contour’s intersection with Dogwood Road; then
(16) Proceed west along Dogwood Road for 1.1 mile, crossing onto the Matthews Corner map, to the road’s intersection with the 750-foot elevation contour; then
(17) Proceed southwesterly along the 750-foot elevation contour to its intersection with Taylor Flats Road; then
(18) Proceed south along Taylor Flats Road, crossing onto the Columbia Point map, to the road’s intersection with Birch Road; then
(19) Proceed west along Birch Road for 1 mile to its intersection with Alder Road; then
(20) Proceed south along Alder Road for 0.7 mile to its intersection with the 550-foot elevation contour; then
(21) Proceed westerly along the 550-foot elevation contour to its intersection with Sagemoor Road; then
(22) Proceed westerly along Sagemoor Road for 0.7 mile, crossing onto the Richland map and returning to the beginning point.


Mary G. Ryan,
Acting Administrator.


Timothy E. Skud,
Deputy Assistant Secretary (Tax, Trade, and Tariff Policy).

[FR Doc. 2020–10920 Filed 5–26–20; 8:45 am]

BILLING CODE 4810–31–P

DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

37 CFR Part 42

[Docket No. PTO–P–2019–0024]

RIN 0651–AD40

PTAB Rules of Practice for Instituting on All Challenged Patent Claims and All Grounds and Eliminating the Presumption at Institution Favoring Petitioner as to Testimonial Evidence

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Notice of proposed rulemaking.

SUMMARY: The United States Patent and Trademark Office (“USPTO” or “Office”) proposes changes to the rules of practice for instituting review on all challenged claims or none in 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” or “Board”) in accordance with SAS Institute Inc. v. Iancu (“SAS”). Consistent with SAS, the Office also proposes changes to the rules of practice for instituting a review on all grounds of unpatentability for the challenged claims that are asserted in a petition. Additionally, the Office proposes changes to the rules to conform to the current standard practice of providing sur-replies to principal briefs and providing that a patent owner response and reply may respond to a decision on institution. The Office further proposes a change to eliminate the presumption that a genuine issue of material fact created by the patent owner’s testimonial evidence filed with a preliminary response will be viewed in the light most favorable to the petitioner for purposes of deciding whether to institute a review.

DATES: Comment Deadline Date: The Office solicits comments from the public on this proposed rulemaking. Written comments must be received on or before June 26, 2020 to ensure consideration.

ADDRESSES: Comments should be sent by email addressed to: PTABNPRM2020@uspto.gov. Comments may also be sent via the Federal eRulemaking Portal at http://www.regulations.gov. See the Federal eRulemaking Portal website for additional instructions on providing comments via the Federal eRulemaking Portal. All comments submitted directly to the USPTO or provided on the Federal eRulemaking Portal should include the docket number (PTO–P–2019–0024).

Comments may also be submitted by postal mail addressed to: Mail Stop Patent Board, Director of the United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313–1450, marked to the attention of Michael Tierney, Vice Chief Administrative Patent Judge.

Although comments may be submitted by postal mail, the Office prefers to receive comments by email to more easily share all comments with the public. The Office prefers the comments to be submitted in plain text but also accepts comments submitted in searchable ADOBE® portable document format (PDF) or MICROSOFT WORD® format. Comments not submitted electronically should be submitted on paper in a format that accommodates digital scanning into ADOBE® PDF. The comments will be available for public inspection at the Patent Trial and Appeal Board, located in Madison East, Ninth Floor, 600 Dulany Street, Alexandria, Virginia. Comments also will be available for viewing via the Office’s website, https://go.usa.gov/xXXFW, and on the Federal eRulemaking Portal. Because comments will be made available for public inspection, information that the submitter does not desire to be made public, such as an address or phone number, should not be included.

FOR FURTHER INFORMATION CONTACT: Michael Tierney, Vice Chief Administrative Patent Judge, by telephone at (571) 272–9797.

SUPPLEMENTARY INFORMATION:

Executive Summary

Purpose: The proposed rules would amend the rules of practice for IPR, PGR, and CBM proceedings that implemented provisions of the Leahy-Smith America Invents Act (“AIA”) providing for trials before the Office.

The U.S. Supreme Court held in SAS that a decision to institute an IPR under 35 U.S.C. 314 may not institute on fewer than all claims challenged in a petition. See SAS Institute Inc. v. Iancu, 138 S. Ct. 1348 (2018). The Court held that the Office only has the discretion to institute on all of the claims challenged in the petition or to deny the petition. Previously, the Board exercised discretion to institute an IPR, PGR, or CBM on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted in a petition. For example, the Board exercised discretion to authorize a review to proceed on only those claims and grounds for which the required threshold had been met, thus narrowing the issues for efficiency in conducting a proceeding.

