



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

Inter Partes Review Part I: Pretrial

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Upcoming Webinars

<u>Date</u>	<u>Topic</u>
April 3, 2012	IPR Part II: Trial
April 10, 2012	IPR Part III: Post Trial
April 17, 2012	Supplemental Examination
April 24, 2012	Derivation and PGR
May TBD, 2012	Which, if any, tool is right for you?

Today's Agenda

- FR Overview of Inter Partes Review
- FR Petition Preparation
- FR Preliminary Patent Owner Response
- FR PTAB Trial Determination

Agenda

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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

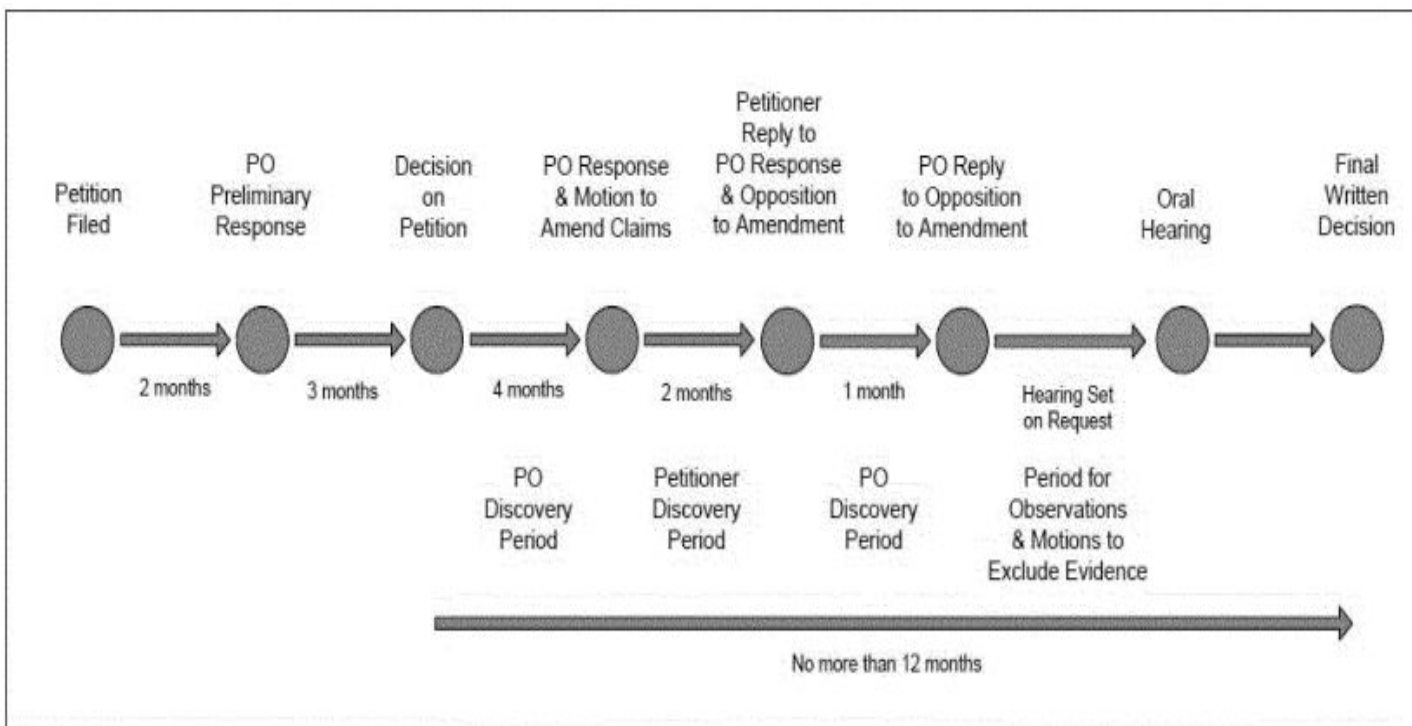
Estoppel

- 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.

