

Post-Grant Proceedings

Presented at:

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Outline

- Part 1: Types of Proceedings and Differences Between Them
- Part 2: How These Proceedings are Being Used
- Part 3: Filing and Defending Post-grant Petitions
- Part 4: Trial Details

Part 1 of 4: Types of Proceedings and Differences Between Them

Types of Post-Grant Proceedings

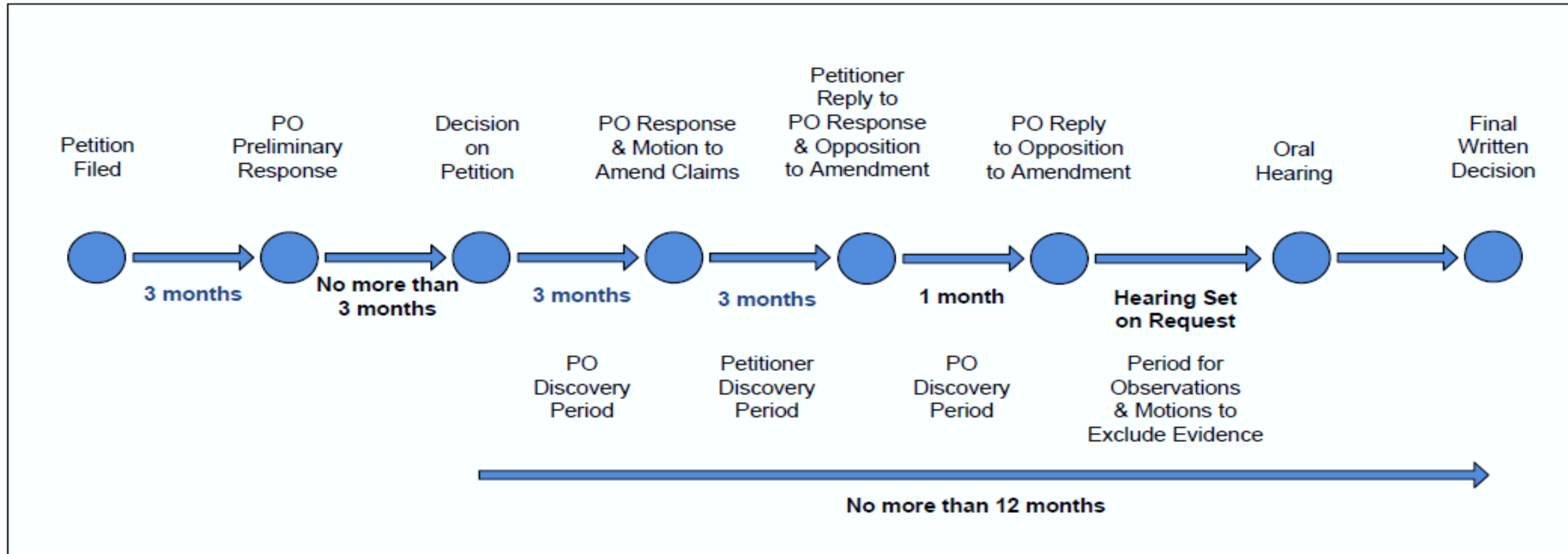
- Also called “AIA Petitions” or “AIA Trials,” Post-Grant Proceedings include a variety of methods for challenging a patent after it has been issued
- There are three types of Post-Grant Proceedings with the Patent Trial and Appeals Board (PTAB):
 - Covered Business Method Review (CBM)
 - Post Grant Review (PGR)
 - Inter Partes Review (IPR)
- The AIA date, March 16, 2013 determines which type of petition is available

Key Features

- U.S. is moving toward a more European system in which validity challenges are made at the PTO & Infringement is determined in civil court
- Statutory presumption of validity is gone
- All proceedings have two main parts:
 1. The PTO determines whether to institute the proceeding
 2. The Board conducts the proceeding

Trial Proceeding Timeline

- All Post-Grant Proceedings usually conclude within 12 months of institution, but 6 months leeway is allowed with cause



