner’s preliminary response).
- [26] *Google LLC v. Realtime Adaptive Streaming LLC*, IPR2019-01037, Paper 9 at 19-20 (P.T.A.B. Dec. 4, 2019) (same).
- [27] *See Choirock*, Paper 17 at 17.
- [28] *See, e.g., Google LLC v. Realtime Adaptive Streaming LLC*, IPR2019-01036, Paper 9 at 14 (P.T.A.B. Nov. 13, 2019).
- [29] Patent Trial & Appeal Bd., *Consolidated Trial Practice Guide* 59 (Nov. 2019).
- [30] *Id.*
- [31] *Id.*
- [32] *See Facebook, Inc. v. BlackBerry Ltd.*, IPR2019-00516, Paper 7 at 35 (P.T.A.B. Aug. 5, 2019).
- [33] *See Chegg Inc. v. Netsoc, LLC*, IPR2019-01165, Paper 14 at 9 (P.T.A.B. Dec. 5, 2019).
- [34] *See Microsoft Corp. v. IPA Techs., Inc.*, IPR2019-00813, Paper 12 at 13 (P.T.A.B. Oct. 17, 2019).
- [35] *See Nalox-1 Pharms., LLC v. Opiant Pharms., Inc.*, IPR2019-00686, Paper 11 at 10 (P.T.A.B. Aug. 27, 2019).
- [36] Patent Trial & Appeal Bd., *Consolidated Trial Practice Guide* 61 (Nov. 2019).
- [37] *See Microsoft*, Paper 12 at 14.

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Phoenix | [TBowen@perkinscoie.com](mailto:TBowen@perkinscoie.com)

+1.602.351.8448