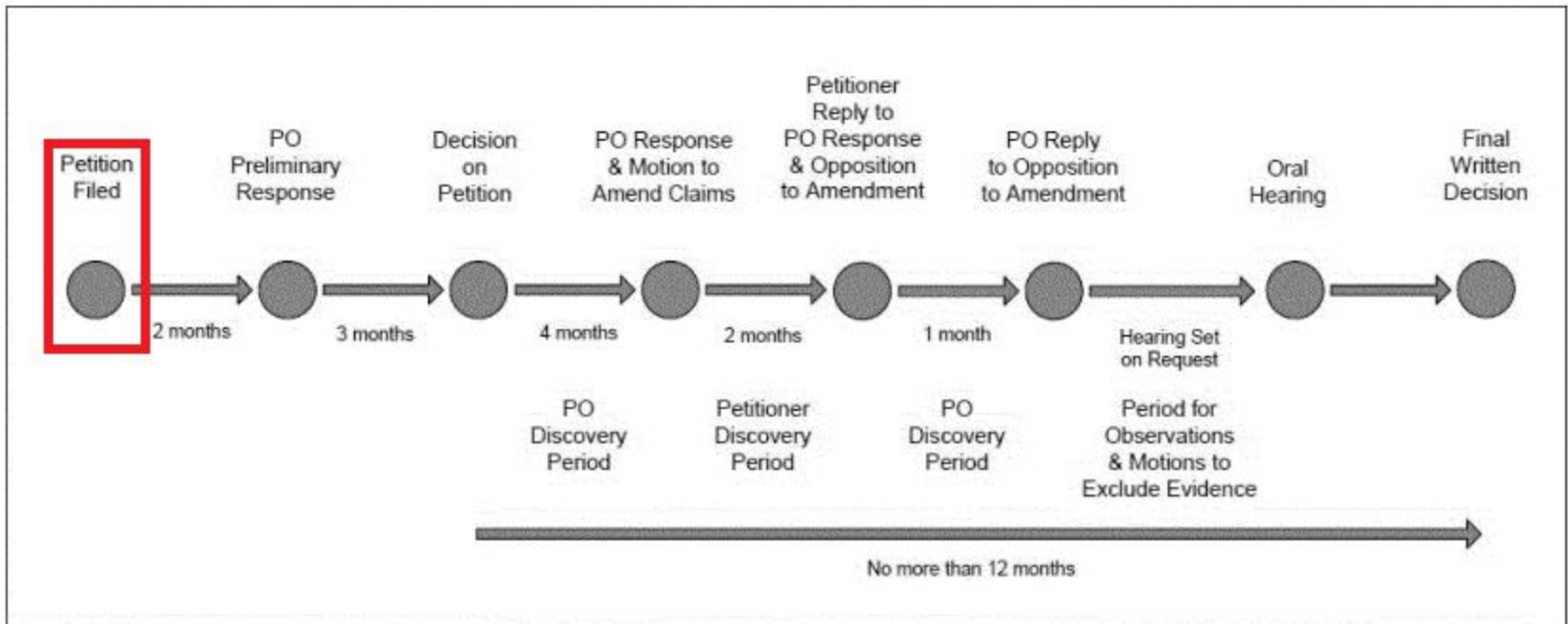
Inter Partes Review: Consequence

- ❖ 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

IPR Procedure: The Timeline



Petition Preparation



Petition

FR Contents (§§42.104 and 42.204):

- Fees & Certificate of Service
- Certifications
 - Patent must be eligible for review
 - Petitioner must not be barred or estopped
- Identify challenged claims and basis
- Provide claim constructions
- Identify proposed rejections (*claim charts?*)

FR 50 Page Limit

- “The page limit does not include a table of contents, a table of authorities, a certificate of service, or appendix of exhibits”
- Double-spaced, 14 point font or larger (§42.6)
- Moving for more pages: “in interests of justice”

Petition-Page Count Limitations

❖ §42.24 Page limits for petitions, motions, oppositions, and replies.

(a) Petitions and motions.

(1) The following page limits for petitions and motions apply and include the required statement of facts in support of the petition or motion. The page limit does not include a table of contents, a table of authorities, a certificate of service, or appendix of exhibits.

❖ What counts towards the 50 page limitation?

❖ Exhibits/appendices?

❖ Claim charts and “other proceedings”?

- Proposed Trial Practice Guide states: “Claim charts submitted as part of a petition or motion count towards applicable page limits. A claim chart from *another proceeding* that is submitted as an exhibit, however, will not count towards page limits.”

Petition-Page Count Limitations

❖ Motion to Extend Page Count

❖ §42.24 Page limits for petitions, motions, oppositions, and replies.

(a) Petitions and motions.

