



## Pauline Newman IP Inn of Court

### Romancing the USPTO – Concurrent Post-Grant Proceedings: Dos, Don'ts and Tips for Creating a Strong Record for Appeal or Civil Action

January 15, 2014

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# *Post-Grant Proceedings*

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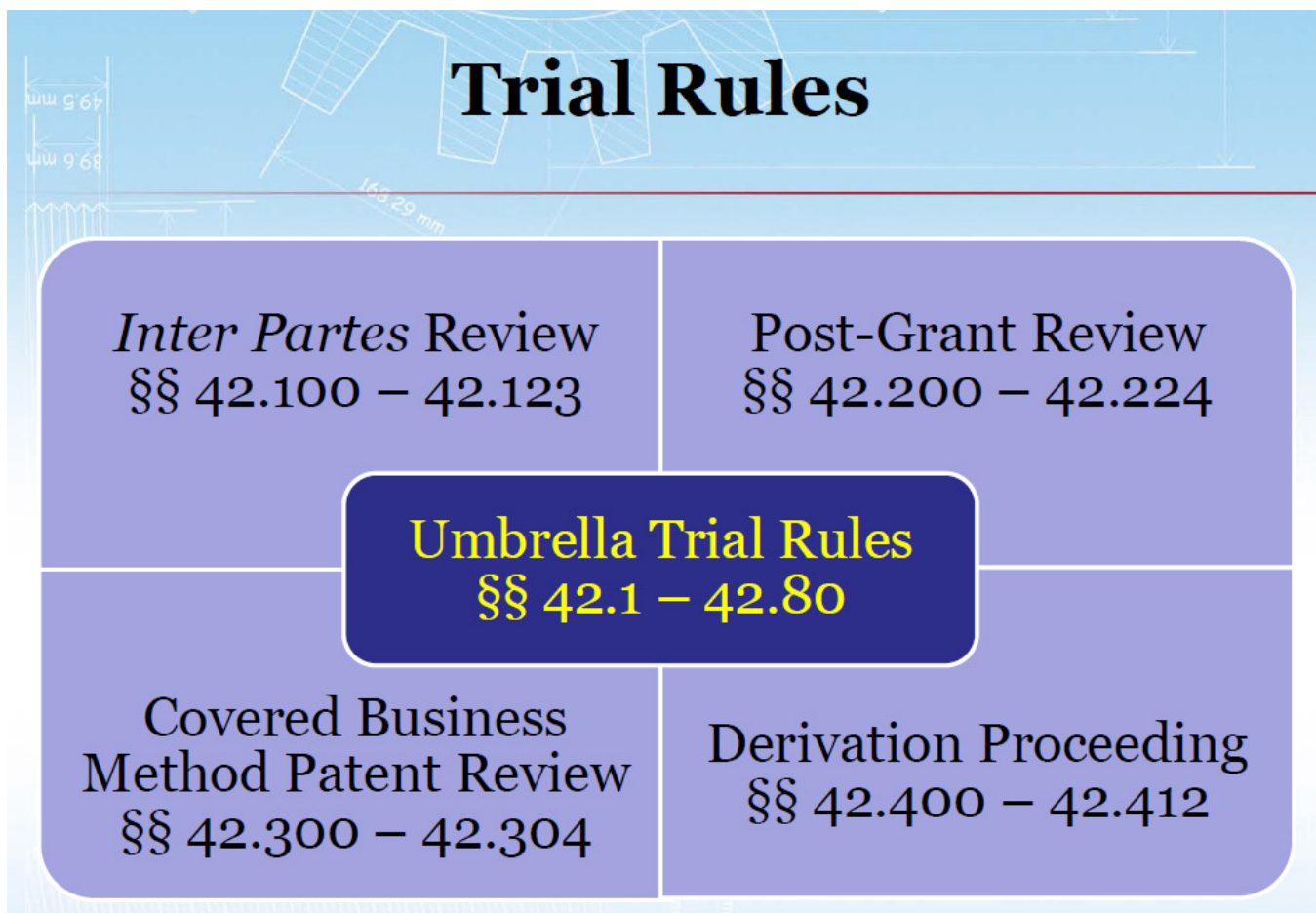
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## ***Post-Grant Proceedings***

