



How “One Bite at the Apple” Became Serial Attacks on High Quality Patents at the PTAB

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Introduction

“One bite at the apple” is a basic premise of the Patent Trial and Appeal Board (PTAB) established under the Leahy-Smith America Invents Act. Congress intended *inter partes* review (IPR) as an alternative to district court litigation that saves time and money for challenging the validity of the minority of patents that are questionable. It was not intended to become a tool for well-heeled corporations to delay and repeatedly attempt to kill a valid patent in ways not tolerated in district court. Congress recognized the potential for abuse of PTAB litigation by serial petitions that repeatedly attack an inventor’s patent. Throughout the legislative history of the AIA, and as cemented in the enacted legislation, Congress made clear that inventors should not have to endure repeated attacks on their patent claims at the PTAB. Even the best inventions, covered by well-written patents, are prone to be stripped of their protections at the PTAB, precisely because the most valuable inventions draw the most repeated and concerted attacks by so many challengers. Our court system generally doesn’t allow a plaintiff to file multiple lawsuits on the same matter once it has been adjudicated. In the case of IPRs, the petitioner is the equivalent of the plaintiff in our courts and if a single petitioner or a group of petitioners is allowed to file multiple petitions in an attempt to kill a patent claim, then it becomes virtually certain that any patent, including the very best patents, can be killed by IPR. And the data bear out that these repeated and overlapping petitions are routinely filed, both by a single challenger as well as in collaboration with other parties who are “privies” of the other filers in reality but mask their relationships to the other filers to conceal that point. To date, the PTAB has applied its rules permissively to allow serial petitions to take root as the ordinary course of business. To protect inventors and the jobs they create, these rules must be tightened.

Any patent that survives a serious challenge by an infringer in the IPR process that is adjudicated by an expert panel appointed by the USPTO is by definition a “good patent” and not a “bad patent” that the AIA IPR process was designed to target, and as such should not be subjected to multiple, repeated IPR attacks until it is killed.

The existing statutory framework actually prohibits the serial challenges that are endemic today. By law, a petitioner who obtains a final written decision with respect to a claim may not “request or maintain a proceeding before the Office with respect to that claim” on any other ground that “petitioner raised or reasonably could have raised” during the trial. This statute provides for one written decision, per claim and per petitioner (and its privies). However, this “one bite at the apple” limitation is commonly sidestepped by challengers who file multiple petitions challenging particular claims, and having their petitions presented together, and with multiple final decisions issuing at the same time. By cluster-bombing, the estoppel provisions of the AIA are circumvented, and inventors must endure multiple attacks on their claims, even by a single petitioner. For the top IPR filer, Apple, a whopping 56% of its petitions are duplicative (*i.e.*, multiple petitions filed attacking the same claims). For the next four filers each, over a third of their petitions are duplicative (Samsung (38%), Google (38%), Microsoft (59%), and LG (34%)).

Far from a single bite, the apple is further chomped away by a bevy of additional challengers making arguments in concert with the other filers. The Patent Office has given little meaning to the statutory restriction that the estoppel provisions apply to the “privies” and the “real parties in interest” of the petitioners. Likely unforeseen by Congress at the time of the AIA, we have now seen the rise of profiteering entities such as Unified Patents and RPX. These are subscription services that bill their members and in return for these payments file IPR petitions against patents of concern to their members. Their dealings are sufficiently opaque that neither the PTAB nor the courts have ruled that Unified Patents’ filings give rise to an estoppel as to its members. Through wink-and-a-nod use of these services, challengers achieve the benefit of successive petitions and gain still more bites at the apple. The Patent Office should put real substance to the “privy” and “real party in interest” requirements to ensure that companies do not get a second bite at the apple through such shadow surrogates.