In light of SAS, the Office provided guidance that, if the Board institutes a trial under 35 U.S.C. 314 or 324, the Board will institute on all claims and all grounds included in a petition of an IPR, PGR, or CBM. To implement this practice in the regulation, the first proposed change would amend the rules of practice for instituting an IPR, PGR, or CBM to require institution on all challenged claims and grounds of unpatentability presented in the petition or deny the petition.

The second proposed change would amend the rules of practice to conform the rules to certain standard practices before the PTAB in IPR, PGR, and CBM proceedings.
proceedings. Specifically, in this notice of proposed rulemaking, the Office proposes to amend the rules to set forth the briefing requirements of sur-replies to principal briefs and to provide that a reply may respond to a decision on institution.

Finally, the Office proposes to amend the rules to eliminate the presumption in favor of the petitioner for a genuine issue of material fact created by testimonial evidence submitted with a patent owner’s preliminary response when deciding whether to institute an IPR, PGR, or CBM review. As with all other evidentiary questions at the institution phase, the Board will consider the evidence to determine whether the petitioner has met the applicable standard for institution of the proceeding.

Costs and Benefits: This rulemaking is not economically significant under Executive Order 12866 (Sept. 30, 1993).

Background


Previously, under 37 CFR 42.108(a) and 42.208(a), the Board exercised the discretion to institute an IPR, PGR, or CBM on all or some of the challenged claims and on all or some of the grounds of unpatentability asserted for each claim presented in a petition. For example, the Board exercised the discretion to authorize a review to proceed on only those claims and grounds for which the required threshold has been met, narrowing the issues for efficiency.

The U.S. Supreme Court held in SAS, however, that a decision to institute an IPR review under 35 U.S.C. 314 may not institute on fewer than all claims challenged in a petition. The Court held that the Office only has the discretion to institute on all of the claims challenged in the petition or to deny the petition. The Office posted guidance on the Impact of SAS on AIA trial proceedings at https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial. In light of SAS, the guidance states that, if the Board institutes a trial under 35 U.S.C. 314 or 324, the board will institute on all claims and all grounds included in a petition of an IPR, PGR, or CBM. The guidance provides that “the PTAB will institute as to all claims or none,” and “[a]t this time, if the PTAB institutes a trial, the PTAB will institute on all challenges raised in the petition.” Id.

Consistent with SAS and the Office’s guidance, this proposed rulemaking would revise §§ 42.108(a) and 42.208(a) to provide for instituting an IPR, PGR, or CBM on all challenged claims or none. This proposed rulemaking would also revise these rules for instituting a review on all of the grounds of unpatentability for the challenged claims that are presented in a petition. In all pending IPR, PGR, and CBM proceedings before the Office, the Board would either institute on all of the challenged claims and on all grounds of unpatentability asserted for each claim or deny the petition.

In addition, consistent with the Office Patent Trial Practice Guide, August 2018 Update, the Office is proposing to amend §§ 42.23, 42.24, 42.120, and 42.220 to permit (1) replies and patent owner responses to address issues discussed in the institution decision, and (2) sur-replies to principal briefs (i.e., to a reply to a patent owner response or to a reply to an opposition to a motion to amend). 83 FR 39989; the Office Patent Trial Practice Guide, August 2018 Update is available at https://www.uspto.gov/sites/default/files/documents/2018_Revised_Trial_Practice_Guide.pdf; see id. at 14–15. As noted above, the 2018 Practice Guide Update, in response to issues arising from SAS, the petitioner is permitted in its reply brief to address issues discussed in the institution decision. Similarly, the patent owner is permitted to address the institution decision in its response and sur-reply, if necessary, to respond to the petitioner’s reply. However, the sur-reply may not be accompanied by new evidence other than deposition transcripts of the cross-examination of any reply witness. Sur-replies only respond to arguments made in reply briefs, comment on reply declaration testimony, or point to cross-examination testimony. A sur-reply also may address the institution decision if necessary to respond to the petitioner’s reply. This sur-reply practice essentially replaces the previous practice of filing observations on cross-examination testimony.

In 2012, the Office also promulgated §§ 42.107(c) and 42.207(c), which initially included a prohibition against a patent owner filing new testimony evidence with its preliminary response. In particular, these rules stated: “No new testimonial evidence. The preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.” 37 CFR 42.107(c) and 42.207(c) (2012).