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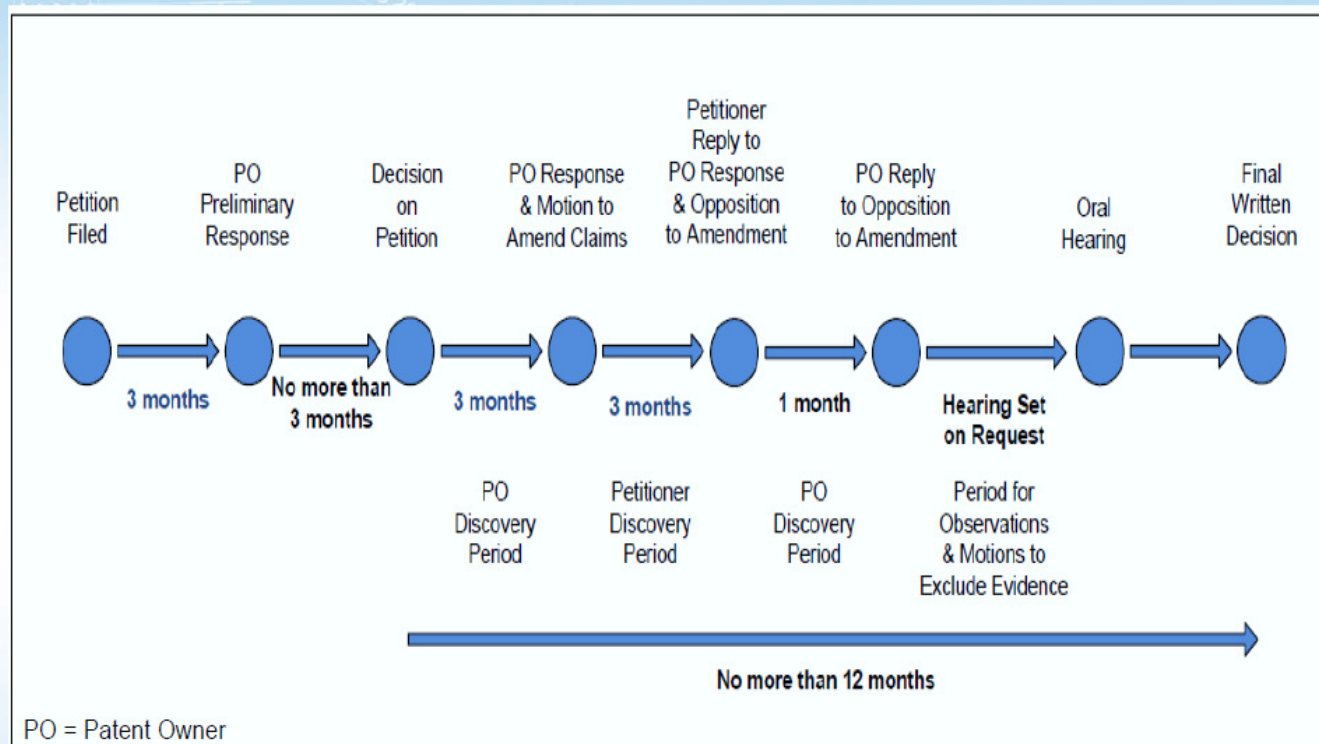
- *Inter partes* Reviews (“IPRs”)
- Post-Grant Reviews (“PGRs”)
- Covered Business Method Patent Reviews (“CBMs”)
- Derivation Proceedings
  
- 37 C.F.R. §§ 42.1 *et seq.* (see slide 4)

