

**The John Marshall Law School
Center for Intellectual Property, Information & Privacy Law**

**62nd Annual Intellectual Property Conference
Current Developments in Intellectual Property,
Information Technology & Privacy Law**

Friday, November 2, 2018

**Concurrent Sessions III
Session B: Patents III
(Prosecution and Post-Grant Practice)**

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MR. QUINN: Welcome and thank you for coming to the last panel — the few, the proud, the people who really want to be at the reception and just realized that this is what's standing between you and the reception.

We are going to talk more about patents. We have a very diverse panel to talk about a “small” topic. Daryl only gave us an hour to talk about prosecution and post-grant practice. We'll do our level best.

Let me introduce our panelists. To my immediate left is Brett Sylvester. Brett is a partner at Sughrue Mion in Washington, D.C., and Brett focuses his practice on the chemical arts and related areas. That means I will know absolutely nothing about what he's talking about because I was going to be a chemical engineer until I took chemistry, so any chemical questions need to go to Brett.

Brett, thank you for being here with us today.

MR. SYLVESTER: Thank you, Gene.

MR. QUINN: Next we have Patrick Burns. Patrick Burns is a shareholder at Greer, Burns & Crain here in Chicago, and the emphasis in his practice is on patent prosecution and opinion work.

Next to Patrick is Detlef von Ahsen. He comes to us all the way from Germany. He is a European patent attorney and a European trademark and design attorney as well, and he has been practicing for over twenty years, so he'll give us a European perspective.

Last but not least is Albert Keyack, a U.S. patent attorney. Actually, I always like to introduce Albert as a "patent diplomat." He was previously the U.S. Patent and Trademark Office (USPTO) attaché, and now he is the European Patent Office's (EPO) "man in America." I conjure up images of that old poster from *Moscow on the Hudson*, a movie starring Robin Williams, where you see Manhattan and you see California and there's almost nothing in the middle. It seems like the EPO sees it as "Albert, you go deal with America" and that's his territory. Albert will be talking to us about the EPO perspective on what we are doing here in America.

I'd like to start off the conversation by going down the line. We have been given a really wide topic area to cover, and whether it's a handicap or a blessing I suppose we'll decide at the end of the presentation. Going last also gives us the opportunity to weave in some of the things that have come up before and talk about pretty much anything, given our topic.

A wide open-ended question at the beginning: What do you want folks to think about? What are the big issues you see? What do you think they should have in their minds as we start to embark upon our substantive conversation here?

Brett, we'll begin with you.

MR. SYLVESTER: In terms of the Patent Office practice, Gene, broadly speaking, I think if the Office could make some headway on the [Section 101](#) concerns, that would be great and things would then be going pretty well.

I deal with the Office on pretty much a daily basis. Thinking back, it wasn't too long ago, before Dave Kappos came in, that it was very difficult to get cases allowed. If you were dealing with examiners who weren't self-confident, their default position was to reject a case; that was always safe. Dave Kappos brought in a breath of fresh air and an attitude that we can allow cases and still have good quality. He also worked on reducing the backlog, and the Patent Office has instituted some nice new programs that I'm sure everybody takes advantage of, like the [After Final Consideration Pilot Program](#), which I believe stays a pilot program in perpetuity so they don't have to negotiate with the union on it.

We haven't seen lately, at least from my perspective, some of the ill-considered proposals that we used to see, like the one where we were going to be limited in how many continuation applications we could file, which everybody was in a tizzy over.

Andrei Iancu, the new Director of the USPTO, seems to be seizing the bully pulpit and knows something about patents.

In terms of the broad perspective, there are certainly issues to be dealt with, but I hope people have a generally positive outlook about how things are going at the USPTO.

MR. QUINN: There's a lot there I want to come back to, but let's get others' preliminary thoughts as well to seed the conversation.

Patrick?

MR. BURNS: I work more on the [Alice](#)¹ side, on the software side of the world. Of course, the theme today has been 101, and we are dealing with that all the time. But we're on the ground, we've got to respond to these rejections, it's really challenging, and it's an important topic.

Another thing we're seeing more and more is a real focus on "means plus function."² Who knows why a lot of things happen, but we are getting examiners who are probably following the [Williamson](#) case,³ which says that even if we use words like "unit" and "device," they still apply the statute. They are making decisions as to what in the specification supports what they feel is "means plus function" language. That's new in my experience, but it's important to practitioners.

MR. QUINN: Yes, there's no doubt, because if you want it, you want it; and if you don't want it, you need to stay clear away from that.

MR. BURNS: Way away from it.

MR. QUINN: I want to come back to that one as well.

Detlef, from your perspective, do we just all sound like we're running around crazy with our hair on fire here in America? Bring some sanity to this from the perspective of being a friend of ours from across the pond.

MR. von AHSEN: No, not really.