USIJ offers the following proposals to rein in PTAB proceedings to a scope consistent with Congress’ intent, as explained more fully below:

- A. The PTAB should prohibit a petitioner from filing multiple petitions on overlapping claims. This prohibition should apply equally to the petitioner’s privies and other real parties in interest.
- B. The petitioner must disclose the following entities:
 - (1) Where the petitioner lacks a bona fide basis for believing the patent to be a threat to its own product commercialization, that petitioner must list all entities that have contributed (directly or indirectly) to the formation or maintenance of the petitioner during the ten (10) year period immediately preceding the filing;

(2) Furthermore, the petitioner must list all entities that have contributed directly or indirectly to assisting the petitioner in researching, creating, or evaluating the petition, including all entities with whom petitioner has communicated regarding other challenges to the validity of claims within the challenged patent. For the avoidance of doubt, entities whose interest in the petitioner is limited to a financial investment and that do not contribute directly or indirectly to challenging the validity of claims within the subject patent in the petition should not be required to be listed under this subsection (2).

- C. All entities identified in (B) should presumptively be found to be a “privy” of the petitioner and a real party in interest, such that all estoppel provisions of the AIA would apply to those entities, including the prohibition on filing multiple petitions stated in Section (A) above.
- D. Once a patent claim has survived an IPR challenge by a given entity, whether by (i) denial of the petition, (ii) institution and subsequent finding that the patent claim is valid or (iii) institution and subsequent approved amendment of the claim, further IPR petitions filed by other parties not related to the entity, *i.e.*, not identified under (B) above should be subject to high skepticism and scrutiny, and before instituting such petitions the petition should be reviewed and institution approved by the US PTO Director.

Congress intended to bar serial petitions

Throughout the course of debate over the AIA and its predecessor bills, Congress reiterated its commitment to avoiding repeated attacks on a patent. This commitment, as set forth further below, is codified in the AIA and must be so restored.

In the debates concerning the proposed Patent Reform Act of 2007, the Senate Report explicitly referenced the “one bite at the apple” rule. These comments were directed to the then-proposed “first window” and “second window” post-grant review (PGR) proceedings. This “second window” is akin to the now-enacted IPR provisions. Unambiguously, Congress sought to shut down serial petitions by a party:

In addition, the same party who has once filed a PGR petition, whether in the first or second window, regarding any claim in a patent, may not file another PGR on the same patent, regardless of the issues raised in the first PGR. This “one bite at the apple” provision was included in Committee to quell concerns that a party bent on harassing a patent holder might file serial PGR petitions.

Senate Report 110-259, The Patent Reform Act of 2007, 110th Congress, to accompany S. 1145, at 22.

Congress plainly saw the potential for abuse of PTAB proceedings as a costly delaying tactic that large companies could exploit to bankrupt small inventors:

A few words about second window: opening up a second window for administrative challenges to a patent only makes sense if defending a patent in such proceedings is not unduly expensive, and if such proceedings substitute for a phase of district-court litigation. If second-window proceedings are expensive to participate in, a large manufacturer might abuse this system by forcing small holders of important patents into such proceedings and waiting until they run out of money. Defending oneself in these proceedings requires retention of patent lawyers who often charge \$600 an hour, quickly exceeding the means of a brilliant inventor operating out of his garage – or even of a university or small research firm.

Second, if estoppel rules are unduly liberalized, second-window proceedings could easily be used as a delaying tactic.

Id. at 66.

Recognizing that duplicative petitions are “one of the worst evils” of administrative proceedings, Congress sought to all-but-eliminate such proceedings (allowing for repeat proceedings only in extreme cases, such as in cases of collusion between the patent owner and the petitioner):

Subsection (c) of section 327 applies a successive-petition bar of sorts to second or successive petitions for second-period review. It is a rare patent that should be twice subjected to second-window proceedings....

Lengthy and duplicative proceedings are one of the worst evils of other systems of administrative review of patents. During the pendency of such proceedings, a patent owner is effectively prevented from enforcing his patent. Subsection (c) should ensure that second or successive second-period proceedings are few and far between.

Congressional Record, Vol. 154 (2008), Part 16, Pages 22620-22632 (Senator Kyl speech on Patent Reform).

