Confessions of a Serial Filer: Abusive Filing Practices Can Limit Patent Challenge Options

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When a party is targeted in a patent infringement suit, a common defensive strategy is to challenge the validity of the underlying patent. Validity challenges can take many forms, several of which can be employed after an action begins in federal court. *In re: Vivint, Inc.*, 2020-1992 (CAFC 2021) is a salient example of how zealous representation in the form of serial petitioning can arise to abuse of process and, ultimately, be counterproductive.

In *Vivint*, defendant Alarm.com began a defensive strategy in response to a patent infringement suit by Vivint, Inc., in which fourteen (14) petitions for *inter partes* review (IPR) were submitted against Vivint's patent portfolio. All petitions were eventually rejected by the U.S. Patent and Trademark Office (USPTO).

In one case, deemed "undesirable incremental petitioning," the USPTO refused on grounds that the petition was merely cobbled together using prior failed petitions as a "roadmap." The USPTO rejected the case on principle to discourage such practices, noting that allowing serial challenges by the same petitioner to the same patents amounted to harassment of the patent owner in contravention of the Congressional intent behind the America Invents Act.

Notwithstanding the rebuke, over a year later, Alarm.com struck again utilizing the *ex parte* review (EPR) process. In its filing, Alarm.com duplicated arguments submitted in the infamous and rejected IPR petition, making a minor change in an argument targeting a dependent claim. The USPTO granted the new petition, noting that the arguments and references from the rejected IPRs nevertheless established a "substantial new question of patentability."

Following initiation of the EPR, Vivint petitioned for dismissal. The USPTO rejected the first petition as untimely, noting that petitions must be filed before EPR is ordered. Vivint filed a second petition noting that filing an earlier petition would be impossible. Further, Vivint argued that failure to dismiss the EPR after refusing the IPRs on essentially the same grounds was "arbitrary and capricious" and in

violation of the Administrative Procedure Act (APA), tantamount to applying the same law to similar facts and reaching different conclusions. The USPTO dismissed the second petition, again faulting the petition's timing.

Following rejection of all claims in the EPR, Vivint appealed to the Court of Appeals of the Federal Circuit (CAFC), maintaining that the USPTO abused its discretion and violated the APA. The CAFC agreed with Vivint and set aside the EPR results. The CAFC found that the USPTO had the authority to terminate the EPR and refusing the petitions on those grounds constituted legal error. Further, given the USPTO's earlier finding that Alarm.com was engaged in abusive filing practices, no other remedy was appropriate. The CAFC did caution that the decision should be read narrowly and that the Director may still institute *ex parte* review spontaneously, even where the petitioner has previously engaged in abuse of process.

Practice Note

Vivint shows that petitioners should be judicious when petitioning for IPR or EPR. Petition submissions should focus on the best arguments and avoid reliance on prior art formulations and large blocks of text copied from earlier filings to avoid the appearance that the filings are merely formal or being "spammed" to harass a patent holder. Evidence of process abuse can haunt petitioners and can limit the options for pursuing patent challenges, which can be problematic even when legitimate questions of patentability exist.