

Seyfarth PTAB Blog

A legal look at Patent Trial and Appeal Board decisions and trends



Try-and-Try-Again Is a Recipe for Failure When Petitioning the Patent Trial and Appeal Board

By David A. Klein

Whether an *Inter Partes* Review (IPR) will be instituted is at the discretion of U.S. Patent and Trademark Office's Patent Trial and Appeal Board ("the Board"). Usually when the Board declines a petition requesting an IPR, it is due to there being insufficient support for at least one challenged claim being unpatentable. Less developed are the Board's standards for declining petitions based on equity and fairness. One question has been how many bites-at-the-apple does a petitioner get when filing multiple petitions asking for review of a same patent claim.

The Board's November 28 decision in *Alarm.Com Inc. v. Vivint, Inc.* denying institution of an IPR attempts to provide practitioners some guidance. The Board assembles a list of eight factors they use in deciding whether to exercise their discretion. The factors are

1. the finite resources of the Board,
2. the need to issue a final determination within one year,
3. whether the same petitioner has previously filed a petition for the same claim in the same patent,
4. whether the petitioner should have known of the prior art they assert in their new petition when filing a prior petition,
5. whether at the time of filing the petition, the petitioner already received the patent owner's preliminary response regarding a prior petition or received the Board's decision on whether to institute an IPR based on a prior petition,
6. the time delay between when the petitioner learned about prior art cited in the petition and when they filed the petition,

7. how persuasive a petitioner's excuse is for a time delay between filings when multiple petitions are directed to the same claim, and
8. whether the petitioner's argument is rehashing prior art or arguments that the Office has seen before.

The list comes with the caveats that not all factors need to be present, that they need not give the factors equal weight, and an implication that additional factors might be added in the future.

The facts in *Alarm.com* are well-suited for use as a test case. In 2011, home automation and security services provider Vivint partnered with security system and home automation product maker Alarm.com. At some point, their relationship soured, and in 2015, Vivint filed a patent infringement suit against Alarm.com in Utah. The dispute escalated. By the time the panel picked up Alarm.com's petition requesting an IPR for eight claims in Vivint's U.S. Patent 6,462,654 B1 ('654 Patent), Alarm.com had filed 17 *other* petitions against patents owned by Vivint, including three directed to claims in the '654 patent.

The first of the three prior petitions was directed to the same claims in the '654 Patent as the petition under consideration, and cited one of the same prior art references. That petition was denied for failing to demonstrate a reasonable likelihood of success. The second and third petitions were directed to different claims than the petition under consideration, but asserted invalidity based in-part on the same two prior art references now relied upon. An IPR was granted for some of the claims in the second petition, and briefing by the parties was already complete. The Board had not yet made a decision on whether to institute an IPR based on the third petition.

The Board proceeded to check off factors one-and-two at a time. Immediately checked off was the third factor: There had been a prior petition for the same claims. Next checked off were the fourth and sixth factors: The two references now relied upon had been known to Alarm.com, with six months having passed from when Alarm.com first citing both references in a petition against the same patent and the filing of this petition. As for the fifth and seventh factors, Alarm.com had received Vivint's preliminary responses to the second petition directed to the same patent, and had received the Board's decision on whether to institute an IPR for the first and second petitions. Moreover, Alarm.com had received responses from Vivint and decisions in some of the 14 other petitions, and could provide no explanation as to why it could not have raised arguments against the current claims in a prior petition. Checking off the eighth factor, the Board explained that although Alarm.com swapped out one of the references from their previous petition targeting the same claims, they were essentially retreaded their same arguments.

The Board observed that Alarm.com waited until a week before a statutory bar to file their petition, inferring that Alarm.com was trying to gain as much information as they could from Vivint's responses and the Board's decisions before filing. In essence, the Board concluded that Alarm.com was gaming the system, engaging in "incremental petitioning" to fix deficiencies in earlier petitions. Concluding that Alarm.com was wasting Office resources, and citing the potential for inequity, the Board checked off the first and second factors for good measure.

For those keeping score, that is eight-for-eight.

At this point, Alarm.com's only recourse is to request a rehearing within 30 days of the November 28 decision. As decided in June's unanimous *Cuozzo Speed Technologies, LLC v. Lee* from the United States Supreme Court, a Board's decision not to institute an IPR proceeding is not appealable to the Federal Courts.

Takeaway:

Do not take a scatter-shot approach to filing IPR petitions. Make every effort to be complete on the first try, even if it might

seem beneficial to get a petition filed quickly. If a second petition becomes necessary against the same patent (and particularly the same claims), craft fresh arguments and try to avoid retreading references. PTAB is overloaded and has ample motivation to deny wash-rinse-and-repeat petitions.

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