Before I got here for the American Intellectual Property Law Association (AIPLA) meeting last week, I didn't really realize that Section 101 is such a hot topic in the United States and so heavily discussed. I asked myself why, because for us in Europe it is not really an issue anymore, at least after the latest approach the EPO took on patent-eligible matter.⁴

For example, you touched upon software. The EPO looks at software inventions under [Article 52](#) of the [European Patent Convention](#) (EPC),⁵ which has some similarities with Section 101, and we completely distinguish that from inventive step and novelty.⁶ [Section 102](#)⁷ compares to [Article 54](#) and [Section 103](#)⁸ compares to [Article 56](#).

We just ask ourselves: is there some technical solution to a technical problem? — that's all. If we answer in the affirmative, then we set that aside and we take the claim. We literally delete the nontechnical features from the claim and end up with what I would call a "skeleton claim," which only has the technical

¹ *Alice Corp. v. CLS Bank Int'l*, 134 S. Ct. 2347 (2014).

² Essentially, means plus function claiming allows the drafter to claim the invention based on functionality rather than the more traditional (and preferred) claiming technique that employs structure within the body of the claim itself. [35 U.S.C. § 112\(f\)](#) expressly authorizes a form of functional claiming (means plus function claiming). See Gene Quinn, [A Primer on Indefiniteness and Means Plus Function](#), IPWatchdog (Nov. 15, 2017).

³ *Richard A. Williamson v. Citrix Online, LLC*, 792 F.3d 1339 (Fed. Cir. 2015)(en banc).

⁴ Guidelines for Examination in the European Patent Office (effective Nov. 1, 2018).

⁵ Convention on the Grant of European Patents (16th ed. June 2016).

⁶ 35 U.S.C. § 101 – Inventions patentable; EPC art 52 – Patentable inventions.

⁷ 35 U.S.C. § 102 - Conditions for patentability, novelty; EPC art 54 - Novelty.

⁸ 35 U.S.C. § 103 - Conditions for patentability; non-obvious subject matter; EPC art. 56 - Inventive step.

features, and then we examine novelty and inventive step. I would say that if your patent attorney does not do a very stupid job, you will overcome the hurdle of 52/101 very easily, but you are very likely to fail with novelty or inventive step. That's one thing.

You mentioned "means plus function." That is here in the United States also a topic. For those of you who practice sometimes in Europe — through your associate, of course — a "means plus function" claim is a very good idea in because EPO examiners are reluctant to grant on clarity issues. That's a different topic.

My understanding is that in the United States if you have "means plus function" things you have protection only for what you have actually disclosed in your description. This limitation does not apply in Europe. The infringement courts in Europe will grant you protection for any means, disclosed or not, which is capable of fulfilling that function. That is really good. You should try to use it. If you come across a clarity hurdle, that's a different story.

MR. BURNS: Does that include nonequivalents?

MR. von AHSEN: No. Well, what is an equivalent? If it is a means that fulfills a function, then it is not an equivalent. Then it is literally under the scope of protection.

MR. BURNS: Okay. So it's an equivalent, though; it has to be equivalent.

MR. von AHSEN: I think we have a different definition of equivalent.

MR. BURNS: Maybe we do. Our statute does cover equivalents as well as what is in the specification but not nonequivalent.

MR. QUINN: Albert, let's get you involved with your preliminary thoughts. What is it that you want to tell us from the EPO? You and I have had a lot of conversations about this, so you could probably take it in any direction you want.

MR. KEYACK: I could talk a little bit. I think everybody has raised good points.

I'll say one thing at the outset. Remember that the EPO is a patent examination and granting organization, so we don't really get involved in how courts interpret claims or how infringement is assessed or anything like that. Detlef can speak about litigation and what happens in courts in Germany.

To pick up on the few things that were said, the EPO certainly keeps an eye on U.S. patent law and certainly does look with quite a bit of bewilderment at the whole Section 101/[Alice](#) issue.

I've been fortunate enough to sit through several EPO day-and-a-half-long claim-drafting seminars, and I've had the strange experience of teaching U.S. patent law to huge rooms full of EPO examiners, who were very grateful because they always wondered — and remember, I'm a U.S. patent lawyer — why we write claims in a such a bizarre way. I took them through the [Manual of Patent Examining Procedure](#) (MPEP) and all the other USPTO rules and regulations, and they were like, "Oh, you have to write them that way." That's right.

We try to talk about the way that U.S. cases are written. One of my colleagues said to me, "Why is it that American patent applications look like a cloud of features? We write a cloud of features and then a set of claims."

And then, sometimes the words in the claims aren't even in the spec. Talk about equivalents. This particular word, like "thermodynamic resistor," neither the word "thermodynamic" nor "resistor" is in there; it's "heat transmission blocker" or something. We can discuss why those are the same thing or different. But is it really that hard? This is the examiner's mindset: *Is it really that hard to write everything up and to have detail in the specification?*

When I hear that, I think of what I was taught — and I have to admit this was thirty years ago when I was a clerk — "Here's how you write a patent application." Here in the United States we all know how we've gotten away from this. We have the courts pushing us; we have the Patent Office; we have litigators telling us, "Don't ever write that."

I talk to a lot of groups throughout the United States. Like Gene said, America starts in New York and ends in Los Angeles, but I visit everywhere in between as well. We talk a lot about why sometimes when your cases reach your associate counsel or your corresponding counsel in Europe, they run into such difficulties, sometimes intractable difficulties that can't be fixed by amendment.

