

## 5 Takeaways From Post-SAS Inter Partes Reviews

By **Omar Khan, Barish Ozdamar and Lauren Matlock-Colangelo** (August 24, 2020)

We surveyed inter partes review proceedings instituted in the year following the U.S. Supreme Court's 2018 decision in *SAS Institute Inc. v. Iancu*, and identified five takeaways regarding the Patent Trial and Appeal Board's findings at institution and their relationship to the ultimate patentability determinations in the final written decisions.[1]

### Background

IPR proceedings may be instituted only if the director of the U.S. Patent and Trademark Office determines that "there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." [2] The PTAB is thus permitted to institute review based on a petitioner's likelihood of showing that a single challenged claim is unpatentable.

For many years, assessing the petitioner's likelihood of success with regard to all the challenged claims made practical sense. The PTAB was permitted to engage in partial institution and could grant review of all, some, or none of the claims challenged in the petition.[3]

If a petitioner failed to establish a reasonable likelihood of success against a specific claim, the PTAB could decline to review that claim and institute review of the rest of the petition.[4] This saved the PTAB from having to exhaustively review claims that it believed that the petition did not satisfy the standard for institution.

However, in *SAS Institute Inc. v. Iancu*, the Supreme Court put an end to partial institution.[5] Instead of determining which claims to institute, the PTAB must now make a single choice between instituting review of all challenged claims or not instituting review at all.[6] When the PTAB institutes review, a final patentability determination is required for all challenged claims — even the claims that it believed were patentable at institution.

The impact of SAS on PTAB practice continues to evolve. Absent the ability to proceed with partial institution, the PTAB may now have less incentive to provide a detailed analysis of all the petitioner's arguments. There is an unspoken presumption that prompt institution of an entire petition follows from the board's identification of a single claim for which the statutory requirement for institution is satisfied. That's not the case.

In this article we examine post-SAS institution decisions to determine whether the PTAB has continued to provide a likelihood of success determination for multiple challenged claims.

Additionally, post-SAS there is increased opportunity for the PTAB to revisit, and even reverse its own institution decisions on the basis of the complete record developed during the trial.

The PTAB's institution decisions are not binding, and the PTAB has always had the ability to uphold claims even when initially finding that the petitioner was likely to prevail. Now, the PTAB also has the opportunity to change its initial determination and find claims unpatentable even when it believed the petitioner failed to present a persuasive case at institution.



Omar Khan



Barish Ozdamar



Lauren Matlock-Colangelo

Later in this article we compare the board's institution decisions and final written decisions to determine how frequently the PTAB reverses its initial likelihood determinations. We also examine final written decision outcomes when the PTAB declined to offer preliminary views on some, but not all, of the challenged patent claims.

## Methodology

This article analyzes 435 IPR proceedings instituted in the year following SAS.

To be considered for the study, a qualifying proceeding was required to have an institution decision issuing between April 25, 2018 and April 25, 2019, and a final written decision issuing on or before June 30, 2020.[7] Consolidated IPRs were analyzed as a single proceeding. This study does not consider petitions for which institution was denied, either on the merits or as a discretionary denial under Title 35 of the U.S. Code, Section 314(a).

For each IPR, the institution decision and final written decision were compared to determine whether the PTAB's view of each challenged claim changed over the course of the proceeding. Specifically, the claims of each IPR were sorted into six different categories to account for the PTAB's preliminary position (or lack thereof) on patentability in the institution decision as compared to the final position in the final written decision.[8]

### 1. Most institution decisions addressed whether or not there was reasonable likelihood of success with respect to all of the challenged claims.

Institution decisions are not required to address all the claims challenged in a petition. Instead, the PTAB must only find that the petitioner is likely to succeed with respect to a single claim.[9]

Nevertheless, as Table 1 shows, in the overwhelming majority of proceedings studied, the PTAB analyzed the petitioner's likelihood of success with respect to all of the challenged claims.[10] On the other hand, only 11% of the proceedings studied determined the petitioner's likelihood of prevailing with respect to only one challenged claim.

**Table 1.** Percent of study proceedings in which the PTAB analyzed the petitioner's likelihood of success with respect to all claims, some claims, or only one claim

Claims Analyzed In Institution Decision	Percent of Study Proceedings
All Claims	81%
Some Claims	8%
One Claim	11%

### 2. The majority of institution decisions found that the petitioner had established a reasonable likelihood of success against all challenged claims.