Logistical Differences Between PGR, IPR, and CBM

Proceeding	Available	Applicable Dates
Post Grant Review (PGR)	From date of patent grant to 9 months after patent grant or reissue	Patent must be issued under first inventor-to-file
Inter Partes Review (IPR)	For first-inventor-to-file, from the later of: (i) 9 months after patent grant or reissue; or (ii) the date of termination of any post grant review of the patent.	Patent issued under first-to-invent or first-inventor-to-file
	For first-to-invent, available after grant or reissue (technical amendment)	
Covered Business Method (CBM) Review	For first-inventor-to-file, available only after PGR is determined not available or completed	Patent issued under first-to-invent or first-inventor-to-file

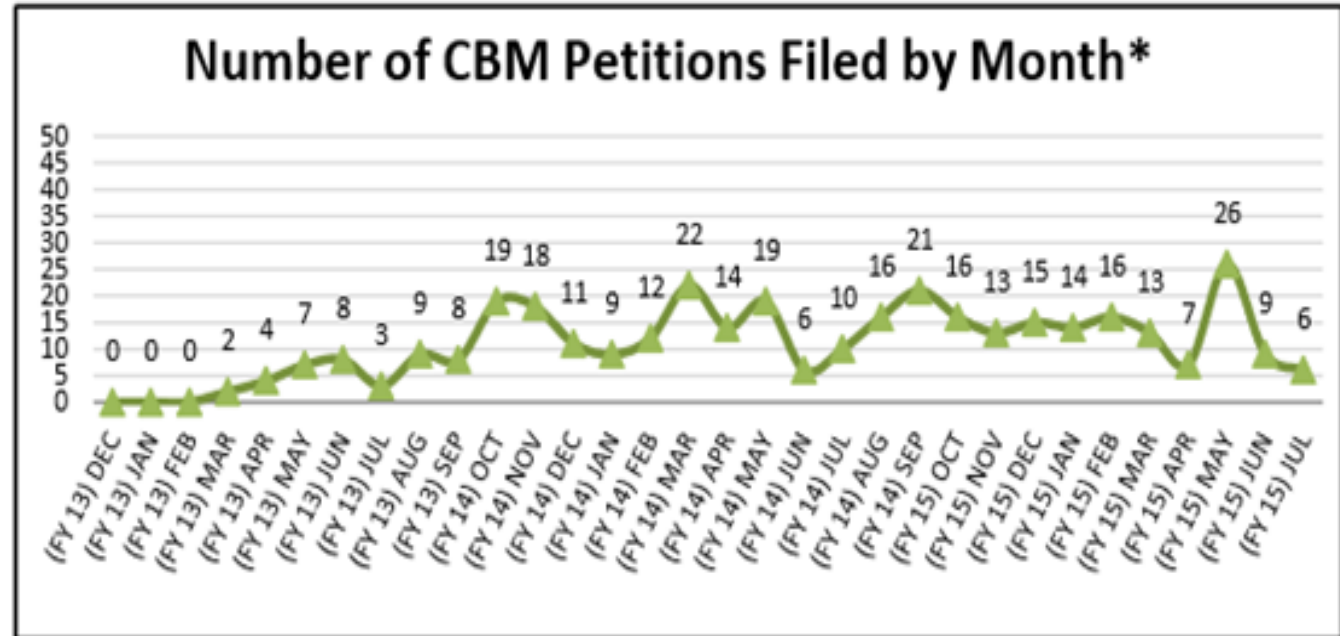
Legal Differences Between PGR, IPR, and CBM

Proceeding	Petitioner	Estoppel	Standard	Basis
Post Grant Review (PGR)	Person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent	Raised or reasonably could have raised	More likely than not; OR	101, 102, 103, 112, double patenting but not best mode
	Must identify all real parties in interest	Applied to subsequent USPTO/District Court/ITC action	Novel or unsettled legal question important to other patents/applications	
Inter Partes Review (IPR)	Person who is not the patent owner, has not previously filed a civil action challenging the validity of a claim of the patent, and has not been served with a complaint alleging infringement of the patent more than 1 year prior (exception for joinder)	Raised or reasonably could have raised	Reasonable likelihood	102 and 103 based on patents and printed publications
	Must identify all real parties in interest	Applied to subsequent USPTO/District Court/ITC action		
Covered Business Method (CBM)	Must be sued or charged with infringement	Office-raised or reasonably could have raised	Same as PGR	Same as PGR (some 102 differences)
	Financial product or service	Court-raised		
	Excludes technological inventions			
	Must identify all real parties in interest			