In April 2016, after receiving comments from the public and carefully reviewing them, the Office promulgated a rule to allow new testimonial evidence to be submitted with a patent owner’s preliminary response. Amendments to Rules of Practice for Trials Before the Patent Trial and Appeal Board, 81 FR 18750 (April 1, 2016). The Office also amended the rules to provide a presumption in favor of the petitioner for a genuine issue of material fact created by such testimonial evidence solely for purposes of deciding whether to institute an IPR, PGR, or CBM review. Id. at 18755–57.

Stakeholder feedback received in party and amicus briefing as part of the Precedential Opinion Panel (POP) review in Halti, LLC v. Sound View Innovations, LLC, Case IPR2018–01039, Paper 15 (PTAB Apr. 3, 2019) (granting POP review), indicated that the rule has caused some confusion at the institution stage for AIA proceedings. For example, certain stakeholders have indicated that the presumption in favor of the petitioner for genuine issues of material fact created by patent owner testimonial evidence also creates a presumption in favor of the petitioner for questions relating to whether a document is a printed publication. Additionally, the Office has concerns that this presumption in favor of the petitioner may be viewed as discouraging patent
owners from filing testimonial evidence with their preliminary responses, as some patent owners believe that such testimony will not be given any weight at the time of institution.

Section 314(a) of 35 U.S.C. provides that “[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. 314(a). Thus, the statute provides that a petitioner is required to present evidence and arguments sufficient to show that it is reasonably likely that it will prevail in showing the unpatentability of the challenged claims. Hulu, LLC v. Sound View Innovations LLC, Case IPR2018–01039, Paper 29 at 12–13 (PTAB Dec. 20, 2019) (citing 35 U.S.C. 312(a)(3). 314(a)). For a post-grant review proceeding, the standard for institution is whether it is “more likely than not” that the petitioner would prevail at trial. See 35 U.S.C. 324(a). In determining whether the information presented in the petition meets the standard for institution, the PTAB considers the totality of the evidence currently in the record. See Hulu, Paper 29 at 3, 19.

In this notice of proposed rulemaking, the Office proposes to amend the rules of practice to eliminate the presumption in favor of the petitioner for a genuine issue of material fact created by testimonial evidence submitted with a patent owner’s preliminary response when deciding whether to institute an IPR, PGR, or CBM review. Thus, consistent with the statutory framework, any testimonial evidence submitted with a patent owner’s preliminary response will be taken into account as part of the totality of the evidence. As part of the Office’s continuing efforts to improve AIA proceedings, the Office requests input from the public on the proposed rule changes in this notice of proposed rulemaking and on how the Office should implement the changes if adopted. For example, as to the implementation, the Office may apply any rule changes, if adopted, to all pending IPR, PGR, and CBM proceedings in which a patent owner’s preliminary response is filed on or after the effective date.

Discussion of Specific Rules

Title 37 of the Code of Federal Regulations, part 42, is proposed to be amended as follows:

Section 42.23
Section 42.23 is proposed to be amended to permit patent owners to file sur-replies to principal briefs (i.e., to a reply to a patent owner response or to a reply to an opposition to a motion to amend). In particular, the title and § 42.23(a) are proposed to be amended to add “sur-replies” so that the rule would be amended as follows: “42.23 Oppositions, replies, and sur-replies. (a) Oppositions, replies, and sur-replies . . . and, if the paper to which the opposition, reply, or sur-reply . . .” Paragraph (b) of § 42.23 is proposed to be amended to provide that the address for the content of a sur-reply by adding the following third sentence: “A sur-reply may only respond to arguments raised in the corresponding opposition, patent owner preliminary response, patent owner response, or decision on institution.” Paragraph (b) of § 42.23 is further proposed to be amended to add a sur-reply. The following word counts for replies and sur-replies apply . . .” Paragraph (c) of § 42.24 is also proposed to be amended to add a new paragraph (4) that would limit sur-replies to patent owner responses to petitions to 5,600 words.