In all of the proceedings studied, the most common outcome — in approximately 69% of the proceedings — was an institution decision finding that the petitioner was likely to succeed with respect to all challenged claims. As Table 2 shows, only 13% of the proceedings involved institution decision findings that the petitioner was reasonably likely to succeed with respect to only one claim.[11]

**Table 2.** Percent of study proceedings in which the PTAB found petitioner likely to prevail against all, some, or only one of the challenged claims

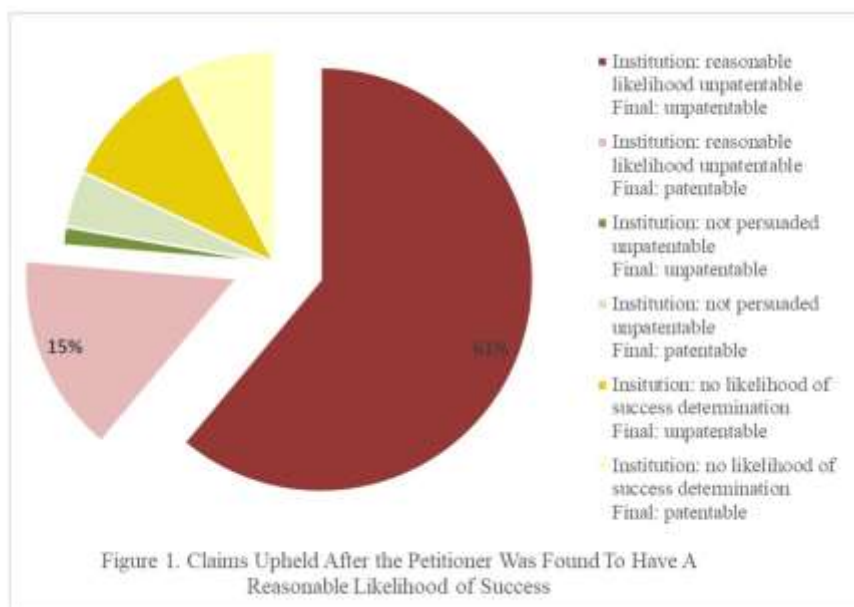
Institution Decision Finding Likely Unpatentable	Percent of Study Proceedings
All Claims	69%
Some Claims	18%
One Claim	13%

**3. A petitioner's showing of likelihood of success at institution has not guaranteed that the challenged claim(s) ultimately will be found unpatentable in the final decision.**

Perhaps unsurprisingly, in 80% of all the proceedings studied, at least one of the challenged claims was ultimately found to be unpatentable after an initial determination that the petitioner was likely to succeed against that claim.[12]

However, likelihood of success at institution does not guarantee that the petitioner will prevail on all challenged claims. Indeed, 29% of all the proceedings studied upheld at least one claim despite an initial finding that the claim was reasonably likely to be proven unpatentable.[13]

When examined on a claim-by-claim level, in instances where the board made an initial determination that a claim was likely unpatentable, 80% of such claims were ultimately found unpatentable, whereas only 20% of such claims were ultimately deemed to be patentable. See Figure 1 below (for 76% of all claims, the board made an initial determination that a claim was likely unpatentable; 20% of those were ultimately found patentable and 80% were found unpatentable).[14]



#### 4. Failure to show likelihood of success at institution also has not guaranteed that the challenged claim(s) ultimately will be found patentable in the final decision.

Institution decisions sometimes find that a petitioner has failed to establish a reasonable likelihood of success against some, but not all, of the challenged claims.[15]

Before SAS, these determinations often resulted in partial institution. Post-SAS, however, the PTAB cannot decline to institute review against only some of the challenged claims. Therefore, the PTAB may have a reduced incentive to use institution decisions to identify which claims are likely to be upheld.