If we really sat down and did a better job of writing the specs and the claims to match and had a little fuller correspondence, that would avoid a lot of the problems, without getting into a lot more detail about these kinds of rejections.

But then this also goes to — let's not even talk about Section 101 — the patentability of software, what you can call "computer-implemented inventions" (CII). The EPO likes to call it "information and communication technologies" (ICT). ICT inventions cover a big chunk of technology in many sectors.

But the EPO pulled out business methods from amongst ICT. Again, business methods are patentable in Europe. Sometimes people say, "Well, this kind of thing isn't patentable in Europe." It really is, and the 101 hurdle is very low; you have to just exhibit some kind of technical feature or some kind of data manipulation. But the EPO looked at its allowance rate over a ten-year period, and it was 13 percent plus/minus 1.⁹ It stayed pretty much exactly steady.

As we in the United States went through *State Street Bank*¹⁰ and *Alice* and all these vacillations, the EPO just kept looking at the same thing: "Is there a problem and a solution stated that has a technical effect and is it different?" Then you get over that pretty quickly and ask, "Is it in the prior art?" and examine to the prior art, pretty much in a way consistent with Sections 102 and 103 in the United States.

But I was really surprised. The EPO did this study because they thought 15 percent was too high and wondered why the examiners were letting things through. They didn't do this study to show how steady they were. The EPO itself was kind of shocked that they were that consistent.

This is sort of a random anecdote, but it also shows you that if you have an examination regime that is well thought through and well understood by the bar,

⁹ European Patent Office, [PATENTS AND THE FOURTH INDUSTRIAL REVOLUTION: THE INVENTIONS BEHIND DIGITAL TRANSFORMATION](#) (December 2017).

¹⁰ *State Street Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998).

by the applicants, and by the Office, you will get those kinds of predictable and repeatable results.

MR. QUINN: Brett, at the risk of diving too deeply into Section 101, which I think we've been all through in this conference, you mentioned 101 when you were talking about your preliminary thoughts. It occurred to me, are you seeing 101 come up in the chemical area as well?

MR. SYLVESTER: That's a good question, Gene. Usually I don't, and that's a blessing. If I get a 101 case, I usually give it to one of my colleagues who contends with that on a regular basis because they're better informed about the ways we can get around 101 rejections.

MR. QUINN: Can I follow up? Without telling us anything confidential, obviously, can you give us a flavor of what a 101 rejection might look like in something that you're dealing with, just to give us a context? When you started talking about 101 in chemical cases, I thought to myself, *Oh, my God, this is far worse than I thought it was.*

MR. SYLVESTER: In the chemical context, in a straight chemical case, you are not going to get a 101 rejection unless the examiner is just way off base. But it's usually in a biotech-related case or it has some biotech component, or obviously the diagnostic methods are very difficult.

The feeling I get from people in my office is that on the electrical side — this is a gross generalization — it's more like the examiners think they have to make a pro forma rejection in some cases and that the law is fuzzy, but they can usually overcome it without too much difficulty. But for the biotech people it's an entirely different story; you get examiners who just dig in and keep pounding away on this.

In the case of DNA — Kevin can speak much more eloquently to this — usually there are ways to work around that and get some coverage. But with the diagnostic methods, you may be faced with having to put in steps that you can characterize as nonconventional. If you do not have support for them, which you may not in the first place, you're searching for something you can call a “nonconventional step” to deal with this crazy analysis that the courts are imposing. Then you may end up with claims that are of little value, and also you may have the problem of divided infringement.

I hope I've answered your question.,

MR. QUINN: You did. Unfortunately, whenever you talk about this, one question just leads to a whole lot of other questions.

I actually have already written about this, and I'm going to publish this on Sunday.¹¹ One of the paragraphs I wrote is about how you could look at U.S. law, particularly in the 101 area, and it's like looking into a mirror in some respects. It's like what's going on in Europe and China and in certain other parts of the world is what we used to be; and what they used to be — harder to get protection ten years ago — is what we are now. It's like Bizzaro World. It has kind of flipped.

¹¹ Gene Quinn, [Is the Federal Circuit Closer to Requiring a Real Claim Construction for Patent Eligibility?](#), IPWatchdog (Nov. 5, 2018).

I don't know whether you want to all comment on it. I look at the panel, and I see we work in different areas, so maybe it's worth going down the line and commenting on this.

Patrick, I see you nodding your head.

MR. BURNS: Yes, I think there has been some kind of a flip. People often talk about it in terms of the famous pendulum, the imaginary pendulum, that has swung pretty far to one side with cases like *Alice* and *Mayo*.¹² But I'm also seeing that same pendulum being pushed back in the other direction by the Federal Circuit, and I think the Patent Office wants to as well.

MR. QUINN: I think they do. Now the question is how far and how fast and what can they do without the agency getting into trouble for going farther than they can or should.