Sections 42.108 and 42.208
Each of §§ 42.108(a) and 42.208(a) is proposed to be amended to state that when instituting inter partes review or post-grant review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim. Each of §§ 42.108(b) and 42.208(b) is proposed to be amended to state that at any time prior to institution of inter partes review or post-grant review, the Board may deny all grounds for unpatentability for all of the challenged claims. Denial of all grounds is a Board decision not to institute inter partes or post-grant review. The second sentence in each of §§ 42.108(c) and 42.208(c) is proposed to be amended to delete the phrase “but a genuine issue of material fact created by such testimonial evidence will be viewed in the light most favorable to the petitioner solely for purposes of deciding whether to institute [a] review.” Therefore, the second sentence in each of §§ 42.108(c) and 42.208(c) would state: “The Board’s decision will take into account a patent owner preliminary response where such a response is filed, including any testimonial evidence.” Sections 42.120 and 42.220
The first sentence of each of §§ 42.108(a) and 42.208(a) is proposed to be replaced with the following: “(a) Scope. A patent owner may file a response to the petition or decision on institution.”

Rulemaking Considerations

A. Administrative Procedure Act (APA): This proposed rule would revise the rules relating to Office trial practice for IPR, PGR, and CBM proceedings. The changes being proposed in this notice of proposed rulemaking would not change the substantive criteria of patentability. These proposed changes involve rules of agency procedure and interpretation. See Perez v. Mortg. Bankers Ass’n, 135 S. Ct. 1199, 1204 (2015) (Interpretive rules “advise the public of the agency’s construction of the statute and rules which it administers.”) (citation and internal quotation marks omitted); Bachow Commc’ns, Inc. v. F.C.C., 237 F.3d 683, 690 (D.C. Cir. 2001) (Rules governing an application process are procedural under the Administrative Procedure Act.); Inova Alexandria Hosp. v. Shalala, 244 F.3d 342, 350 (4th Cir. 2001) (Rules for handling appeals were procedural where they did not change the substantive requirements for reviewing claims.); Nat’l Org. of Veterans’ Advocates, Inc. v. Sec’y of Veterans Affairs, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (Rule that clarifies interpretation of a statute is interpretive.); and JEM Broadcasting Co. v. F.C.C., 22 F.3d 320, 328 (D.C. Cir. 1994) (Rules are not legislative because they do not “foreclose effective opportunity to make one’s case on the merits.”).

Accordingly, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law). See Perez, 135 S. Ct. 1199, 1206 (Notice-and-comment procedures are required neither when an agency “issue[s] an interpretive rule” nor “when it amends or repeals that interpretive rule.”); Cooper Techs. Co. v. Dudas, 536 F.3d
The Office, nevertheless, is publishing this proposed rule for comment to seek the benefit of the public’s views on the Office’s proposed changes as set forth herein.

**B. Regulatory Flexibility Act:** For the reasons set forth herein, the Deputy General Counsel for General Law of the United States Patent and Trademark Office has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes proposed in this notice of proposed rulemaking will not have a significant economic impact on a substantial number of small entities. See 5 U.S.C. 553(b)(3)(A).

The changes proposed in this document are of minor or no regulatory significance. They are technical changes to the rules of practice and procedure for trial practice procedures before the Board in light of the Supreme Court’s ruling in SAS Institute Inc. v. Iancu, 138 S. Ct. 1348 (2018), that a decision to institute an IPR under 35 U.S.C. 314 may not institute on fewer than all claims challenged in a petition. In accordance with that ruling, the Office proposes changes to the rules of practice for instituting review on all challenged claims or none in 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” or “Board”). The Office also proposes changes to the rules of practice for instituting a review on all grounds of unpatentability for the challenged claims that are asserted in a petition. Additionally, the Office proposes changes to the rules to conform to the current standard practice of providing sur-replies to principal briefs and providing that a patent owner’s response and reply may respond to a decision on institution. The Office further proposes a change to eliminate the presumption that a genuine issue of material fact created by the patent owner’s testimonial evidence filed with a preliminary response will be viewed in the light most favorable to the petitioner for purposes of deciding whether to institute a review. These changes are procedural in nature, and any requirements resulting from these proposed changes are of minimal or no additional burden to those practicing before the Board.

For the foregoing reasons, the proposed changes in this notice of proposed rulemaking would not have a significant economic impact on a substantial number of small entities.

**C. Executive Order 12866 (Regulatory Planning and Review):** This rulemaking has been determined to be not significant for purposes of Executive Order 12866 (Sept. 30, 1993).

**D. Executive Order 13563 (Improving Regulation and Regulatory Review):** The Office has complied with Executive Order 13563 (Jan. 18, 2011). Specifically, the Office has, to the extent feasible and applicable: (1) Made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

**E. Executive Order 13771 (Reducing Regulation and Controlling Regulatory Costs):** This proposed rule is not expected to be an Executive Order 13771 (Jan. 30, 2017) regulatory action because this proposed rule is not significant under Executive Order 12866 (Sept. 30, 1993).

