

Key Takeaways from the First Updates to the AIA Trial Practice Guide

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On August 13, the Patent Trials and Appeal Board (PTAB or Board) published updates to the AIA Trial Practice Guide (the TPG Update). The TPG Update is a supplement to the original Trial Practice Guide (TPG), which the PTAB first published in 2012 along with the promulgation of Trial Rules for AIA proceedings. The TPG is “intended to encourage consistency of procedures among panels of the PTAB.” TPG Update at 2. The TPG Update provides additional guidance on several aspects of trial practice before the PTAB, based on its almost six years of experience with AIA trial proceedings. *Id.* Rather than update the entire TPG at once, to expedite disseminating information to the public, the PTAB expects to publish updates like the TPG Update on different sections of the TPG on a periodic basis. *Id.*

This article summarizes key takeaways from the TPG Update, including: the use of expert testimony; consideration of various non-exclusive factors in the determination of whether to institute a trial; providing for sur-replies to principal briefs as a matter of right; the distinction between motions to exclude and motions to strike, and the proper use of each; procedures for oral hearing before the Board, including the use of live testimony, sur-rebuttal, and default time for the hearing; and providing for a pre-hearing conference and potential early resolution of issues.

The use of expert testimony

The TPG Update provides guidance on the use of expert testimony, and frames the use of expert testimony as being generally permitted where knowledge will help the trier of fact understand evidence or a fact at issue, (Fed. R. Evid. 702(a)), and although an expert should be qualified to testify, there is no requirement of a perfect match between expert experience and relevant field, and experts need not be a person skilled in the art at the time of invention of the patent at issue. Fed. R. Evid. 70; *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1373 (Fed. Cir. 2010); *Sundance, Inc. v. DeMonte Fabricating Ltd.*, 550 F.3d 1356, 1363–64 (Fed. Cir. 2008).

The Board has broad discretion in determining the amount of weight to accord expert testimony. TPG Update at 4. Expert testimony should be supported by facts or data and should be the product of reliable principles and methods, applied reliably to the facts of the case. *Yorkey v. Diab*, 601 F.3d 1279, 1284 (Fed. Cir. 2010)); 37 C.F.R. § 42.65(a); Fed. R. Evid. 702(c)-(d).

Regarding the scope of expert testimony, the TPG Update notes that incorporating expert testimony by reference in papers without providing explanation of such testimony may run

counter to the spirit of fairness and efficiency intended by the word limit and incorporation by reference rules, and parties that do so risk having the testimony not considered by the Board.

See Cisco Systems, Inc. v. C-Cation Techs., LLC, Case IPR2014-00454 (PTAB Aug. 29, 2014) (Paper 12) (informative); TPG Update at 4.

Word counts and page limits

The TPG Update reminds practitioners that PTAB judges are familiar with the general legal principles involved in issues which come before the Board, so unless there is a dispute over the applicable law, parties may not need to spend page and word count on extended discussions of general patent law principles. TPG Update at 7.

The PTAB will generally accept a party's certification of word count and a party can rely on the word count supplied by their word processing program for the certification. The PTAB requests that parties aim to resolve disputes about word and page count before reaching out to the PTAB. *Id.* at 7-8.

Considerations in Instituting a Review

The TPG Update includes guidance on the PTAB's considerations for instituting review, and in particular, discusses two statutory bases for the PTAB's discretion to institute proceedings, 35 U.S.C. §§ 314(a), 324(a), and 35 U.S.C. § 325(d).

First, with respect to 35 U.S.C. §§ 314(a), 324(a), to aid the Board's assessment of "the potential impacts on both the efficiency of the inter partes review process and the fundamental fairness of the process for all parties," the TPG Update outlines a number of non-exclusive factors from *General Plastic* that the Board will consider in exercising discretion on instituting inter partes review, especially as to "follow-on" petitions challenging the same patent as challenged previously in an IPR, PGR, or CBM proceeding. TPG Update at 8-9 (citing *General Plastic Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, slip op. 16-17 (PTAB Sept. 6, 2017) (Paper 19) (precedential)).

The TPG Update notes that *General Plastic* factors are not exclusive, and there may be other reasons where "the 'effect . . . on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings,' 35 U.S.C. § 316(b), favors denying institution even though some claims meet the statutory threshold standards for institution." TPG Update at 10. For example, events in other proceedings related to the same patent may affect the PTAB's decision to institute. *See NetApp, Inc. v. Realtime Data LLC*, Case IPR2017-01195, slip op. at 12-13 (PTAB Oct. 12, 2017) (Paper 9) (denying institution under § 314(a) of a follow-on petition filed by a different petitioner where, due to petitioner's delay, the Board likely would not have been able to rule on patentability until after the district court trial date).

