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COMMENTARY

Requesting a Motion for Reconsideration/Rehearing at the PTAB? What You Need to Know

New post-grant proceedings at the Patent Trial and Appeal Board ("PTAB" or the "Board") provide an accelerated forum to challenge patentability at the United States Patent and Trademark Office ("USPTO"). Within these proceedings, the Board makes decisions that initiate and determine the scope of the post-grant challenge and, similar to traditional district court proceedings, decisions that manage discovery and determine the overall outcome. Whether it is a ruling on the institution of a proceeding, a discovery order, a final decision, or otherwise, any aggrieved party may request reconsideration through a rehearing on any decision made by the Board. However, the party requesting reconsideration must clearly point out the Board's error and provide direct support for its position from its original submission to the Board. For these reasons, motions for reconsideration are almost always denied.

Standard of Review

Under 37 CFR § 42.71(c), "[w]hen rehearing a decision on petition, a panel will review the decision for an abuse of discretion." While not explicitly stated in the regulations, the Board in practice has extended this standard to other motions for reconsideration, regardless of cause.[1] The abuse of discretion standard of review is the same heightened standard federal appeals courts use to review district court factual findings.[2]

Further, pursuant to 37 CFR § 42.71(d), "[t]he request must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed in a motion, an opposition, or a reply."[3] In practice, the Board strictly adheres to these requirements. Thus, a motion for reconsideration that does not explicitly direct the Board to a citation in a prior filing by the party may be rejected even if that matter was in fact previously argued to the Board.[4]

Requests for rehearing must occur (i) within 14 days of the entry of a decision on the institution of a proceeding or a non-final decision of any kind or (ii) within 30 days of the entry of a final decision or a denial of institution of a proceeding.[5]

Reconsideration/Rehearing Practice to Date

A request for reconsideration/rehearing is equivalent to a "motion to reconsider" in the federal district courts; the decision on the reconsideration itself is the "rehearing," as no formal rehearing is conducted. In other words, the Board's granting of a motion provides the requested

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relief without further argument from the parties.[6] Typically, in its written decision, the Board will outline each argument presented in the Request, address the arguments with specificity, and provide reasoning for either granting or denying based on the evidence brought to its attention in the Request.

Due to the infancy of the new post-grant proceedings, the vast majority of requests for reconsideration filed with the Board have concerned the grant or denial of the institution of the proceeding or the proceeding's scope (i.e., which particular claims or references from the original petition will be reviewed). Of the approximately 200[7] requests for rehearing decided as of the date of this writing, only 10 have been granted, and seven of these have granted only partial relief. This is roughly a 5 percent success rate for all motions. Of the requests related to the initial institution decision, only 3.5 percent (six of 169) have been successful. To date, the Board has not granted reconsideration of a final written decision.

Successful Motions for Reconsideration/ Rehearing

Winning motions for reconsideration/rehearing have presented the Board with clear guidance as to how the Board misapplied the law, overlooked previously argued material facts, or made inadvertent errors in its ruling. Presenting new arguments or merely re-arguing the position a party presented in the prior submission will not persuade the Board. Further, to date, the Board has granted only motions on institution decisions that have demonstrated the previous order was clearly wrong in some respect.[8] The following are examples of successful requests for reconsideration/rehearing of institution decisions by the Board.

Misapplication of Law. In *PNY Techs.*, the Board originally granted *inter partes* review of nine claims of the patent at issue.[9] The patent owner successfully argued that with respect to one ground for institution, the Board misapplied the law.[10] Specifically, the patent owner argued that the Board's decision—stating that it was "conceivable that the processes of [the alleged anticipatory reference] could create an indent with no curvature" and that "logic and physics dictate" some curvature would occur in die-pressed materials—"illustrate[d] 'a lack of inherency under the proper Federal Circuit standard.'"[11] The Board reviewed the inherency standard, agreed it was misapplied in this instance, and removed anticipation as a ground for the *inter partes* review.

Overlooking Previous Arguments. In *Illumina Inc. v. The Trustees of Columbia Univ. in the City of New York*, the Board originally denied *inter partes* review of a patent claim based on the rejection of an alleged anticipatory reference.[12] The petitioner successfully pointed out that a passage from the reference, which it had cited in its petition, incorporated by reference a publication that disclosed deazapurine as the base of a nucleotide.[13] The Board admitted that it overlooked the particular citation when denying review, agreed that the passage supported incorporation by reference of the relevant subject matter, and authorized *inter partes* review of the claim.[14]

Other Obvious Errors. In *Facebook, Inc. v. Software Rights Archive, LLC*, the petitioners requested that the Board institute *inter partes* review on other claims and further to add an additional reference as grounds for institution.[15] In support, it noted that the Board had found in their favor in the body of the decision but had inadvertently left the claims and reference out of its order.[16] The Board agreed that it had inadvertently omitted the reference and that the omission of the claim was a typographical error.[17]

Practice Tips

A party that believes the Board erred in a decision has the statutory right to ask for reconsideration. But, an aggrieved party should temper its expectations for any reversal. Like any deliberative body, the Board is hesitant to reverse itself unless a party can show clear, unmistakable error.