# Post-Grant Proceedings



# Post-Grant Proceedings

## Trial Proceedings



# Post-Grant Proceedings

## Major Differences between IPR, PGR, and CBM

### IPR

All patents are eligible

Petitioner has not filed an invalidity action and petition is filed no more than one year after service of infringement complaint for the patent

Only §§ 102 and 103 grounds based on patents or printed publication

### PGR

Only FITF patents are eligible

Petitioner has not filed an invalidity action

Only §§ 101, 102, 103, and 112, except best mode

### CBM

Both FTI & FITF patents are eligible, but must be a covered business method patent

Petitioner must be sued or charged w/ infringement

Only §§ 101, 102, 103, and 112, except best mode

# Post-Grant Proceedings

## Threshold Standards for Institution

### IPR

Petition must demonstrate a **reasonable likelihood** that petitioner would prevail as to at least one of the claims challenged

### PGR/CBM

Petition must demonstrate that it is **more likely than not** that at least one of the claims challenged is unpatentable

PGR/CBM: Greater than 50% chance

IPR: May encompass a 50/50 chance

# *Inter Partes Review*

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- All patents eligible
- Third party cannot have previously filed a civil action challenging the validity of a claim
- Based upon patents or printed publications
  - 35 U.S.C. § 102 (anticipation) and/or 35 U.S.C. § 103 (obviousness)
- Timing: after the later of
  - 9 months after issuance of patent or reissue (AIA only, non-AIA eligible now); or
  - Date of termination of PGR
- Timing: Must be under one year from Petitioner being served with infringement complaint



# *Inter Partes Review*

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- Threshold: a reasonable likelihood that the petitioner would prevail with respect to at least one challenged claim
- Request Requirements
  - Fee
    - \$9,000(request); \$14,000 (post-institution fee)
    - Possible additional claim fees
  - Real parties in interest (**must be identified**)
  - Claims challenged and grounds
  - Claim construction and showing of unpatentability
  - **Evidence**
  - Certify not estopped
  - 60-page limit

# *Inter Partes Review*

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- Patent Owner's [Optional] Preliminary Response
  - Provide reasons why IPR should not be instituted
  - Due 3 months from Petition docketing date
  - Documentary evidence permitted, but new testimony evidence beyond that of record is not permitted unless authorized by the Board
  - Testimonial evidence permitted where interests of justice so require (*e.g.*, to demonstrate estoppel)
  - No amendments permitted

## *Inter Partes Review*

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- Board will institute the trial on
  - Claim-by-claim basis; and
  - Ground-by-ground basis
- Party may request rehearing
- Review should be completed within one year from institution, but time may be extended up to six months for good cause

## *Inter Partes Review*

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- May file a Motion to Amend
  - Need not receive authorization but must confer with the Board
  - May cancel any challenged claim and/or propose a reasonable number of substitute claims
    - Presumption that only one claim will be needed to replace each challenged claim

## *Inter Partes Review*

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- Patent Owner Response
  - Address any ground for unpatentability not already denied by the Board
  - File, through affidavits or declarations, any additional factual evidence and expert opinions
  - Due 3 months from institution/notice of filing date