In only approximately 12% (52 of 435) of the proceedings studied, the institution decision expressly stated that the petitioner failed to establish a reasonable likelihood of success for at least one of the challenged claims.[16]

And in this subset of proceedings, 85% (44 of 52) ultimately upheld at least one claim for which petitioner failed to establish a reasonable likelihood of success at institution.[17] Conversely, in 31% (16 of 52) of such proceedings at least one claim initially identified as likely patentable was found unpatentable in the final written decision.[18]

At the claim level, the board found that petitioners failed to establish a reasonable likelihood of prevailing at the institution stage against approximately 5% (342 of 5,964) of all studied claims. [19] See Figure 2. Ultimately, 76% (259 of 342) of these claims were upheld and 24% (83 of 342) were found unpatentable.[20]

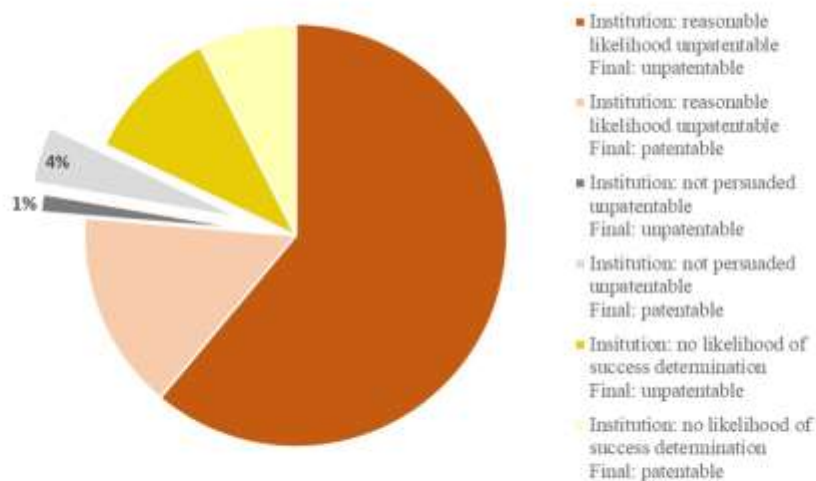


Figure 2. Claims For Which Petitioner Was Found Not To Have A Reasonable Likelihood of Success

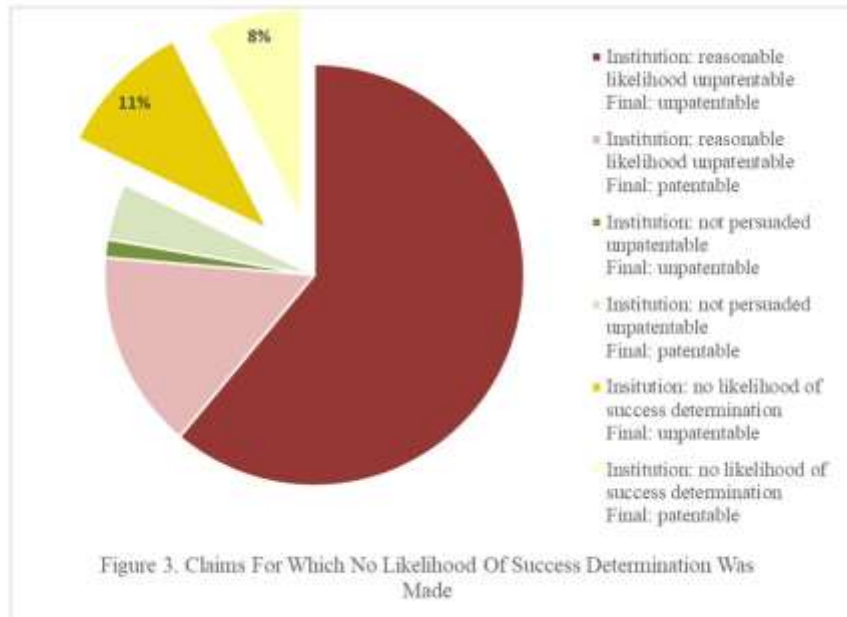
#### 5. When the institution decision made no likelihood of success determination with respect to a particular claim, the petitioner prevailed slightly more often than the patent owner.