Detlef, I have a question for you. Ten or twelve years ago, I would get calls from people in Australia and New Zealand and other parts of the world who had software-related inventions for which they couldn't get protection there, and they would want something they could file and get some kind of protection in the United States so that they could show it to investors and do the responsible thing building a startup. Those calls have been gone for years and years and years.

I wonder, are you in Europe getting those calls now that we used to get here in America?

MR. von AHSEN: Not that I am aware of. As I mentioned, our grant rate is quite consistent on that. But yes, I remember that I advised clients fifteen years ago that when you have a U.S. business you will not get a patent in Europe but probably try it in the United States.

MR. QUINN: Albert, we've talked about this too, and I thought maybe you could share some anecdotes. Your clients are trying to file for applications all over the world, and in the United States it's a little murky, to be polite. But the European standard is identifiable, and if you're going to try to get patents around the world, a lot of companies are looking at that and saying, "Well, let me hit that target and then we'll probably be okay elsewhere."

MR. KEYACK: The EPO year over year for the last five, seven, eight years has seen an increase in patent applications, just raw numbers, across all areas, pretty consistently, pretty steadily.

It's really hard to put causality to it, but I intuitively feel from talking to people that companies are filing here in the United States and they have a vague hope, especially in the CII/ICT software area, that they might get a patent (or they might not), but at least they know that when they file PCT designating EPO that they'll get an examination, they'll get a good search back, they'll really know what the prior art is, and they can make portfolio decisions.

People at large companies that file thousands of patent applications a year have told me that there is a tier of applications they pretty much file in Europe more or less to get the search. They have either used PCT designating EPO as the international search authority or they file PCT and get to the European phase.

There is the idea that some companies are also starting to draft with an eye toward: "This is how the case will be examined in Europe. We still want to get a

¹² *Mayo v. Prometheus*, 132 S.Ct. 1289 (2012).

U.S. patent, we're a U.S. company, but we expect to fail on most. However, we know our European patent will cover a large market and we have business there. So we can draft with U.S. counsel, have European counsel dress the case up, and then file it in the PCT, so it gets to the EPO in good condition for EPO examination."

MR. QUINN: One of the other topics that we need to talk about, as advertised, is post-grant practice.

Brett, you had suggested that we talk about the [SAS](#) decision and what that has meant to the Patent Office with respect to inter partes review (IPR) proceedings.

MR. SYLVESTER: The *SAS* case¹³ was decided on April 24, 2018, on the same day as the *Oil States* case¹⁴ that we discussed last year, which upheld the constitutionality of the IPRs. If that case had gone the other way, I guess the Supreme Court could have skipped *SAS*.

SAS had to do with the Patent Trial and Appeal Board's (PTAB) practice of partial institution of IPRs. *SAS* sought an IPR of ComplementSoft's software patent and alleged that all sixteen of the claims were unpatentable. The PTAB concluded that *SAS* was likely to succeed with respect to at least one of the claims, so they instituted an IPR. But, instead of instituting the review on all the claims, they instituted review on only some of them.¹⁵ That was based on their regulation that allowed them to do these partial institutions.

SAS wasn't happy with that and took an appeal to the Federal Circuit where, in a split [decision](#) with Judge Newman dissenting, the Court of Appeals for the Federal Circuit said that approach was okay.¹⁶

Then it went up to the Supreme Court and they reversed. Justice Gorsuch wrote the opinion. I think it's obviously his voice. It's very interesting reading, a nice explication of the Court's approach to statutory interpretation. They said that the plain text of the statute, [Section 318\(a\)](#), supplies a ready answer, and that is that "the Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner," and they said that "any" in this context means all. So the partial institution practice is no more.

MR. QUINN: It's interesting that you say it that way exactly. I would have agreed with you about that, but I just got an email as I was leaving my office

¹³ *SAS Inst., Inc. v. Iancu*, Director, United States Patent and Trademark Office, et al., Certiorari to the United States Court of Appeals for the Federal Circuit, No. 16-969, 2018 WL 1914661 (U.S. Apr. 24, 2018). [Oral Argument](#) Nov. 27, 2017, Decided Apr. 24, 2018 ([Slip Op.](#)) (holding inter partes review allows private parties to challenge previously issued patent claims in an adversarial process before the Patent Office; when the Patent Office institutes an inter partes review, it must decide the patentability of all of the claims the petitioner has challenged).

See Inter Partes Review Procedure Interpreting *SAS Institute*: *Adidas AG v. Nike, Inc.*, 894 F.3d 1256 (Fed. Cir. July 2, 2018); *Alcatel-Lucent USA Inc. v. Oyster Optics, LLC*, No. IPR2018-00070, 2018 WL 4191599 (P.T.A.B. Aug. 31, 2018).

¹⁴ *Oil States Energy Servs. v. Greene's Energy Group*, 584 U. S. ____ (2018). Decided Apr. 24, 2018 (holding inter partes review does not violate Article III or the Seventh Amendment of the U.S. Constitution).

¹⁵ [In the Inter Partes Review of U.S. Patent No. 7,110,936](#), U.S. Patent Trial and Appeal Board (Sept. 19, 2006).