Part 2 of 4: How These Proceedings are Being Used

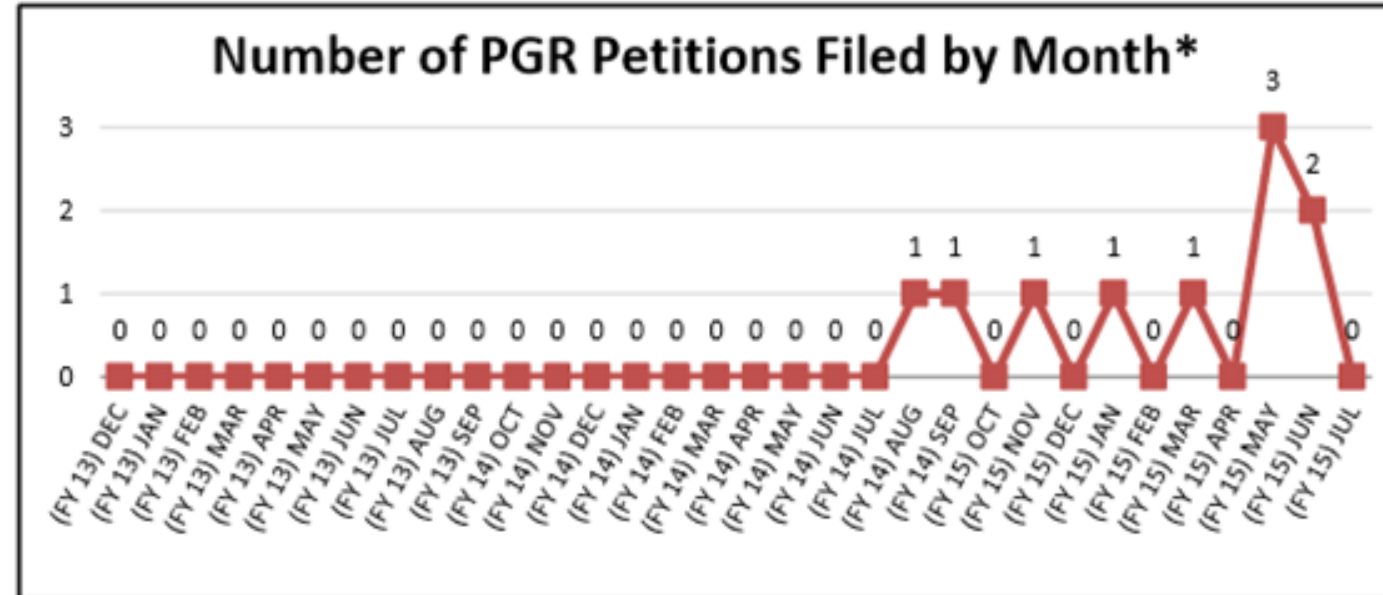
CBM Petitions

- CBMs have been a popular method of enforcing the increasingly strict 101 requirements