A significant number of institution decisions assessed a petitioner's likelihood of prevailing against only some of the challenged claims, without offering any views on one or more of the remaining challenged claims. However, in the year following SAS, the board's decision not to address a given claim was not a particularly strong predictor of whether the claim would ultimately be upheld or not.[21]

In approximately 19% (84 of 435) of the proceedings studied, the institution decision was silent as to the likelihood of success for at least one claim.[22]

Of this subset of proceedings, approximately 50% (42 of 84) upheld at least one claim for which no reasonable likelihood determination was made at institution.[23] On the other hand, approximately 67% (56 of 84) of these proceedings found at least one claim unpatentable that had not been analyzed at institution.[24]

As Figure 3 shows, the board made no likelihood of success determination for approximately 19% of the claims studied (1,070 of 6,038). Of these claims, 58% (625 of 1,070) were ultimately found to be unpatentable while 42% (445 of 1,070) were upheld.[25] Therefore, petitioners prevailed only slightly more often than patent owners when the PTAB made no initial likelihood of success determination.



## Conclusions

We offer the following observations:

- The PTAB has offered a likelihood of success assessment for all challenged claims in the vast majority of the post-SAS instituted proceedings.
- For the population of claims where a likelihood of success assessment was provided the PTAB ultimately reversed itself for slightly more than 20% of the claims. By reversal, we mean that after a fully developed record and applying a different standard (i.e., reasonably likely to prevail versus preponderance) — the PTAB changed its initial determination as to whether the petitioner was likely to prevail.
- Assessing the data at the proceeding level, in roughly one third of the proceedings studied, the PTAB upheld at least one claim despite an initial finding that the claim was reasonably likely to be proven unpatentable.

- And where the PTAB instituted but indicated in its institution decision that at least one claim was likely patentable, one-third of those instituted proceedings resulted in the PTAB finding such a claim unpatentable.

---

*Omar A. Khan is a partner and Barish Ozdamar, Ph.D., is counsel at WilmerHale.*

*Lauren Matlock-Colangelo, Ph.D., is a judicial law clerk and former associate at WilmerHale. This article was prepared prior to her clerkship.*

*The opinions expressed are those of the author(s) and do not necessarily reflect the views of the firm, its clients, or Portfolio Media Inc., or any of its or their respective affiliates. This article is for general information purposes and is not intended to be and should not be taken as legal advice.*

[1] This article covers how often the PTAB reverses itself. By "reversal," we mean that after a fully developed record and applying a different standard (i.e. reasonably likely to prevail versus preponderance) the PTAB changed its initial determination as to whether the petitioner was likely to prevail and ultimately decided the opposite.

[2] 35 U.S.C. § 314.

[3] A USPTO regulation expressly permitted the PTAB to "authorize the review to proceed on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim." 37 C.F.R. § 42.108(a) (held invalid as preempted by *SAS Institute, Inc. v. Iancu*, 138 S.Ct. 1348 (2018)).

[4] For example, in *SAS Institute, Inc. v. ComplementSoft, LLC*, the PTAB declined to institute review of claims 2 and 11-16 despite instituting review against claims 1 and 3-10. See No. 2013-00226, Paper 9 at 21 (P.T.A.B. August 12, 2013) (reversed by *SAS Institute, Inc. v. Iancu*, 138 S.Ct. 1348 (2018)).

[5] *SAS Institute, Inc. v. Iancu*, 138 S.Ct. at 1355 ("So when § 318(a) says the Board's final written decision 'shall' resolve the patentability of 'any patent claim challenged by the petitioner,' it means the Board must address every claim the petitioner has challenged." (emphasis in original)).

[6] *Id.* at 1355 ("That language indicates a binary choice –either institute review or don't.").

[7] Proceedings in which the parties limited the scope of review post-institution were not included in the analysis.

[8] The following six categories were used: (1) Institution: Reasonable likelihood of success unpatentable, Final Written Decision: Unpatentable; (2) Institution: Reasonable likelihood of success unpatentable, Final Written Decision: Patentable; (3) Institution: Not Persuaded Unpatentable, Final: Unpatentable; (4) Institution: Not Persuaded Unpatentable, Final: Patentable; (5) Institution: No likelihood of success determination made; Final: Unpatentable; (6) Institution: No likelihood of success determination made, Final: Patentable. When the PTAB provided no analysis of a claim or analyzed a claim but provided no assessment of whether the Petitioner was likely to succeed, that claim was sorted into the "no likelihood of success determination made" buckets. Otherwise, the claims were sorted according to whether the PTAB expressly stated that the evidence was or was not sufficient to establish a reasonable likelihood of success. For example, if the institution decision stated that the petitioner was likely to prevail in showing that all ten claims challenged in a petition were unpatentable, but the final written decision found that only five

of the claims unpatentable, five claims would be categorized as "Institution: Reasonable likelihood unpatentable, Final: Unpatentable" and five claims would be categorized as "Institution: Reasonable likelihood unpatentable, Final: Patentable."