Congress' determination to prohibit serial petitions continued through the 2011 debates, with both the Senate and House reiterating the goal of precluding these repetitive challenges. Senator Grassley explained:

In addition, the bill would improve the current inter partes administrative process for challenging the validity of a patent.... It would also include a strengthened estoppel standard to prevent petitioners from raising in a subsequent challenge the same patent issues that were raised or reasonably could have been raised in a prior challenge. The bill would significantly reduce the ability to use post-grant procedures for abusive serial challenges to patents.

Senate Debate 2-28-2011 (157 Cong. Rec. S936-S953) (comments of Senator Grassley)

In enacting the more rigorous "reasonably could have raised" estoppel standard (as opposed to a more lenient "actually raised" standard), Congress sought to ensure that a "party that uses inter partes review is estopped from raising in a subsequent PTO proceeding (such as an ex parte reexam or inter partes review) any issue that it raised or reasonably could have raised in the inter partes review."). House Report 112-98 - 112th Congress - To Accompany HR 1249.

Congress barred repetitive petitions

Congress' intent to bar repetitive petitions is manifest in the AIA as enacted. The "one bite at the apple" rule is codified in Section 315(e)(1), which provides:

(1) PROCEEDINGS BEFORE THE OFFICE. – The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

Section 315(e)(1).

Congress thus forbade a petitioner (or its privies or other real parties in interest) to "request or maintain" a proceeding before the Office concerning a claim once a first petition "results in a final written decision" with respect to that claim. This rule is clear:

on a per-claim basis, a petitioner gets one shot (along with its privies and other real parties in interest), *i.e.*, one written decision. If a petitioner has pending multiple petitions concerning a claim, once a final written decision results, then the other pending claims may no longer be maintained. The other pending petitions concerning that claim (including those filed by privies or other real parties in interest) become legally moot.

That is, if the first written decision on a petition upholds the patentability of a claim, that should be dispositive of any other challenges by the same petitioner or those working on it behalf. A second petition regarding the same claim should be given no effect. Under the statute, that claim is properly the subject of attack by a single petition by a petitioner (and by its privies and other real parties in interest). Subsequent petitions, whether spaced out in time or fired off in a single salvo, become legally inoperative once the first written decision on that claim results.

In practice, petitioners have gamed the system. Some petitioners will commonly file multiple petitions against a particular claim, either on the same day or within a short time thereafter. The PTAB, juggling its ever-increasing workload, must economize its resources. Accordingly, the PTAB will typically issue its institution decisions as to each such petition on the same day. It will order a consolidated scheduling conference as to each such petition, and hold a consolidated hearing on each such petition. Typically on the same day, within minutes of each other, it will issue a series of orders, each addressing one petition. Thus, if a petitioner files three petitions attacking a claim, the PTAB will issue three separate rulings as to that claim, and the petitioner will have achieved three bites at the apple. The data summarized below and tallied in a publicly available study, confirm that the PTAB routinely issues multiple written decisions for a single petitioner on overlapping claims.¹

Such petitioners would disavow any abuse, exclaiming that any estoppel provisions only trigger upon the issuance of a final written decision. Thus, in their eyes, it is perfectly consonant with Congress' intent to have as many bites at the apple as they want, so long as the Patent Office issues the rulings on the same day. This of course is a simplistic end-run around the statute, and one that the Patent Office can and should easily remedy.

Section 315(d) provides the solution. Congress foresaw that a patent might be the focus of attack by multiple petitions brought by multiple challengers. Where multiple petitions are filed against a patent, "the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding." Section 315(d). Thus, when multiple petitions have been filed against a patent, the Office has the power to stay or terminate the duplicative petitions.