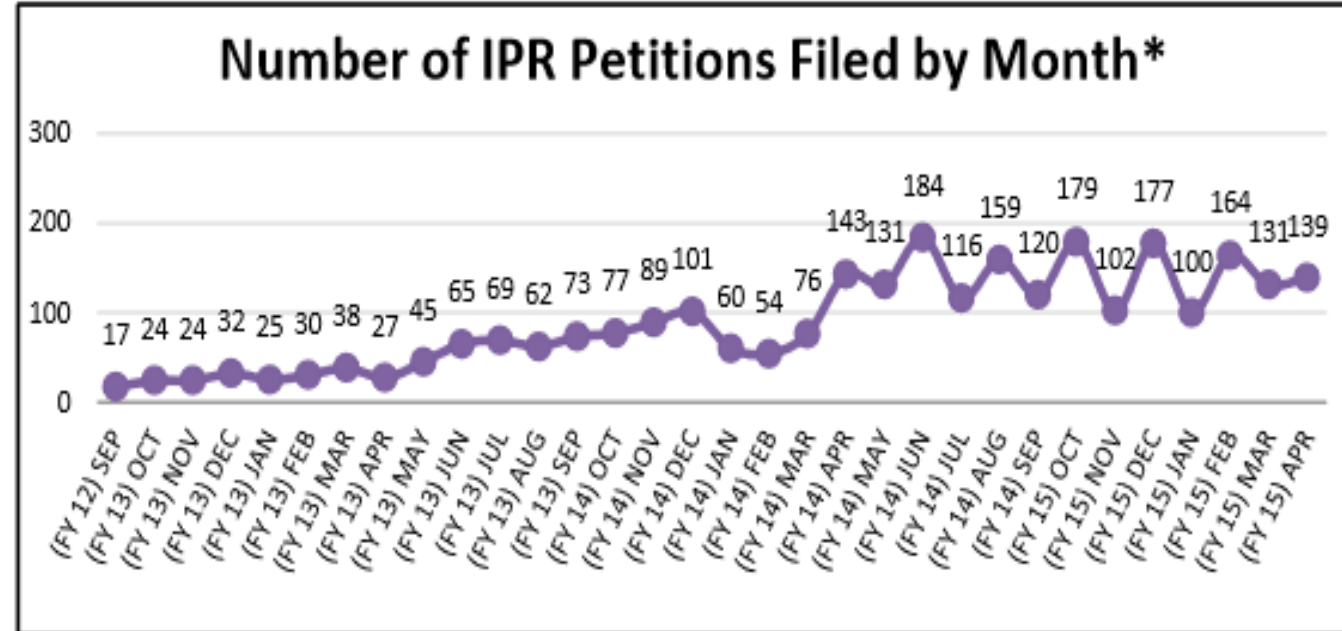
PGR Petitions

- PGRs are less common than other proceedings because there are not yet very many eligible patents