[9] SAS Institute, Inc. v. Iancu, 138 S.Ct. at 1355


[10] The PTAB was found to have analyzed petitioner's likelihood of success for a claim if it ultimately made a likelihood of success determination for that claim. The PTAB was found not to have analyzed a claim if the institution decision merely restated the petitioner and patent owner's arguments but did not make an ultimate likelihood of success determination for that claim.

[11] This does not include proceedings challenging only one claim, which were categorized as the PTAB having found petitioner reasonably likely to succeed against all challenged claims.

[12] Of the 435 proceedings studied, 350 proceedings found at least one claim unpatentable following an initial finding that the petitioner was reasonably likely to prevail against that claim.

[13] Of the 435 proceedings studied, 128 proceedings upheld at least one claim despite initially finding that the petitioner was likely to succeed against that claim.

[14] In the institution decisions studied, petitioners were found to be likely to succeed against a total of 4,552 claims. However, 909 of these claims were ultimately upheld as patentable. This corresponds to approximately 20% of the claims expressly identified at institution as likely to be found unpatentable. We have not accounted for circumstances where, because the independent claim was found patentable, all the associated dependent claims were also found patentable.

[15] See, e.g., Hytera Communications Corp. Ltd. v. Motorola Solutions, Inc. , No. 2018-00128, Paper 8 at 17 (P.T.A.B. May 10, 2018) ("We conclude that Petitioner does not demonstrate a reasonable likelihood of prevailing on its challenge of claims 6, 8, and 14.").

[16] Of the 435 proceedings studied, 52 proceedings found that the petitioner had not established a reasonable likelihood of success against at least one claim. In approximately 10% of all the proceedings studied, at least one of the claims found likely to be patentable at institution was ultimately upheld. However, approximately 4% of all the proceedings studied found at least one claim unpatentable despite an initial finding that the petitioner did not have a reasonable likelihood of success against that claim.

[17] Of the 52 proceedings for which the PTAB found that the petitioner had not established a reasonable likelihood of success against at least one claim, 44 proceedings upheld at least one of the claims identified as likely patentable at institution.

[18] Of the 52 proceedings for which the PTAB found that the petitioner had not established a reasonable likelihood of success against at least one claim, 16 proceedings found unpatentable at least one of the claims identified as likely patentable at institution.

[19] Of the 5,964 claims studied, petitioners were found to have no reasonable likelihood of prevailing against 342 claims.

[20] Of the 342 claims for which petitioners were found to have no reasonable likelihood of success at institution, 259 claims were ultimately upheld and 83 of the claims ultimately found unpatentable.

[21] Often the decision to address only some claims is driven by practical considerations.

For example, when the preliminary response does not address the patentability of the depended claims, the Board may decide to address only the independent claim in the institution decision. See, e.g., *Nintendo Co. v. Gamevice, Inc.*, No. 2018-01521, Paper 7 at 10 (P.T.A.B. March 11, 2019) ("On its face, Nintendo's analysis of the dependent claims has merit. However, without hearing first from Gamevice, we do not see the need to draw further conclusions as to Nintendo's likelihood of prevailing on the dependent claims.").

[22] Of the 435 proceedings studied, 84 proceedings did not address petitioner's likelihood of success with respect to at least one claim. Approximately 10% of all the proceedings studied upheld at least one claim that was not analyzed in the institution decision. However, approximately 13% of all the proceedings studied found at least one claim unpatentable that was not analyzed in the institution decision.

[23] Of the 84 proceedings that did not address the petitioner's likelihood of success with respect to at least one claim, 42 proceedings ultimately upheld at least one claim for which there was no initial likelihood determination made.

[24] Of the 84 proceedings that did not address the petitioner's likelihood of success with respect to at least one claim, 56 proceedings ultimately found at least one of the claims unpatentable for which there was no initial likelihood of success determination made.

[25] Of the claims for which no likelihood of success determination was made, 625 were found unpatentable and 445 were upheld.