¹⁶ [SAS Inst., Inc. v. ComplementSoft LLC](#), 825 F. 3d 1341 (Fed. Cir. (June 10, 2016)).

on Wednesday to go to the airport. I haven't really had a chance to look into it too much, but I've been told that that is not correct, that the Office continues to engage in partial institutions. The way that they are cutting it up now this time is not by saying, "Well, we're going to take this claim, not that claim," but they are saying, "We'll grant this ground but not that ground."

At first blush, I'd say maybe that's okay under *SAS*. I had thought when we got the *SAS* ruling that what we were going to have was the petition was either going to be granted or the petition was going to be denied, but now it seems like we are not in that kind of binary world potentially. Maybe I shouldn't have even said that. I've been told that, so it's FYI. Look into it. Please don't cite me on that yet. If you read it on IPWatchdog, you can cite it then because I will have looked it up.

But since that issue is coming up here, I just want to flag it for people to take a look at that. I would have characterized the *SAS* holding just like you did — you're in or you're out; the petition is in or out — but I don't know that that's what is going on.

MR. SYLVESTER: But my understanding, Gene, is that the Office actually has sent out — we haven't received any in our cases that I know of — so-called *SAS* "compliance notices" — this is what I've heard; everything's in flux — that they're interpreting this case as applying to all the claims in the petition, not only to all the claims but to all the grounds.

MR. QUINN: I don't know. It boils down to I don't know. But when there are 270 PTAB judges and there are certain of these things going on, would it surprise anybody to learn that there is something a little bit strange there? Maybe I'm being a little bit too gullible. Maybe I'm just jumping to conclusions. I think there is something there based on what little I've seen so far, but I don't think it's what the Office wants.

I think that's one of the frustrating things. Maybe now is the time to bring in what Director Iancu has been saying. He has been saying a lot of really good things that are giving a lot of people a lot of reason to hope. At least, I think, people who haven't had a lot of reason to hope over the last four or five years now are starting to have some reason to hope.

Would everyone on the panel agree?

MR. BURNS: Yes.

MR. SYLVESTER: Yes.

MR. QUINN: Do you want to elaborate, Patrick?

MR. BURNS: I can elaborate a little with respect to where I see the pendulum going with respect to IPRs. I think we are going to see a lower kill rate on patents, in part because of adopting [Phillips](#) claim construction.¹⁷ I think that's where they want to go.

MR. QUINN: The one thing that I don't think a lot of folks are paying nearly as much attention to as they should be is dealing with what is called the Precedential Opinion Panel (POP). Director Iancu wants to have the Office speak

¹⁷ *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (clarifying the hierarchy of evidentiary sources usable for claim construction in patent law). *See also* Gene Quinn & Steve Brachmann, [Harmonizing the PTAB: Iancu calls change to Phillips "critically important,"](#) IPWatchdog (Oct. 28, 2018).

with one voice. The way that they're going to do that is to have the Director, Commissioner Drew Hirshfeld, and the Chief of the PTAB be the POP panel, and they will decide which cases they will accept for internal appeal and which cases they will make precedential.

If you actually look at the PTAB's list of [precedential cases](#), there's a page of them. About half of them, or more, are from the Board of Patent Appeals and Interferences (BPAI). They are really old cases. There is only a small handful of precedential opinions from the PTAB era. Precedential opinions will be one way that Director Iancu really can to some extent assert his will on the PTAB.

Maybe I'm projecting too much. Let me ask our panel here. I'll throw it out and you can agree or disagree. I am of the belief that the PTAB as an entity—and I've written this, and I know there are some fine judges on it—has run amok because there is not a controlling feature. One panel does this, another panel does that, and there is no real predictability, I think in large part because of the size. Would you agree, disagree, agree in part?

MR. BURNS: Yes. It almost has to be that way because they don't have a body of precedent, a body of law, to guide them and establish some uniformity. It reminds me a little bit of claim construction in the early days. Claim construction started in 1995 with [Markman](#),¹⁸ and they were all over the place. We didn't know what the rules were, and the district courts didn't know what the rules were, because there were no rules. I think there's an analogy to PTAB proceedings in that sense. It's a new thing.

MR. QUINN: Right.

Detlef, you look like you want to say something.

MR. von AHSEN: I have a question. My understanding is that you can have a further appeal to the Court of Appeals for the Federal Circuit (CAFC). Doesn't that cause some harmonization on the law as, for example, the Board of Appeal does for the EPO?

MR. QUINN: The problem I see with that is simply the standard. It seems to me that the Federal Circuit, particularly early on, showed too much deference to the PTAB. Let me ask for a show of hands. How many of you agree with this?

[Show of hands]

Disagree?

[Show of hands]

Not participating?

[Show of hands]

A lot of very highly educated PhDs, lawyers, extremely high-credentialed individuals from other parts of government, were hired initially as judges on the PTAB. They knew what they're doing with substantial evidence. The Federal Circuit is extremely overworked to begin with, and patent cases are extremely large and fact-intense, so I think they gave a little too much deference to the PTAB.

Brett, you look like you want to say something.