¹ The study was performed by Robins Kaplan LLP, tallying IPR data from inception of IPR

The Office therefore can provide an easy administrative fix to the multiple bites at the apple that petitioners (and their privies and other real parties in interest) now exploit. The Office should limit a challenger (and its privies and other real parties in interest) to filing a single petition to attack a claim. By exercising a gatekeeper role on the front end, the Office would prevent multiple bites at the apple while conserving the resources of all involved. It will be far more efficient, less expensive, and less resource-consuming for all parties involved – the PTO/PTAB, the patent owner, and the petitioner – to implement the restriction to only allow one adjudication per claim by requiring that the petitioner make their own election BEFORE any processing of the IPRs at the PTAB. That is, the PTAB should reject the filing of any petition by a petitioner (and its privies and/or other real parties in interest) that challenges a claim that is already the subject of another petition by that challenger. This process is beneficial for legitimate petitioners because (i) it doesn't create any legitimate sacrifice on the part of the petitioner because they ultimately have to make the decision anyways; and (ii) the petitioner would spend less resources and money by making the election up front.

Likewise, the patent owner's burden would be greatly reduced if the second filing were barred altogether rather than allowing multiple IPRs to be filed and then requiring a downstream election. The present-day system imposes burdens on the patent owner and grants strategic windfalls to the challengers, which would be alleviated by this fix, as follows:

- a) As noted above, the patent owner now has to evaluate and create defenses for all of the IPRs because it wouldn't be clear which one would be implemented, and the same would hold for the professionals at the PTAB. While it is inefficient and costly for the PTAB, for the small patent owner it is much worse because this drives up their costs and distracts them from their business in precisely the way that Congress intended to preclude;
- b) Well-heeled infringers are able to effectively erase the PTAB's page limit, merely by paying approximately another filing fee for each duplicative petition. Cutting a bigger check at the PTAB allows parties to dwarf the page limits that would otherwise constrain them in district court. Buying more pages at the PTAB imposes a concomitant burden on the patent owner;
- c) In the worst case, the petitioner would actually get some sort of sense from the down-selection process as to which IPR is best in the eyes of the PTAB panel, which would provide the majority of the value that would derive from filing multiple IPRs because the petitioner is gaining the benefit of finding out which of the arguments is most favorably viewed by the specific human decision makers on the panel; and

- d) By filing multiple petitions the petitioner is giving other colluders in the market the option to either model a subsequent petition after a non-instituted one of the multiple petitions, or even to simply copy the non-instituted petition (which is precisely what happened in the case of Apple's time barred petitions that were resurrected by a hedge fund) -- this is essentially an efficient and legal way to collude without directly communicating with the other colluder.

Limiting the challenger to a single petition on a claim is consonant with the intent of the AIA. The PTAB proceedings were intended to be a “substitute for a phase of district-court litigation.” Senate Report 110-259, at 66. No district court in the country would allow the volume of briefing that the PTAB routinely accommodates through serial petitions. Basic parity between district court litigation and PTAB litigation would require that a single petition per claim is more than enough “due process” to present an invalidity defense.

These fixes would restore the basic premise upon which Congress based the AIA. It would also go a long way to helping the PTAB manage its burgeoning workload under SAS. And critically, this would restore to inventors the shield from serial attacks on their patent claims, which are “one of the worst evils” of administrative proceedings. Congressional Record, Vol. 154 (2008), Part 16, Pages 22620-22632 (Senator Kyl speech on Patent Reform).

Sunshine for shadow surrogates

The rise of PTAB profiteering is something that Congress did not foresee. That new entities having no stake in an underlying dispute have spawned and found ways to make money off the PTAB should perhaps be no surprise. However, allowing them to feed on the system is wrong, and incompatible with the intent of the AIA.

The fact that the PTAB may be exploited for financial gain is indisputable. For example, the abuses of Kyle Bass in filing PTAB challenges to manipulate the stock market are well-exposed. The Wall Street Journal headline says it all: “New Hedge Fund Strategy: Dispute the Patent, Short the Stock.” See WALL STREET JOURNAL, April 7, 2015. The Journal explained that “Hayman Capital seeks to invalidate patents while betting on a drop in target’s shares.” *Id.* It is widely agreed that exploiting the PTAB as a means to manipulate the stock market is wrong.