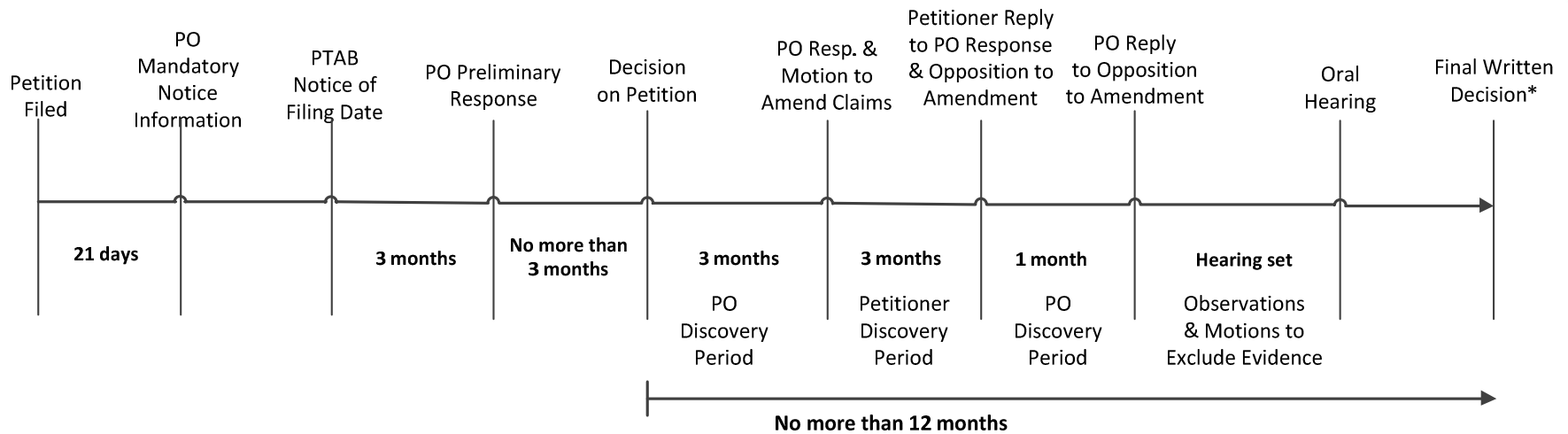
## *Inter Partes Review*

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- Patent Owner's Clock Is Ticking
  - **Within 21 days of service of the Petition,** need to file the mandatory notice (real party in interest, related matters, lead and backup counsel, service information) and powers of attorney

# Post-Grant Review

- Same timeline:



\*six month extension

# Post-Grant Review

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- Similar to IPR, but:
  - Eligibility for patents issuing from applications subject to first-inventor-to-file provisions
  - More bases: 35 U.S.C. §§ 101, 102, 103, 112 (but not best mode)
  - Timing: may only be requested on or prior to date that is 9 months after grant of patent or reissue patent
  - Threshold: more likely than not that at least one of the claims challenged in the Petition is unpatentable
    - Higher than threshold for IPR
  - 80-page limit



## *Common Elements (IPR, PGR)*

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- File open to the public, but can move to have document(s) kept under seal and protective orders can be entered
- AIA authorizes the PTO to set standards and procedures for taking discovery
  - Parties can agree to discovery
  - Mandatory initial disclosures
  - Routine discovery
    - Documents cited, cross-examination for submitted testimony, information inconsistent with positions advanced during the proceeding
  - Additional discovery
    - IPR: in the interests of justice
    - PGR: lower, good cause standard

## *Common Elements (IPR, PGR)*

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- Sanctions
  - Facts held to be established
  - Expunging a paper
  - Excluding evidence
  - Precluding a party from obtaining or opposing discovery
  - Compensatory expenses, including attorneys fees
  - Judgment or dismissal of Petition

## ***Common Elements (IPR, PGR)***

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- Settlement
  - Terminates the proceeding with respect to the Petitioner
  - Board may terminate the proceeding or issue a final written decision
- Final Decision
  - Will address the patentability of any claim challenged and any new claim added
  - Request rehearing within 14 days for non-final decision or decision to institute a trial
  - Request rehearing within 30 days of final decision or decision to *not* institute a trial
  - Appeal to the Federal Circuit

# Recent Statistics (as of 01-09-14)

## NUMBER OF AIA PETITIONS

FY	Total	IPR	CBM	DER
2012	25	17	8	
2013	563	514	48	1
2014	334	279	52	3
Cumulative	922	810	108	4

## AIA PETITION TECHNOLOGY BREAKDOWN

Technology	Number of Petitions	Percentage
Electrical/Computer	655	71.0%
Mechanical	143	15.5%
Chemical	70	7.6%
Bio/Pharma	48	5.2%
Design	6	0.7%