MR. SYLVESTER: I've heard the same thing you have, Gene, that there are very few precedential opinions. I'm not sure of the exact reason for it, but it's got to be intentional.

¹⁸ *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996).

MR. QUINN: I can tell you to some extent — and I'm not going to get it exactly right — why there are not more precedential opinions, I think there are a couple of different layers.

There's the precedential opinion and then there's the informative opinion. This is why they created the expanded panels, which I thought was just a terrible idea, because in order to have an opinion become informative, over 50 percent of all PTAB judges had to agree it should be labeled "informative," so something on the order of 141 judges had to agree with that decision. For a decision to become precedential, it was something like two-thirds, so you needed almost 200 of the judges to agree with that decision.

As I've written, I'm alarmed that the PTAB doesn't have ethical rules. A lot of what happened with the PTAB is a lot of those were relics of the past when the PTAB was much smaller. The way you became a PTAB judge was you were an examiner for thirty or forty years and then you got promoted to examiner-in-chief. You could actually fit all the PTAB judges into a relatively small conference room. It just grew too fast, I think.

Albert, you look like you want to say something. Do you?

MR. KEYACK: I am curious. Has anyone in the audience seen the PTAB presentation where they give statistics based on the Orange Book patents?¹⁹

[No response]

Oh, good. So I have a good story then. I didn't know if it was a widely seen panel.

I was on a panel six months ago with a judge from the PTAB and I gave a presentation on the EPO's Technical Boards of Appeal. If we all remember, the PTAB was supposed to be modeled on the EPO Technical Boards of Appeal, which differ in this way: there is a panel of three judges; two of them are technically trained, one of them is legally trained; and there is an Expanded Board that adds one technical judge and one non-technical judge.

For those of you who don't practice in pharmaceuticals, Orange Book patents are those that are listed in a book at the Food and Drug Administration in which pharmaceutical companies say, "These are the patents that cover this drug that we're taking to market." This is all related to how when the patents expire you can make generic drugs and everything. They selected this set of patents because they're highly researched, highly vetted; usually prosecuted by really good lawyers, the best lawyers from the best firms, etc., the most experienced in that area. So they are a special set of patents. They're not just something that an inventor walks in off the street to a solo practitioner and they scribble out a spec and then throw it into the Patent Office.

They found that the numbers of patents that had some claims amended, all claims invalidated, or survived intact were like a third, a third, a third. What was interesting is — and this wasn't preplanned — my EPO statistics and his PTAB statistics were roughly the same. We look at it a different way: whether or not the patent was left intact, some claims were revoked or modified, or the whole patent

¹⁹ See U.S. Patent and Trademark Office, [Chat With the Chief: New PTAB Studies in AIA Proceedings: Expanded Panels and Trial Outcomes for Orange Book-listed Patents](#) (Mar. 13, 2018).

was revoked. And then we have obviously the same thing we're talking about, certain appeals that are dismissed as improbable. We don't have partial hearings; we either take the whole case or we dismiss it.

What I have seen, being an American practitioner for most of my career and only close to the EPO for the last three years, is that the PTAB has lots of problems, like Gene is articulating, but in some areas you can see where it's morphing toward something more reliable — or not reliable — something more like the way it was initially supposed to be, so that you can look at it and say, "Yeah, these kinds of cases are going to get invalidated; these kinds of cases will survive." A reversion to the mean probably is a better shorthand way to say it.

Remember that the EPO constructed its Boards of Appeal a long, long time ago and has been running them for a long, long time very much in the same way, with the same rules.

It was just amazing to me to sit there with this judge. And then I saw the same exact presentation at the Federal Circuit Bar Association in the Army-Navy Club a couple of months ago. It was before Judge Ruschke stepped aside and became part of the front office, and Chief Judge Ruschke at the time gave pretty much the exact same set of slides.

I don't know if it's statistical trickery or lies — damned lies and statistics — but the statistics on the screen looked a lot like the EPO statistics year over year. So it was interesting.

MR. QUINN: I think there is some "lies, damned lies" with statistics for the PTAB sometimes. But I do think that they are finding their way, they are moving along, they're getting it. But some of the stuff I've seen makes me scratch my head and think, *How could anybody think that would be okay?*

One of the things that has just driven me crazy is a panel of judges gets completely removed and a new panel comes in and there's not even a footnote explaining it. It's like, *That happens in America?*

It could be totally benign, no nefarious consequences — you know, a judge moves here and there or whatever — but just explain it. I think that sometimes you see some of that kind of weirdness at the PTAB, and some of their history and craziness, and they don't explain it. If they would just explain what they're doing and be a bit more transparent, I think some of the problems would go away.

But not all the problems. There are some real systemic problems. I think a lot of it is when you go from eighty to 270 PTAB judges in a few months, almost overnight, you are going to have problems. No entity can do that and not have problems.

Hans, you wanted to say something?