Mr. Bass is not alone. Another profiteering entity, Unified Patents, has now risen to the level of being the #6 filer of PTAB challenges. Unified Patents does not make, use, or sell technology. It is a non-practicing entity, having no products aside from a steady stream of PTAB petitions. Its self-stated goal on the banner of its website is that its members “Never Pay.” See <<http://www.unifiedpatents.com>>. Unified Patents was founded in 2012, short on the heels of the AIA. As explained by on its website: “We

partner large and small companies in similar technology areas (Zones) to reduce NPE activity through monitoring, market intelligence, analytic tools, prior art, claims analysis and USPTO challenges.” *Id.* In other words, Unified Patents takes a bite at the apple on behalf of its members. Unified Patents has flourished. Behind the behemoths of Apple, Samsung, Google, Microsoft, and LG, the next-highest filer of PTAB petitions is Unified Patents. RPX is another such profiteering entity, albeit less active than Unified Patents in the IPR arena.

In 2017 and 2018 (to date), Unified Patents has filed 56 IPR petitions. Every one of these petitions was against a patent that was also in litigation against one or more companies that are large, well-financed parties proficient at protecting themselves in the PTAB and in the courts. These IPR petitions are another “bite at the apple,” with the actual real party in interest already well-capable of defending itself. These actual real parties in interest that are the defendants in the underlying litigations are hardly the *in forma pauperis* entities that need a helping hand for their legal representation. These include: Facebook, Hulu, Comcast, Apple, Netflix, Samsung, Sony, Google, Intel, LG, Broadcom, Adobe, Microsoft, Toyota, VW, Ford, GM, Chrysler, Daimler, Honda, Nissan, T-Mobile, Sprint, AT&T, Symantec, ZTE, Box, Square, Capital One, Lenovo, Huawei, Mediatek, Uber, Lyft, Cinemark, Wal-Mart, Costco, Orbitz, American Express, JP Morgan Chase, Citigroup, Proctor & Gamble, Barracuda Networks, Netgear, Oracle, Bosch, Home Depot, Nordstrom, Safeway, Discover Financial Services, Bank of America, Charter Communications, Dell, Motorola, and Yahoo. The only interest served by these petitions is the financial interest of Unified Patents, through its subscription fees garnered from these same companies. The public interest in invalidating bad patents is already amply served by the subscriber companies, through their own capable lawyers. A bad patent is killed by a single petition, without need of Unified Patents’ second bite at the apple.

Congress already foreclosed this additional bite at the apple by PTAB profiteers like Unified Patents. It bears repeating that the estoppel provisions of the AIA apply not only to a petitioner, but also to “the real party in interest or privy of the petitioner”:

(1) PROCEEDINGS BEFORE THE OFFICE. – The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under 318(a), **or the real party in interest or privy of the petitioner**, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

Section 315(e)(1) (emphasis supplied). Thus, if a company files its own petition against a claim, neither a privy of the petitioner nor another real party in interest may request or maintain a proceeding against that claim.

Common sense dictates that the real parties in interest behind United Patents and RPX are the parties paying for the work to be done. Altruism is not part of their business model – United Patents and RPX are working for the benefit of their members.

The surprise behind the Unified Patents and RPX model is that the Patent Office has allowed these entities to file freely without estoppel applying to their contributing members. Where it has been litigated, the Patent Office has faulted the patent owner for failing to substantiate the obvious, that these entities are working for the benefit of their members. Regarding a petition filed by Unified Patents, the PTAB found insufficient evidence that anyone besides Unified Patents was the real party in interest:

Patent Owner is correct that the inquiry regarding real parties-in-interest is not limited to determining who directed or controlled a proceeding. On the record at this stage of the proceeding, however, we are not persuaded by Patent Owner's contention that one or more other organizations paid Petitioner to file the Petition in this IPR. Patent Owner does not allege to have any direct evidence of any organization giving funds to Petitioner for the purpose of filing the Petition in this case. Additionally, even if we assume to be accurate all of Patent Owner's allegations about circumstances related to the conduct of Petitioner's business and the filing of the Petition in this case, they do not demonstrate that another entity paid Petitioner for the purpose of conducting this IPR proceeding. For example, even if we accept Patent Owner's allegations that Petitioner engages in no activity of practical significance other than filing IPR petitions with money received from its members, this does not demonstrate that any member paid, directed, or suggested to Petitioner to challenge the '444 patent, specifically. See, e.g., Prelim. Resp. 10. Nor do Patent Owner's other circumstantial allegations, even if accurate, demonstrate as much.