This does not mean that reconsideration should not be attempted where the Board has issued an adverse ruling on an important matter and meritorious arguments exist. At the very least, requests for reconsideration enable the party to further argue its position and require the Board to examine the issues further. Based on PTAB practice to date, the following are "best practices" for submitting a successful request for reconsideration/rehearing with the Board:

- **Shore up the original brief.** A request for reconsideration is only as good as the petition, motion, or brief it cites. Therefore, all potential winning arguments (within

the Board's page limits and procedural requirements) should be included in the original document, and all references should be cited properly.

- **Follow all procedural rules precisely.** Given the Board's strict adherence to the regulations, any request for reconsideration should follow the requirements of 37 CFR § 42.71(d) to the letter. Provide precise connections between the arguments in the request and the previous record and cogently identify anything the Board misapplied or overlooked.
- **Give the Board a reason to reconsider.** An argument that merely rehashes a prior position will likely not be accepted by the Board. If possible, provide a roadmap for the Board to understand the error in a manner that goes beyond the original document and presents the argument in a new light.

Lawyer Contacts

For further information, please contact your principal Firm representative or one of the lawyers listed below. General email messages may be sent using our "Contact Us" form, which can be found at www.jonesday.com.

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Endnotes

1 *See*, e.g., *Conmed Corp. v. Bonutti Skeletal Innovations, LLC*, IPR2013-00624, Paper 22 at 3 (Mar. 14, 2014) (In denying motion for rehearing on filing date, the Board cited 37 C.F.R. § 42.71(c) and stated "[w]hen rehearing an interlocutory decision, the Board reviews the decision for an abuse of discretion.").

2 *See*, e.g., *PNY Techs. Inc. v. Phison Elecs. Corp.,* IPR2013-00472, Paper 16 at 2 (Apr. 23, 2014) ("An abuse of discretion may be determined if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors.") (citing *Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005)).

3 37 CFR § 42.71(d).

4 *See*, e.g., *A.C. Dispensing Equip. Inc. v. Prince Castle LLC*, IPR2014-00511, Paper 16 at 5-6 (Sep. 10, 2014) ("Petitioner should not expect the Board to search the record and piece together the evidence necessary to support Petitioner's arguments."); *Purdue Pharma L.P. v. Depomed, Inc.*, IPR2014-00377, Paper 17 at 5-6 (Aug. 6, 2014) ("It is not the Board's role to play archeologist to uncover any additional support in the record that is not raised and discussed in the Petition and that may bolster [the expert's] opinion.").

5 37 CFR § 42.71(d)(1)-(2).

6 *But see Facebook v. Rembrandt Social Media LP*, IPR2014-00415, Paper 14 at 3 (July 31, 2014) (granting rehearing on the institution of the proceeding, but denying the requested relief regarding the filing date); *Aker Biomarine AS v. Neptune Techs*, IPR2014-00003, Paper 45 at 10 (granting rehearing on denial of institution to further explain the Board's reasoning and to add additional grounds for denial).

7 This number does not include decisions by the Board granted on identical or near-identical grounds for separate post-grant proceedings on different but related patents (i.e., instances where a Board decision is effective across multiple proceedings).

8 This standard may be somewhat relaxed in requests for reconsideration/rehearing involving discovery issues, as the Board may be more receptive to the procedural developments of the particular case. *See*, e.g., *Corning Inc. v. DSM IP Assets B.V.*, IPR2013-0043, Paper 36 at 5 (July 16, 2013) (granting patent owner limited leeway to ask questions regarding redacted material after expedited rehearing request); *Id.*, IPR2013-00043, Paper 55 at 3 (Nov. 1, 2013) (granting petitioner, in 10 related cases, discovery as to four limited categories of documents); *K-40 Elecs., LLC v. Escort, Inc.*, IPR2013-00203, Paper 36 at 3-4 (May 30, 2014) (granting petitioner the ability to submit and rely upon video record of deposition where deponent was to present live testimony).

9 IPR2013-00472, Paper 16 (Apr. 23, 2014).

10 *Id.*

11 *Id.* at 3.

12 *Id.*, IPR2013-00011, Paper 44 at 2 (May 10, 2013).

13 *Id.* at 6-9.

14 *Id.* at 9; *see also Veeam Software Corp. v. Symantec Corp.*, IPR2013-00142, Paper 17 at 2-3 (Sept. 30, 2013) (granting patent owner's request for reconsideration of institution on certain grounds because the Board overlooked patent owner's argument in its preliminary response that the cited reference did not disclose a "restoration server" as required in the claims).

15 *Id.*, IPR2013-00478, Paper 31 at 2 (Apr. 14, 2014).

16 *Id.* at 3.

17 *Id.* at 3-5; *see also Microsoft Corp. v. Virnetx Inc.*, IPR2014-00614, Paper 12 (Oct. 30, 2014) (granting institution of additional grounds of unpatentability because it was "'an inadvertent transcription error, rather than a deliberate omission.'")

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