



Challenging Patent Validity in the USPTO:
Strategic Considerations in View of the USPTO's
Proposed Rules

**Part VI: Putting It All Together-Which
Tools Are Right For You?
CLE Materials**

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Inter Partes Review - Details

FR Availability

- Any person, other than the patent owner, may file a petition for IPR nine months after issuance or reissue of patent (non-anonymous)
- IPR becomes available, for all patents, on 9/16/12.

FR Grounds

- 102 and 103, based on patents and printed publications

FR Threshold

- A reasonable likelihood that petitioner will prevail with respect to at least one of the challenged claims

FR Estoppel

- Raised or reasonably could have raised

Inter Partes Review: Cost

- ❖ USPTO proposed filing fees (§42.15):
 - 1 to 20 claims: \$27,200
 - 21 to 30 claims: \$34,000
 - 31 to 40 claims: \$40,800
 - 41 to 50 claims: \$54,400
 - 51 to 60 claims: \$68,000
 - Each additional 10 claims: \$27,200
- ❖ Discovery procedures will make IPR fees > IPRx fees
- ❖ Speed of proceeding will be frontloaded for all

Inter Partes Review: Effectiveness

- ❖ Prediction: IPR will have a kill rate consistent with IPRx
- ❖ USPTO historical statistics:
 - 11%: all claims confirmed
 - 44%: all claims canceled (or disclaimed)
 - 45%: amendments

Inter Partes Review: Speed

- FR Opens/closes quickly
 - Instituted within 5 months of petition
 - Dispensed within 12/18 months of institution
- FR Speed can kill ... the unprepared
 - Patentees - put your flak jackets on!
 - Petitioners: Ready...aim...aim...aim...then, fire!



Inter Partes Review: Consequence

Estoppel

- At the PTO: the petitioner in an IPR that results in a final written decision may not request *or maintain* a proceeding before the Office *with respect to reviewed claim* on any ground that petitioner *raised or reasonably could have raised* during IPR
- In civil actions: the petitioner in an IPR that results in a final written decision may not assert in a civil action that a reviewed *claim* is invalid on any ground that petitioner *raised or reasonably could have raised* during IPR.

Inter Partes Review: Consequence

- ❖ Open Issues:
 - Impact of the changed standard:
 - IPRx: “raised or could have raised”
 - IPR: “raised or *reasonably* could have raised”
 - Bases proposed but rejected by the PTAB?
 - After-discovered prior art? ... Obscurity?
 - Can an IPR petitioner hedge bets with EPRx? Consider the implication of being estopped from “maintaining” a proceeding

Quick Summary of Trial Timeline

FR Petition

- 50 Page Limit
- Primary means for petitioner to put evidence in record
- Includes claim charts and claim construction

FR Optional Preliminary PO Response

- Due two months from filing date
- NO testimonial evidence or amendments
- Appears to be for identifying clear statutory failing(s) of petition

FR Decision

- PTAB applies “reasonable likelihood” standard
- Rehearing available, but NO APPEAL

Quick Summary of Trial Timeline

FR Sequential Discovery

- Primarily limited to cross examination of opposing declarants
- Protective orders available to preserve confidential info

FR PO Response & Amendment

- 50 Page Limit
- Due date set by scheduling order (default is 2 months)
- One amendment with “substitute” claims allowed by right, but must be cleared with PTAB in conference call

FR Petitioner Reply/Opposition & PO Reply

- 15 Page Limit
- No new arguments/evidence, except to respond to previous filing

FR Oral Hearing

- Must request in separate filing that outlines arguments
- Similar in structure to current appeals, but with both parties

Quick Summary of Trial Timeline

Final Decision

- Issued not more than 1 year from institution on trial
- Appealable to CAFC

Conference Calls

- Throughout trial, many matters will be handled in conference calls with PTAB and opposing party
- Most motions must be approved in conference call before filing
- Initial conference call held within 1 month of institution to discuss scheduling order and anticipated motions

Estoppel

- ❖ PTAB decision triggers estoppel. *35 U.S.C. § 318(a)*

- ❖ Estoppel comes in 2 forms:
 - Proceedings before the PTO (*35 U.S.C. § 315(e)(1)*)
 - Civil Actions and Other Proceedings (*35 U.S.C. § 315(e)(2)*)

Estoppel

❖ Proceedings before the PTO (*35 U.S.C. § 315(e)(1)*)

“The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 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.”

The petitioner ... or real party in interest or privy

... may not request or maintain a proceeding before the office

... with respect to [the challenged] claim

... on a ground that the petitioner raised or reasonably could have raised

Estoppel

FR Does estoppel also apply to the Patent Owner?

- Not mandated by the statute
- **BUT** 37 CFR § 42.73(d)(3) provides:

“A patent applicant or owner whose claim is canceled is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent:

- (i) A claim to substantially the same invention as the finally refused or cancelled claim;
- (ii) A claim that could have been filed in response to any properly raised ground of unpatentability for a finally refused or cancelled claim; or
- (iii) An amendment of a specification or of a drawing that was denied during the trial proceeding.”

Estoppel

- ❖ Does not apply to IPR proceedings that settle. *37 CFR § 42.73(d)(1)*
- ❖ Intervening rights applies to amended/substitute claims. *35 U.S.C. § 318(c)*



Thank You!



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