(Unified Patents Inc. v. Dragon Intellectual Property, LLC, IPR2014-01252, Decision on Institution of Inter Partes Review, Paper 37, p. 12.). Thus, insofar as Unified Patents coordinates its business through a “wink-and-a-nod” without overt direction by its members, it is free to take additional shots at a patent without restriction of estoppel.

It is wrong to put the burden on patent owners to expose the marionette strings that control Unified Patents and RPX. Sunshine on Unified Patents' and RPX's funding network is all that is needed, which is fully consistent with existing law. Where a petitioner itself has not been threatened with infringement, skepticism is warranted as to who is behind that petitioner's involvement. Thus, where a petitioner has not been

itself threatened with infringement under a patent, or been sued on that patent, or lacks bona fide concern that the patent will impact its product commercialization, a petitioner should be required to disclose all parties that contributed at any time, directly or indirectly, to the formation or maintenance of the petitioner and to state its interest in attacking that patent. Imposing such a disclosure requirement by a petitioner is well within the discretion of the Director in furtherance of its duty to make the best use of the resources provided by Congress and would expose the parties behind PTAB profiteering entities such as Unified Patents and stock manipulators.

Indeed, the Federal Circuit has questioned the supposed independence of these PTAB profiteers. In *Applications in Internet Time, LLC v. RPX Corp.*, the PTAB had allowed RPX to institute an IPR proceeding despite the close ties between it and Salesforce, which was time-barred from filing its own IPR petition. RPX was listed as the sole “real party in interest,” and the PTAB had credited this assertion. The Federal Circuit found the PTAB has applied an “unduly restrictive view” of Congress’ requirement and an “impermissibly shallow” view of the real party in interest provision, and remanded the case, directing the PTAB “with an eye toward whether the non-party is a clear beneficiary that has a pre-existing, established relationship with the petitioner.” That case, now on remand, will call for the PTAB to identify more expansive criteria for determining the scope of the “real party in interest” and/or “privy” rule, thus potentially limiting who else may take a “bite at the apple” to challenge a patent claim.

All parties who fund, directly or indirectly, a PTAB profiteer, should be presumptively found to be a privy of the PTAB profiteer, and therefore a real party in interest in the proceeding. As non-practicing entities, Unified Patents and RPX are hardly real parties in interest. The “real” parties in interest are those with a real stake in the patent system. By self-declaring as the only real parties in interest, Unified Patents and RPX in effect declare no real party in interest at all. This is a subterfuge of Congress’ intent that all real parties in interest be known, so that together, one bite at the apple is shared by them all.

PTAB data confirm the abuse

Serial, overlapping petitions have become the norm at the PTAB. Unlike district courts, where there are strict page limits and little tolerance for blunderbuss briefing, the PTAB imposes no such restraint. A party can file 3, 4, 5, 6, or more petitions on a single patent, which commonly occurs.² No district court would ever allow such duplicative filings.

² For example, Samsung filed six petitions each challenging at least claim 1 of U.S. Patent No. 8,504,746 (See IPR2016-01224; IPR2016-01200; IPR2016-01211; IPR2016-01206; IPR2016-01223; IPR2016-01213).

The law firm of Robins Kaplan LLP has re-compiled the publicly available PTAB data for the top five filers of IPR petitions.³ The study reviews the underlying petitions to specify which patent claims are the focus of the petitions, as well as identifying the named real parties in interest. The study additionally noted those petitions that resulted in a final written decision. The data are from Unified Patents' website and the PTAB's underlying data.

