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PTAB Should Work To Reduce Inconsistencies, Attys Say

By **Bryan Koenig**

Law360, Washington (May 16, 2017, 5:50 PM EDT) -- Attorneys navigating the intellectual property landscape in the wake of the America Invents Act agreed Tuesday that the Patent Trial and Appeal Board remains fair to patent holders but that improvements are needed to make proceedings more consistent across the body of nearly 300 judges.

The breadth of those judges means different panels aren't always consistent in the way they handle cases, Chad Hanson, senior IP litigation attorney at Medtronic Inc., said during a George Washington University Law School panel discussion on hot topics at the PTAB. While the proceedings are generally fair and fulfill an important public policy goal of identifying problematic patents, Hanson argued the PTAB has work to do when it comes to handling litigation conduct such as depositions in a consistent fashion.

"It's been a bit of a free for all," Hanson said on a panel that also included in-house IP counsel for Stanley Black & Decker and Hughes Network Systems.

The question of fairness was an important one for a panel that spoke immediately after U.S. Patent and Trademark Office Director Michelle K. Lee sought to defend the AIA process, which has been criticized for the large share of reviewed patents that are ultimately nixed by a PTAB panel.

Fellow panelist Erick Palmer, a partner with Mayer Brown LLP, singled out the way PTAB proceedings handle witness testimony. Such testimony is rarely accepted during PTAB trials and is instead usually relegated to depositions taken before oral arguments. Unlike district court proceedings, Palmer argued, the PTAB process allows breaks when attorneys can talk with expert witnesses and potentially mull how to proceed on cross-examination.

"It doesn't make any sense," Palmer said.

Palmer said that the best that can be done in such a situation is to ask experts for the other side if they spoke with the lawyers who brought them on and, if so, what about, with the potential to use any discussions, or appearance thereof, to try to discredit the testimony in the eyes of the PTAB judges.

A major challenge patent owners face at the PTAB, according to Palmer, is the sophistication of the judges, most of whom have extensive background in IP, far more than their generalist peers in federal court. While someone of ordinary skill in the topic at hand may not see why an innovation was obvious at the time it was patented, PTAB judges are different, and many outcomes before the board are based

on the background of the judges, Palmer argued.

The AIA has changed in-house IP practices in several ways, according to the panelists, with Stanley Black & Decker senior group patent counsel Scott Markow arguing that the increased chance of striking down patents has allowed for a “more aggressive approach” at the PTAB, which is also faster and cheaper.

When it comes to actually filing patents, not challenges, Markow said the AIA’s inter partes review procedures haven’t changed the approach, with the tool company still filing just as aggressively and spending the same amount of money on its applications. The reason: IP protection is still desirable but not always predictable when it comes to what will be worth the investment and what won’t.

“It’s a bulk volume game,” Markow said of pursuing patent applications. “You don’t know which patents are valuable” when first filing.

At the other end, the incentives to pursue PTAB proceedings rather than federal court challenges have lessened the threat of such trials somewhat, Hanson said.

For those cases that do reach the district court, a separate panel of federal judges urged attorneys to be mindful of their audience: judges and juries who may not have the technical background of the lawyers or the PTAB.

“A bench trial is not a license to be boring,” U.S. District Judge Gregory Sleet said.

He encouraged patent trial attorneys to “learn how to tell a story.”

The Delaware federal judge also encouraged attorneys to practice “common sense” in litigation, especially in avoiding inundating the court and impeding its busy schedule with unnecessary motions fights that he warned can amount to “death by a thousand cuts.”

Mayer Brown joined with Pillsbury Winthrop Shaw Pittman LLP to sponsor the IP law event.

--Editing by Jill Coffey.