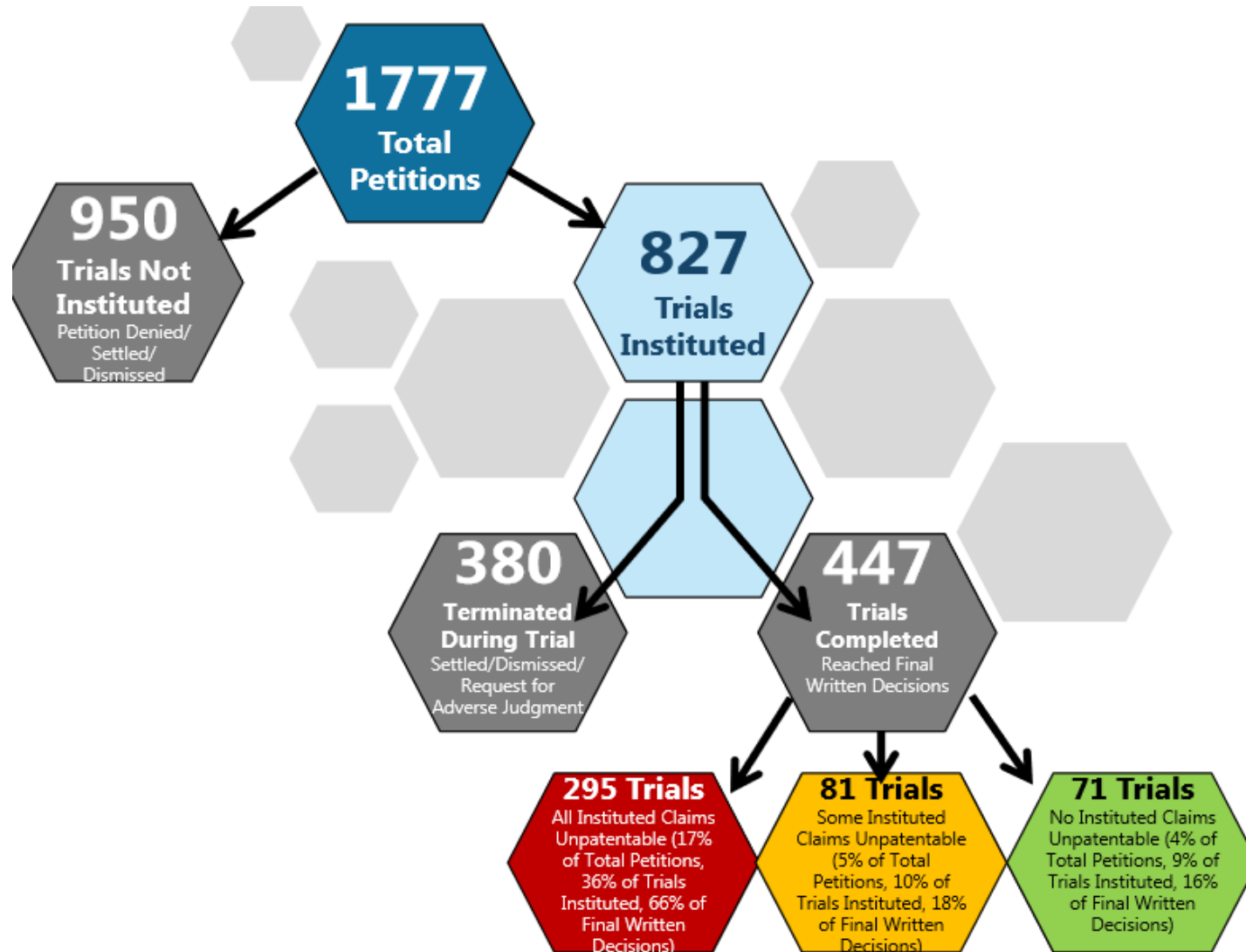


IPR Petitions

- IPR petitions are the most popular option since they apply to both first-to-file and first-to-invent patents



IPR Petitions Concluded to Date



48% of petitions are instituted

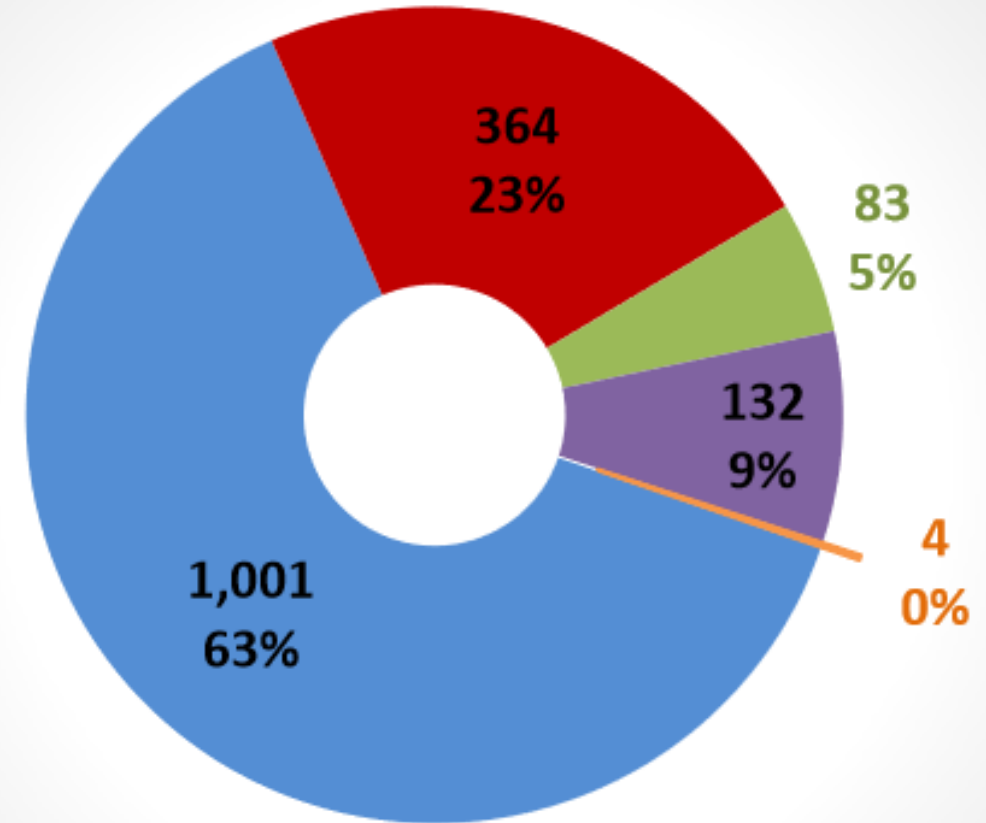
54% Of instituted petitions result in a completed trial