The study confirmed the extent of the abuse of the PTAB system by duplicative, overlapping petitions by even just a single challenger. Putting aside the undeniable collusion between multiple entities taking multiple bites at the apple, even a single petitioner will routinely file multiple petitions that attack the same claims. And these multiple petitions by a single petitioner commonly proceed to multiple final written decisions addressing the same claims.

The most prolific filer of duplicative petitions is Apple. More than half (56%) of Apple's petitions are duplicative (*i.e.*, the claims they challenge are the focus of one or more other petitions filed by Apple). Restated, 56% of the time, a patent owner challenged by Apple will have the burden of defending against multiple attacks on a single claim. Thus, Apple's normal course of business is to take at least two bites at the apple.

The next four top filers of IPR petitions are Samsung, Google, Microsoft, and LG. More than a third of the time, a patent owner facing a challenge from these behemoths will have to defend against multiple petitions attacking a single claim:

- Samsung: 38% duplicative petitions
- Google: 38% duplicative petitions
- Microsoft: 59% duplicative petitions
- LG: 34% duplicative petitions

No policy goal is achieved by allowing a single petitioner to serially attack a single claim. Bad patents are killed by a single petition. Allowing the unrestrained serial attack on a patent by the largest corporations in the world is a recipe for burdening inventors and stripping them of the protections for their ideas. Indeed, that is exactly what has happened, as the most valuable inventions have come under repeated attack, as noted by the enclosed data.

³ The Robins Kaplan summary article is available at: <https://www.robinskaplan.com/resources/articles/tallying-repetitive-inter-partes-review-challenges>. The underlying data is published at: https://www.robinskaplan.com/~media/PDFs/PTAB%20Analysis_v_2. The views expressed in this whitepaper should not be attributed to Robins Kaplan LLP.

Needed Reform

The Office needs to tame the twin contagions of serial filings and a lax privy/real-party-in-interest standard. Inadequate gatekeeping has allowed repetitive petitions to proliferate, by a single petitioner as well as by a cohort of colluders and profiteers. *Over half* of Apple's petitions are duplicative, and the other top filers employ duplicative petitions *over a third* of the time. No court in the country would allow these repetitive attacks.

By law, a petitioner is only entitled to a single written decision on a claim it challenges. So why allow the filing of petitions on overlapping claims? Because the multiple rulings these petitioners seek are unavailable by law, there is no need to clog the PTAB docket with multiple petitions by a party (and its privies and other real parties in interest) on overlapping claims.

No public interest is served by allowing PTAB profiteers like Unified Patents and RPX take a second bite at the apple without penalty to those companies on whose behalf they are filing petitions. Bad patents are killed by a single petition, and the public interest in eradicating such bad patents is amply met by the corporate defendants who are already filing their own PTAB challenges. A common-sense fix would bring these PTAB profiteers under control: where the petitioner has not itself been sued or threatened for infringement under the target patent, or otherwise lacks a bona fide belief that the patent will affect its product commercialization, it should be required to disclose its backers, i.e., all entities that have contributed (directly or indirectly) to the formation or maintenance of the petitioner during the ten (10) year period immediately preceding the filing. Likewise, the petitioner should list all entities that contributed to researching, creating, or evaluating the petition. Then these identified entities should be presumptively found to be a privy and/or real party in interest, to which the estoppel provisions of the AIA would apply.

Once a patent claim has survived an IPR challenge (at any stage), then a heightened standard should apply before allowing subsequent attacks. Before instituting any such petitions, the petition should be reviewed and institution approved by the PTO Director. Without this heightened bar, the risk of collusion among entities is too great.

About the USIJ:

The Alliance of U.S. Startups and Inventors for Jobs (USIJ) is a group of nearly 50 startups, inventors, investors and entrepreneurs. Collectively, we have launched dozens of companies in areas including biotechnology, clean energy, medical devices and wireless technology. We invent real things and create real companies. We also rely on the strength of the U.S. patent system to create these companies, breakthroughs and jobs.