**F. Executive Order 13132 (Federalism):** This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

**G. Executive Order 13211 (Energy Effects):** This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

**H. Executive Order 12988 (Civil Justice Reform):** This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

**I. Executive Order 13045 (Protection of Children):** This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

**J. Executive Order 12630 (Taking of Private Property):** This rulemaking will not affect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

**K. Congressional Review Act:** Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.), prior to issuing any final rule, the United States Patent and Trademark Office will submit a report containing the rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this notice of proposed rulemaking are not expected to result in an annual effect on the economy of $100 million or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this proposed rulemaking is not a “major rule” as defined in 5 U.S.C. 804(2).

**L. Unfunded Mandates Reform Act of 1995:** The proposed changes set forth in this notice of proposed rulemaking do not involve a federal intergovernmental mandate that will result in the expenditure by state, local, and tribal governments, in the aggregate, of $100 million (as adjusted) or more in any one year, or a federal private-sector mandate that will result in the expenditure by the private sector of $100 million (as adjusted) or more in any one year, and will not significantly and uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 et seq.

**M. National Environmental Policy Act:** This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. See 42 U.S.C. 4321 et seq.

**N. National Technology Transfer and Advancement Act:** The requirements of section 12(d) of the National Technology Transfer and Advancement
Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

O. Paperwork Reduction Act: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3549) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This proposed rulemaking does not involve an information collection requirement that is subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3549). This rulemaking does not add any additional information requirements or fees for parties before the Board. Therefore, the Office is not resubmitting information collection packages to OMB for its review and approval because the revisions in this rulemaking do not materially change the information collections approved under OMB control number 0651–0069.

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to, a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information subject to the Paperwork Reduction Act of 1995 (15 U.S.C. 272 note) are not contained in this proposed rulemaking.

List of Subjects in 37 CFR Part 42

Administrative practice and procedure, Inventions and patents, Lawyers.

For the reasons set forth in the preamble, the Office proposes to amend part 42 of title 37 as follows:

PART 42—TRIAL PRACTICE BEFORE THE PATENT TRIAL AND APPEAL BOARD

1. The authority citation for 37 CFR part 42 continues to read as follows:


2. Revise §42.23 to read as follows:

§42.23 Oppositions, replies, and sur-replies.

(a) Oppositions, replies, and sur-replies must comply with the content requirements for motions and, if the paper to which the opposition, reply, or sur-reply is responding contains a statement of material fact, must include a listing of facts that are admitted, denied, or cannot be admitted or denied. Any material fact not specifically denied may be considered admitted.

(b) All arguments for the relief requested in a motion must be made in the motion. A reply may only respond to arguments raised in the corresponding opposition, patent owner preliminary response, patent owner response, or decision on institution. A sur-reply may only respond to arguments raised in the corresponding reply.

3. Amend §42.24 by revising the section heading and paragraph (c) introductory text and adding paragraph (c)(4) to read as follows:

§42.24 Type-volume or page limits for petitions, motions, oppositions, replies, and sur-replies.

(c) Replies and sur-replies. The following word counts or page limits for replies and sur-replies apply and include any statement of facts in support of the reply. The word counts or page limits do not include a table of contents; a table of authorities; a listing of facts that are admitted, denied, or cannot be admitted or denied; a certificate of service or word count; or an appendix of exhibits.

(4) Sur-replies to replies to patent owner responses to petitions: 5,600 words.

4. Revise §42.108 to read as follows:

§42.108 Institution of inter partes review.

(a) When instituting inter partes review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.

(b) At any time prior to a decision on institution of inter partes review, the Board may deny all grounds for unpatentability for all of the challenged claims. Denial of all grounds is a Board decision not to institute post-grant review.

(c) Post-grant review shall not be instituted unless the Board decides that the information presented in the petition demonstrates that it is more likely than not that at least one of the claims challenged in the petition is unpatentable. The Board’s decision will take into account a patent owner preliminary response where such a response is filed, including any testimonial evidence. A petitioner may seek leave to file a reply to the preliminary response in accordance with §§42.23 and 42.24(c). Any such request must make a showing of good cause.

5. Amend §42.120 by revising paragraph (a) to read as follows:

§42.120 Patent owner response.

(a) Scope. A patent owner may file a response to the petition or decision on institution. A patent owner response is filed as an opposition and is subject to the page limits provided in §42.24.