66% Of completed trials found all instituted claims unpatentable

Technology Involved

- Many petitions are filed by large software and pharma companies against small competitors
- With filing fees ranging from \$20k--\$30k, and total costs running \$150k or more, these proceedings are a weapon for larger companies to attack smaller companies' patents

1584 Total AIA Petitions in FY 2015*
(Technology Breakdown)



- Electrical/Computer - TCs 2100, 2400, 2600, 2800
- Mechanical/Business Method - TCs 3600, 3700
- Chemical - TC 1700
- Bio/Pharma - TC 1600
- Design - TC 2900

Part 3 of 4: Filing and Defending Post-Grant Petitions

Best Practices for Filing a Post-Grant Petition

- Provide detailed analysis for a limited number of 102 and/or 103 arguments
- Can file multiple petitions on the same patent to keep each petition focused
- Don't use expert testimony without underlying facts or data
- Petitions need to be supported by:
 - Sound legal analysis; and
 - Citations to evidentiary record
- Analysis needs to appear in petition itself (no incorporation by reference from declaration)

Best Practices for Defending a Post-Grant Petition

- Clearly identify procedural and substantive reasons to deny petition:
 - Failure to identify real parties-in-interest/privies
 - Petitioner's claim construction is improper
 - Cited references are not, in fact, prior art
 - Cited references lack material element(s)
- Cannot present new testimonial evidence
 - BUT can cite existing testimony and reports
- Must cite to the record to argue that your proposed construction is the broadest reasonable construction

Part 4 of 4: Trial Details

Discovery

- Discovery is more limited in an AIA trial than in district court
- Routine Discovery
 - Cited exhibits
 - Cross-examination of witnesses
 - Inconsistent information
- Additional Discovery (must first ask permission to move for additional discovery)
- Garmin Factors:
 1. Is there more than a possibility something useful might be found?
 2. Is the party simply seeking info on opposition's litigation positions?
 3. Can the party generate equivalent info by other means?
 4. Are the interrogatory questions clear and easily understood?
 5. Are requests overly burdensome to answer?

Amending Claims

- Patent Owner “moves” to amend; no amendment of right
- Patent Owner bears the burden of establishing the patentability of proposed substitute claims
- Board generally only takes up a motion to amend if the original claim is cancelled or found unpatentable, so no gloss of patentability transfers from original claim to substitute claim
- Unlike during examination, PTAB does not “examine” amended claims during an AIA proceeding
 - No search is conducted
 - No claim rejections made
- Burden is on the movant (patent owner) to show the patentable distinction of the proposed amended claim

Oral Hearing

- Structure of the hearing:
 - Panel may have more than three judges;
 - Some panel members may participate by video; and
 - All questions from the judges are based on the written record, including arguments made in the parties' briefs and expert testimony filed in support of the parties' briefs
- Attorneys argue in person on issues from the entire record, including claim construction, motions to amend, priority, secondary consideration and swearing-behind issues

Settlement

- Parties may file a joint motion to terminate a proceeding on the basis of settlement
 - Preauthorization is required; and
 - May be filed at any stage of the proceeding, even before institution
- Board has discretion to proceed to final written decision, especially at an advanced stage when all briefing is complete
- Board is more likely to grant early motions to terminate

Appeals to the Federal Circuit

- The Federal Circuit has only overturned two final decisions made by the Board, and both times they invalidated *more* claims
- To be appealable, the decision must be:
 - Final - decision not to institute a petition is not appealable
 - On the merits, i.e. with respect to patentability of a claim

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