AUDIENCE [Hans Sauer, BIO]: In this vein, you may remember the cases where the PTAB allowed petitioners to join themselves and to add additional claims to an already ongoing IPR. These self-joinder cases were sometimes actually decided by expanded panels because it was exactly that kind of question — some PTAB judges said the statute allows a petitioner to join himself with a second petition and other judges said, "No, the statute doesn't permit that" — and there were instances of expanded panels that actually flipped decisions. Do you remember?

MR. QUINN: Yes.

AUDIENCE [Mr. Sauer]: It received a lot of attention. Do you think that was a transient phenomenon, did they just stop doing that kind of thing, or is there still some of that going on?

MR. QUINN: There was some peculiar stuff going on with at PTAB with expanded panels. The Patent Office actually admitted on the record at the Federal Circuit in front of the panel judges that they were expanding panels at the PTAB in order to get the outcomes that they wanted. That's on the record. That's not conspiracy theory. They admitted that.

There have been times when they have moved judges around and schlocked them in. Then the thinking is: *Well, why would you do that?* If they admitted they were stacking the deck to get the outcome that they wanted, it's logical to assume that may have played some role there. Particularly in some of these cases that Hans is talking about, they would remove judges who had voted favorably for the patent owner in previous decisions.

MR. SYLVESTER: But good luck getting an examiner changed on a patent application.

MR. QUINN: Good luck! So there was a lot of quirkiness going on with that.

Hans is asking if that's a relic, if that going away. I think it's over because the new [Standard Operating Procedures](#)²⁰ say no to expanded panels; no to changes of judges except in extraordinary cases, and if there are going to be changes of judges, they are going to be explained in a footnote, the way that they should be. So I think that Director Iancu really is going to clamp down on this.

MR. BURNS: I agree.

MR. SYLVESTER: That sounds like a positive change.

As you know, Gene, there has been the creation of the PTAB Bar Association, and I'm sure Kevin's firm and Patrick's firm and many others are involved in that, and that will, I think, have a beneficial effect.

We haven't discussed the [Shaw v. Creel](#) case,²¹ but after the *SAS* case — it's not an estoppel case, but that's its primary effect — that is effectively gone, if you will. Once the Office institutes an IPR considering all of the claims and all of the grounds, I would think that the estoppel effect of these IPRs now would be more in line with what was envisioned when the [America Invents Act](#) (AIA) was passed.

And then also, I think, as Patrick mentioned, the changes in the claim construction standard, which will take effect a week from Monday, will be a net positive for the patentees.²²

²⁰ United States Patent & Trademark Office, Revisions to standard operating procedures: paneling and precedential decisions (Sept. 21, 2018).

²¹ *Shaw Indus. Group, Inc. v. Automated Creel Sys., Inc.*, 817 F.3d 1293 (Fed. Cir. 2016), *aff'd in part, vacated in part, remanded*.

²² United States Patent & Trademark Office, Press Release (Oct. 11, 2018), PTAB issues claim construction final rule. Final rule changing claim construction standard for interpreting claims in AIA trial proceedings: The United States Patent and Trademark Office (USPTO) has published a final rule changing the claim construction standard applied during inter partes review (IPR), post-grant review (PGR), and the transitional program for covered business method patents (CBM) proceedings before the Patent Trial and Appeal Board (PTAB). The final rule replaces the

MR. QUINN: Yes.

MR. SYLVESTER: You are going to have to deal in the IPR with every claim and every ground, but if you can get through the IPR you should be in good shape and not have to deal so much with the people basically trying to get a second bite at the apple.

MR. QUINN: Patrick, you had mentioned a case that you wanted to talk about to me at lunch. I didn't write it down because I thought *I'll remember that*. I forgot it. Can you tell us about that case?

MR. BURNS: The question for the practitioner with respect to 101 is: "What do I do now? What's good and what's bad?" We have been struggling with this. Some of us think that the Federal Circuit is pushing back on the Supreme Court in this area, that they are looking for ways to stay within the Supreme Court's decisions but to kind of weave their way through them, a meandering path between the cases. I think that's what's happening. What that means for the practitioner is that we should follow the meandering path and find cases that we can rely on to overcome 101 rejections.

In October the Federal Circuit decided [Data Engine v. Google](#).²³ I think it's an interesting case for a couple of reasons.

Number one, the invention is simple: it's the tabs you see on the bottom of a spreadsheet. There were several patents involved. One claim was found patent-eligible. Another claim was found ineligible. It's the same spec as far as we're concerned. So you have the same spec, same invention, but the way they drafted one claim was patent-eligible and the other one was not. I looked at them. I don't think they are very different in scope. The words that they used weren't that different, but they were different enough. So, for the first time in my practice, when we amend the claims we are now looking for support from some Federal Circuit case. I think this case could be pretty instructive.

Reason number two is, as far as I know, this is the first time that the Federal Circuit has said, "You should not conflate 102 and 103 with 101 analysis." I was happy to see the Federal Circuit say that. Unfortunately, they did it.

So it's an interesting read, and I suggest that if you are working in that area, responding to 101 rejections under [Alice](#), that is a pretty informative case.

MR. SYLVESTER: We discussed that one at our firm lunch recently. I'm a chemical guy, so I didn't get very much out of it, but obviously the electrical people are very interested in that case.