# Recent Statistics (as of 01-09-14)

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## NUMBER OF PATENT OWNER PRELIMINARY RESPONSES

	Filed		Waived	
	FY2013	FY2014	FY2013	FY2014
IPR	237	155	63	64
CBM	33	23	2	

# Recent Statistics (as of 01-09-14)

## AIA TRIALS INSTITUTED/DISPOSALS

		Trials Instituted	Joinders	Denials	Total No. of Decisions on Institution	Disposals		
						Settlements	Final Written Decisions*	Other**
IPR	FY13	167	10 <sup>+</sup>	26	203	38	2	1
	FY14	91		30	121	31	11	
CBM	FY13	14		3	17	3	1	
	FY14	14		2	16	4		

<sup>+</sup>10 cases joined to 8 base trials for a total of 18 cases involved in joinder.

\*Includes judgment on request for adverse judgment.

\*\*Includes terminations due to dismissals.

# Summary

Proceeding	Applicability	Effective Date	Timing	Threshold	Estoppel	Possibility of Settlement
Reissue	Patent owners to correct errors in their patents	Historic	Before patent expiration date	N/A	N/A	N/A
<i>Ex Parte</i> Reexam	Any person to challenge patentability based on patents and publications	Historic	Before patent expires or 6 months after expiration	SNQ	None	No
<i>Inter Partes</i> Review	Third party to challenge patentability based on patents and publications	09/16/2012	9 months after issuance of patent or reissue OR after termination of PGR unless first-to-invent patent not subject to PGR	Reasonable likelihood that petitioner would prevail with respect to at least 1 claim	Any ground raised or could have been reasonably raised during IPR	Yes

Proceeding	Applicability	Effective Date	Timing	Threshold	Estoppel	Possibility of Settlement
Post-Grant Review	Third party to challenge patentability on any ground except failure to comply with best mode requirement	09/16/2012	Within 9 months after issuance of patent or reissue	More likely than not that at least 1 challenged claim is unpatentable	Any ground raised or could have been reasonably raised during PGR	Yes
Supplemental Examination	Patent owner to submit information relevant to patentability	09/16/2012	While patent is enforceable (generally up to 6 years after expiration)	SNQ	None	N/A
PGR for business method patents	Third party to challenge patentability on patents and publications  (requires petitioner to be sued for or charged with infringement of covered business method patent)	09/16/2012-09/16/2020	Before patent expiration	More likely than not that at least 1 challenged claim is unpatentable	Any ground raised or could have been reasonably raised during PGR	Yes



# Summary

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Proceeding	Applicability	Effective Date	Timing	Threshold	Estoppel	Possibility of Settlement
Derivation	Inventor to challenge patentability of an earlier application by showing that the invention was derived from the inventor of the later application	03/16/2012	Within 1 year of publication of a claim to the derived invention	Claim same or substantially same invention within 1 year of first publication of claim	N/A	Yes

## *Helpful Links*

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- For AIA:

[http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp)

- For most recent 37 C.F.R., M.P.E.P., etc:

<http://www.uspto.gov/patents/law/index.jsp>

- To access the PTAB:

<http://www.uspto.gov/ip/boards/bpai/index.jsp>

- Patent Review Processing System:

[https://ptabtrials.uspto.gov/prweb/PRServlet/Hcl5xOSeX\\_yQRYZAnTXXCg%5B%5B\\*!/STANDARD?](https://ptabtrials.uspto.gov/prweb/PRServlet/Hcl5xOSeX_yQRYZAnTXXCg%5B%5B*!/STANDARD?)

## *Helpful Links*

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- Representative Orders, Decisions, and Notices:

[http://www.uspto.gov/ip/boards/bpai/representative\\_orders\\_and\\_opinions.jsp](http://www.uspto.gov/ip/boards/bpai/representative_orders_and_opinions.jsp)

- Board Trial Rules and Practice Guide:

[http://www.uspto.gov/ip/boards/bpai/board\\_trial\\_rules\\_and\\_practice\\_guide.jsp](http://www.uspto.gov/ip/boards/bpai/board_trial_rules_and_practice_guide.jsp)