Accordingly, the TPG Update advises that parties may wish to outline any factors in their case that may bear on the Board's discretionary decision to institute or not institute, and whether and how such factors should be considered along with the *General Plastic* factors. TPG Update at 11.

Second, with respect to 35 U.S.C. § 325(d), the TPG Update reminds practitioners that the Board has discretion to deny a petition on the basis that the same or substantially the same prior art or arguments previously were presented to the Office. TPG Update at 11. The TPG Update also notes that as with 35 U.S.C. §§ 314(a), 324(a), in deciding whether to use its discretion to deny institution, the PTAB also takes into account whether the grounds raised in the petition would be counter to the “efficient administration of the Office” outlined in 35 U.S.C. § 316(b). *Id.* at 12. The TPG Update includes a set of non-exclusive factors that the Board may consider in evaluating whether to use its discretion to deny institution under 35 U.S.C. § 325(d). *Id.* (citing *Becton Dickinson & Co. v. B. Braun Melsungen AG*, Case IPR2017-01586, slip op. at 17–18 (PTAB Dec. 15, 2017) (Paper 8) (informative)).

Replies and Sur-Replies

The TPG Update outlines that sur-replies to principle briefs, including in reply to a petitioner reply to a patent owner response or to a reply to an opposition to a motion to amend will normally be authorized in the scheduling order. TPG Update at 14. The sur-reply to the petitioner reply outlined in the Updated TPG essentially replaces the previous practice of filing observations on cross-examination testimony. *Id.*

The scope of issues permitted for discussion in a sur-reply is limited to responding to arguments raised in the preceding brief and should not include new arguments or issues. The scope of evidence permitted in a sur-reply is limited to deposition transcripts of the cross-examination of any reply witness. *Id.* at 15.

Motions to Exclude; Motions to Strike; and the Provision of a Pre-hearing Conference for Potential Early Resolution of Issues.

Parties may seek early resolution of Motions to Exclude and Motions to Strike with a pre-hearing conference. With respect to Motions to Exclude, though the PTAB notes that “consideration of the objected-to evidence is often unnecessary to resolve the patentability of the challenged claims,” early resolution of evidentiary disputes may be warranted in certain circumstances. *Id.* at 17. In such cases, a party may request a pre-hearing conference, during which the PTAB may make a ruling on any such pending motions. *Id.*

With respect to Motions to Strike, the PTAB notes that where “a reply clearly relies on a new theory not included in prior briefing, and where addressing this new theory during oral hearing would prejudice the opposing party, striking the portion of the brief containing that theory may be appropriate.” *Id.* at 18. The PTAB would prefer to rule on Motions to Strike as soon as practicable, for example during a pre-hearing conference.

The pre-hearing conference may be requested by either party and may be used to seek guidance from the board on motions or other issues, and to preview issues to be decided at the oral hearing. *Id.* at 19. If timely requested, the pre-hearing conference will generally occur no later than three business days prior to the oral hearing. The Board requests that parties confer on the scope of the pre-hearing conference and submit a joint set of issues to be discussed. *Id.*

Oral Hearing

The TPG Update includes several updates related to oral hearing, as outlined below:

Requesting oral argument. To permit the Board time to schedule oral hearing, parties may not stipulate to extend the date for requesting oral argument beyond the date set in the scheduling order. *Id.* at 26.

Argument time. Parties will typically be granted one hour of argument time per side, though parties may request more or less time depending on the circumstances. The Board encourages parties to confer before submitting a request, and where possible, to jointly agree regarding argument time for each side. *Id.* at 19.

Argument logistics. Typically, the petitioner will argue first, followed by the patent owner, after which the petitioner may give a rebuttal. The petitioner will typically only be permitted to reserve up to half the total time allotted for argument for rebuttal. If requested, the Board may permit patent owners the opportunity to present a brief sur-rebuttal during oral argument after the petitioner's rebuttal. *Id.* at 20.

Demonstrative exhibits. To maximize effectiveness, parties should err on the side of simplifying demonstratives. Demonstratives are not evidence, and should be clearly marked as such. Parties should aim to resolve objections to demonstratives prior to presenting objections to the Board. *Id.* at 21.

Live testimony. Though the Board receives relatively few requests, live testimony may be permitted in cases where the Board determines it will be helpful to making a decision. *Id.* at 22. For example, live testimony may be helpful if the Board decides that the demeanor of a witness is critical to evaluating that witness's credibility or if oral testimony is critical to issues that are case-dispositive. *Id.* at 22-23.

Live testimony is an exception to the general rule that no new evidence may be presented at the oral argument, however the scope of live testimony is limited to the scope of the underlying declaration and arguments at issue in the proceeding. *Id.* at 23.

Oral argument location. The parties may request that the oral argument be held at one of the USPTO's regional offices. *Id.* at 20.



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