(2) **Petitions to institute a trial must comply with the stated page limits but may be accompanied by a motion to waive the page limits.** The petitioner must show in the motion how a waiver of the page limits is in the interests of justice and **must append a copy of proposed petition exceeding the page limit to the motion.** If the motion is not granted, the proposed petition exceeding the page limit may be expunged or returned. Any other motion to waive page limits must be granted in advance of filing a motion, opposition or reply for which the waiver is necessary.

❖ Note standard: “interests of justice”

– Different from “good cause”

Petition-Page Count Limitation

- ❖ What should a petitioner include in a motion to waive page limits?
- ❖ When should the motion be filed?
- ❖ Likelihood of grant?

Petition-Page Count Limitations

Tactics:

- ❖ Consider limiting the number of claims asserted?
- ❖ Consider limiting the number of grounds asserted?
- ❖ Consider filing multiple petitions?

Petition-Claim Construction

FR §42.104 Content of Petition

In addition to the requirements of §§42.8 and 42.22, the petition must set forth:

...

(b) Identification of challenge. Provide a statement of the precise relief requested for each claim challenged. The statement must identify the following:

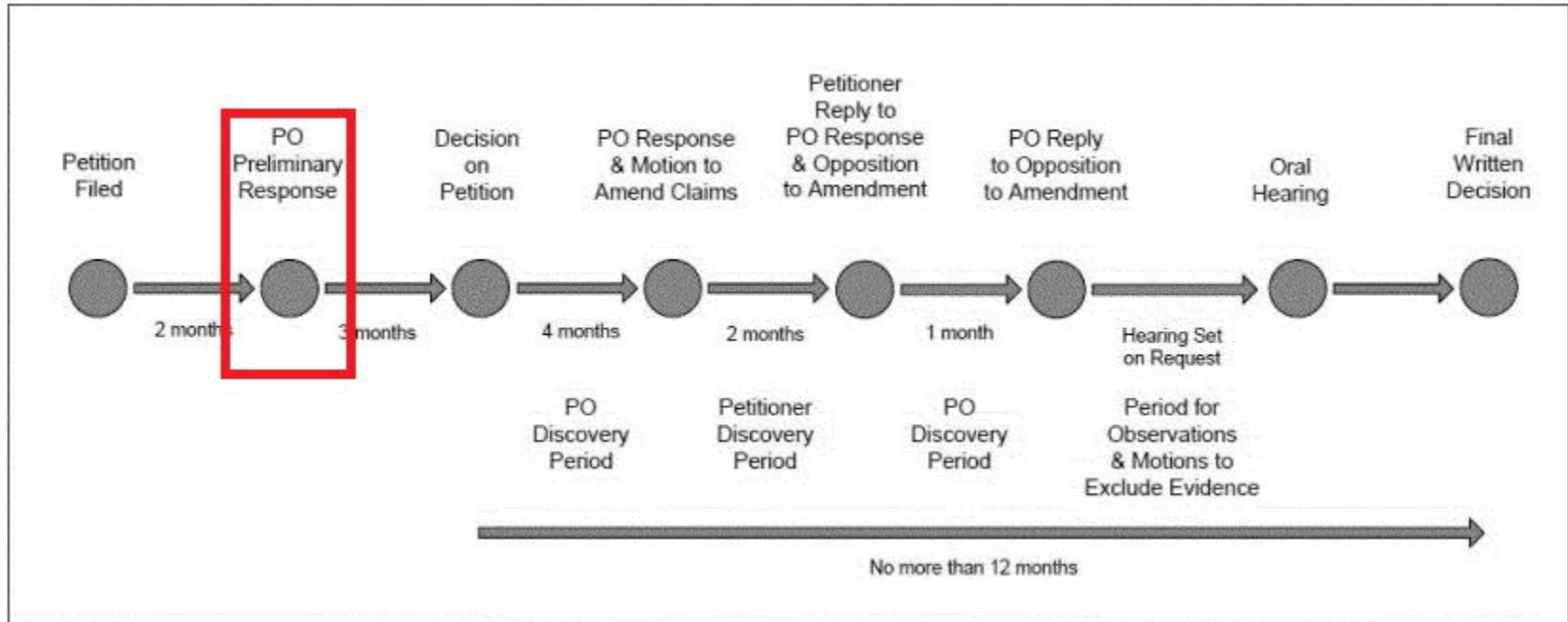
(3) How the challenged claim is to be construed.

FR Specificity?