MR. BURNS: What was their take on it?

MR. SYLVESTER: It's nice to have, as you say, a way to hopefully move around some of these rejections.

MR. QUINN: Judges Stoll, Reyna, and Bryson were also on the panel.

"broadest reasonable interpretation" standard with the federal court claim construction standard that is used to construe a claim in a civil action under 35 U.S.C. § 282(b). This is the same claim construction standard articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc), and its progeny. [A Rule by the Patent & Trademark Office: Changes to the Claim Construction Standard for Interpreting Claims in Trial Proceedings Before the Patent Trial and Appeal Board](#) (full text), FED. REG. (Oct. 11, 2018).

²³ *Data Engine Techs. LLC v. Google LLC*, 906 F.3d 999 (Fed. Cir. Oct. 9, 2018).

MR. SYLVESTER: As Patrick said, that case involved the tabs that you'll see, for example, on an Excel spreadsheet.

MR. QUINN: In the remaining two minutes that we have, if we divide it equally and do this rapid fire, what's the one thing, or two things, that you want everybody to leave here remembering from this panel or from the conference in general?

We'll start with you, Brett.

MR. SYLVESTER: The one thing? That's really tough, Gene.

I think the estoppel effect of the *SAS* case is very important for people who practice in IPRs. There was a great [webinar](#) done this week by Herb Hart and Barbara McCurdy, and they gave the same presentation at the Intellectual Property Owners Association (IPO) here in Chicago in September.²⁴ If you work in that area, that's certainly something to take a look at.

MR. QUINN: Thanks.

Patrick?

MR. BURNS: My overall takeaway is this. The patent law by definition follows technology, so we are by definition always behind; we always have problems because technology is moving on. But when technology does what it has done in the last ten, twenty, thirty years, which is go exponentially up, the law has a hard time keeping up with it.

I think that some of the problems we are seeing in eligibility and other areas — written description we could talk about for a long time — really tell me that we are just not moving fast enough, and I think the bar has to get more involved and Congress has to get more involved. It is a more serious problem, in my view, than it was previously, and I think it's only going to get worse because the acceleration of technology is really high today.

MR. QUINN: Thanks, Patrick.

Detlef?

MR. von AHSEN: I fully agree with Patrick. One more thing probably. I don't want to advocate for our system. I understand and appreciate that for cost reasons you like to intertwine 101 with 102 and 103, but I think you will have it very much easier if you really distinguish 101 on the one side from 102 and 103 on the other side, like the Europeans do.

MR. QUINN: Albert?

MR. KEYACK: I actually won't say very much about the EPO. But what I will say is that, beginning with the Fordham IP Conference in April, I've been very lucky to hear Director Iancu speak at various conferences, and, because I live in Washington, I get to see him once in a while. I really think things are going to change positively under his leadership.

I say that with this color to my American background of having spent three years with the EPO. I hear Director Iancu say things that I was taught in 2016 by the EPO. They said, "This is the way we do it." It ranges from tools they give examiners, the attention they pay to finding the best prior art, to some of the things Gene has articulated about how the PTAB is going to be run.

²⁴ [IPO Webinar on AIA Estoppel](#) (Oct. 26, 2018).

So every time I hear Director Iancu speak, I'm like: "I heard that before. Oh, yeah, I heard it from my EPO colleagues." I'm not saying that the EPO knows how to do everything perfectly. I'm sure Detlef can tell you over drinks how badly we've botched some things.

MR. von AHSEN: There is room for improvement.

MR. KEYACK: But, in general, I am very heartened by a lot of things I hear from the leadership at the PTO. It may take a long time for us to see the results, but I personally am very heartened by a lot of things I hear from their current Director.

MR. QUINN: My very rapid-fire last thoughts are simply this. Director Iancu is going to be doing as much as he possibly can. I really believe that. I think his heart is in the right place. If you are a patent owner who doesn't like what has happened over the last eight to ten years — this always sounds like it is a trite cry for help, like a telethon or something that people ignore — if you are not going to be willing to get involved to help him, his job becomes not just difficult, it becomes impossible.

When he's up there testifying on Capitol Hill, if it's just him that's trying to push the boulder uphill, then it's going to be him against the machine, the PR machine, and you see what they write in *The New York Times* and in other papers. We need people like you in this room to write op-eds, to have your clients who have stories tell their stories, to write, to talk, to get in touch with your members of Congress.

I have been told by members of Congress that an email isn't that great, that a letter is way better than an email because so few people actually write letters anymore, but a telephone call is far better than anything else because almost nobody picks up the phone and calls. Congressmen actually do keep score of who sends letters and what the letters have asked for and how many phone calls they've gotten.

I would encourage you to do this. If the people in this room are not even willing to pick up a phone and make a call to your member of Congress, then why are we even here listening? I think we can do better amongst ourselves, and I think we have an opportunity.

I'm really, really optimistic. You don't usually hear me say that, but I think we are potentially at a pivotal moment and we can't lose it.

Thank you for having us here. Thank you, gentlemen. Thank you, John Marshall Law School.