# *Fact Pattern*

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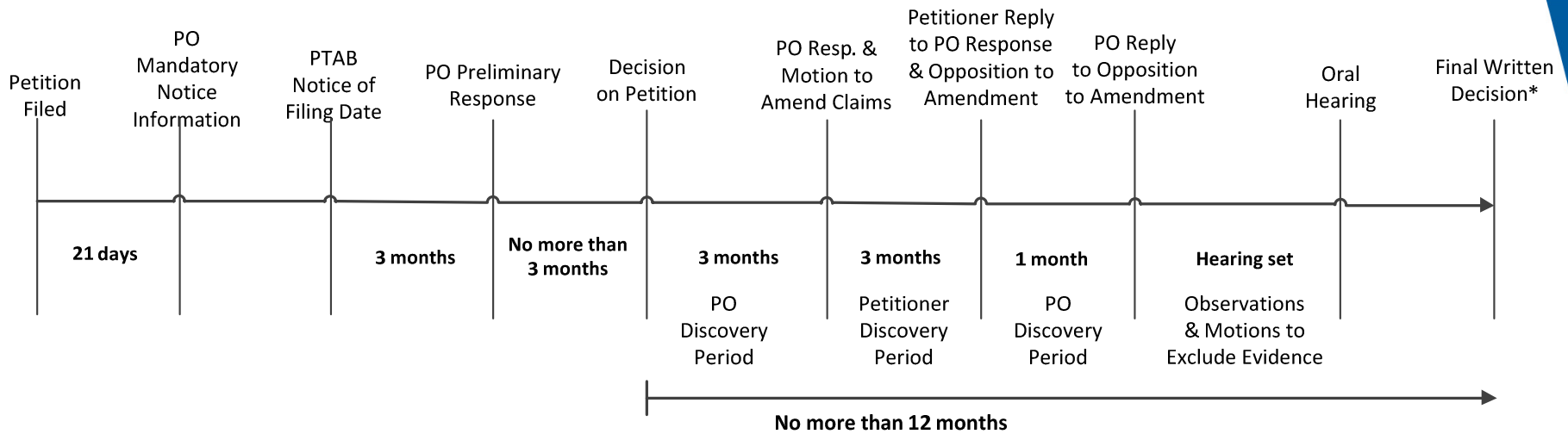
Dr. Rube Goldberg successfully obtained two U.S. patents, the '123 Patent and the '456 Patent. The '123 Patent has 80 claims (Claims 1-39 are composition claims and Claims 40-80 are method claims) and the '456 Patent has 11 claims (all composition claims). The '123 Patent issued on June 7, 2010. The '456 Patent was filed on April 15, 2013, and issued on January 7, 2014.

Dr. Goldberg assigned all of his rights in the '123 Patent and '456 Patent to Globocorp.

On August 24, 2013, Globocorp sued Smith Company for infringement of Claims 1-20 and 40-55 of the '123 Patent in the Eastern District of VA before Judge O'Grady. Globocorp intends to sue Smith Company for infringement of the '456 Patent.

Smith Company wants to file one or more IPRs on the '123 Patent and '456 Patent. Smith Company believes Claims 1 and 8 of the '123 Patent are invalid under 35 U.S.C. § 101. Smith Company believes many of the claims of the '123 Patent are anticipated by the Jones publication and that other claims of the '123 Patent are obvious in view of the Jones publication combined with the Day publication and the Reavis publication. Smith Company believes all of the claims of the '456 Patent are obvious in view of the Reavis and Pogue publications.

# Post-Grant Proceedings



\*six month extension

# *Fresenius*

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- 582 F.3d 1288 (September 2009)
- 721 F.3d 1330 (July 2013)
- 733 F.3d 1369 (November 2013)

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**Judge Michael Tierney**  
(Patent Trial and Appeal Board)

**Judge Scott Boalick**  
(Patent Trial and Appeal Board)

**Judge Liam O'Grady**  
(District Court Judge, EDVa)

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# *Thank you to Gore Brothers*

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