

3 Tips For Managing Your Cases At The PTAB

By **Matthew Bultman**

Law360, New York (August 17, 2017, 4:59 PM EDT) -- America Invents Act reviews at the Patent Trial and Appeal Board can be a powerful tool for companies looking to take down a patent. But the board has shown little patience for missteps and blown deadlines.

Here, experts share tips on how to manage cases and avoid blunders that can sink a case.

File Early

The rules for inter partes reviews, the most popular type of AIA review, require a company that wants to challenge a patent it has been accused of infringing to file a request for IPR within one year of being served with the infringement lawsuit.

The PTAB has not been forgiving when parties miss that deadline. Last year, for instance, the board denied Teva Pharmaceutical Industries Ltd.'s challenge to two Suboxone patents, which were filed just hours outside the one-year window. Teva said its petitions would have been in before the deadline, but the PTAB's e-filing system started "crashing" and "freezing" and rejected its payments.

Unmoved, the board said that "waiting until the last minute — without explanation — is ill-advised, and had petitioner not done so, any alleged delays caused by 'technical issues' would have been moot."

Attorneys said there are various reasons someone might want to slow-play the filing of a petition. For one, the threat of the filing can be used as leverage in settlement negotiations. Companies might also be slow to decide whether they want to spend the money to file an IPR, or it could just be that attorneys want to use every last minute to perfect the filing.

But when possible, it's best if petitioners give themselves some leeway.

"I think you can say safely that if you wait until the last day, any types of irregularities in the filing systems are going to potentially jeopardize your filing," Timothy Bianchi of Schwegman Lundberg & Woessner PA said. "You should not wait until the last day if you can at all avoid it."

Julianne Hartzell of Marshall Gerstein & Borun LLP said people may need to change their mindset about when a petition is due.

“I think we’ve reached a point — and it sounds a little ridiculous — but I think we need to start pretending that our deadline is a day earlier than it actually is,” she said.

Part of getting your paperwork in on time is making sure that deadlines don’t sneak up on you. IPR petitions can be complicated and time-consuming to put together, and it’s not something that you want to be scrambling to whip up at the eleventh hour.

Robert Jensen of Wolf Greenfield & Sacks PC said the firm utilizes a docketing system and has a paralegal staff that monitors deadlines and helps to keep attorneys apprised of which ones are approaching.

Another Wolf Greenfield attorney, John Strand, added the firm “takes the extra step in making sure that everyone is well-trained, and everybody knows how important a lot of these deadlines are.”

Know the Rules

IPRs and other reviews at the PTAB are a unique type of litigation, with rules and procedures that can be much different from district court.

“Dealing with IPRs, post-grant proceedings and the PTAB, it’s kind of a specialized beast,” William Meunier of Mintz Levin Cohn Ferris Glovsky and Popeo PC said. “It is its own kind of litigation, and you have to really address it that way.”

Those who practice regularly before the board said it has become apparent that litigators must understand the rules involved with these proceedings. This includes appreciating not only something like the IPR time bar but also how you pay the required fees.

That’s not always as straightforward as it might seem. Take, for instance, a decision last month involving Cultec Inc., which **lost** its chance to challenge a stormwater chamber patent that it has been accused of infringing because it ran into issues when it tried to pay the IPR filing fee.

According to board documents, the cost of Cultec’s petition exceeded the daily credit card limit of \$24,999. When Cultec’s legal team, who hadn’t been aware there was such a limit, realized the card wasn’t going to work, they tried a debit card, which doesn’t have the same restrictions.

But the payment was denied, and it wasn’t until a day later — after the one-year IPR deadline had passed — that it could fund the necessary account. Similar to the decision in the Teva case, the PTAB refused to excuse the mistake and denied Cultec’s petition.

“This case makes clear that it’s not even just the IPR rules or the rules specific to the proceeding that you’re involved in,” Hartzell said. “This company was punished for not being familiar with the financial manager’s user guide.”

Hartzell noted it was important to have “familiarity with everything that could possibly come up that you would need to know about the [U.S. Patent and Trademark Office's] rules, including the financial issues, which is not always top of mind for attorneys and paralegals who are handling the filing.”

Communicate Often

It's not unusual for more than one law firm to be involved with a PTAB case or for companies to have different counsel for parallel district court litigation. When that happens, good communication among the various attorneys is vital.

Earlier this year, a Japanese company called Goto Denshi Co. Ltd. missed the deadline to appeal a decision from the PTAB that found one of its patents covering wire for a coil was invalid. It blamed the delay on miscommunication among lawyers.

While the USPTO said the mistake was excusable and extended the deadline for Goto to file its appeal, the situation serves as a reminder about the need for open dialogue among everyone who is involved in a case.

"Communication is critical," Daniel Silver of McCarter & English LLP said. Those handling the case should have discussions and coordinate "very early on about who will be responsible for what particular action item."

And it's not just filing deadlines or hearing dates. When there is simultaneous district court litigation, attorneys need to be on the same page and make sure their strategies align. You don't want, for example, contradictory arguments about claim construction.

"If you don't have constant communication, or at least open lines of communication, that can happen," Strand said.

He added that as IPR counsel, "we make sure that everything is done far enough in advance that if litigation counsel wants to get involved in reviewing the draft, they have the opportunity to do so and can give us substantive comment."

--Editing by Christine Chun and Emily Kokoll.