FR Evidence? Will there be a later opportunity to submit evidence?

FR Alternative Constructions?

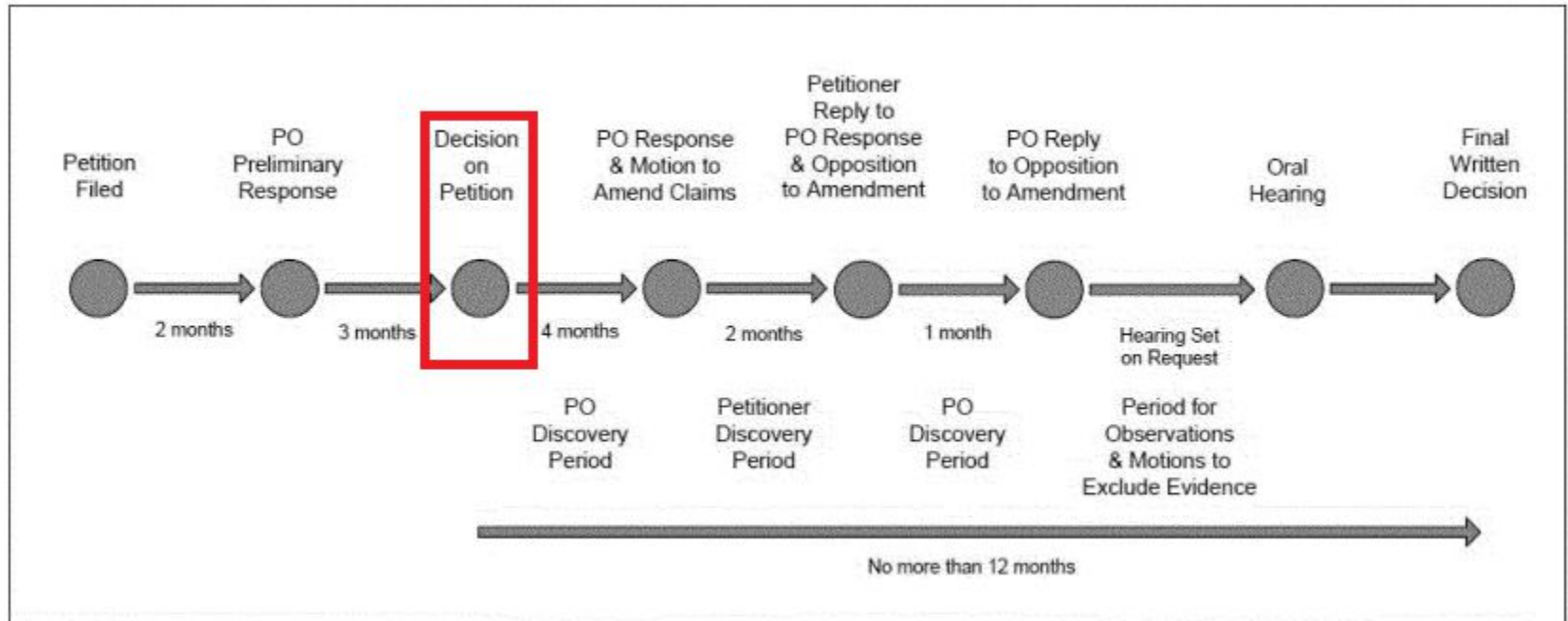
Patent Owner Preliminary Response



Patent Owner Preliminary Response

- ❖ See §§ 42.107 and 42.207
- ❖ No more than 2 months from petition filing date
- ❖ Patentee may present evidence *other than testimonial evidence* to demonstrate that no review should be instituted
 - Why petition is statutorily barred;
 - Why asserted references are not prior art;
 - Very clear failings of prior art
- ❖ No amendments allowed, but may disclaim claims
- ❖ May proactively waive to expedite, but why?
 - Petitioner cannot file rebuttal as a matter of right

Decision on Petition



Decision on Petition

- ❖ Decision will include scheduling order
- ❖ What form will the decision take?
 - Will it articulate substantive reasons for adopting proposed grounds?
From Proposed Trial Practice Guide: “The Board will identify the grounds the trial will proceed upon on a claim-by-claim basis.”
 - Will it articulate substantive reasons for denying proposed grounds?
From Proposed Trial Practice Guide: “The Board expects that the decision will contain a short statement as to why the requirements were not met, although this may not be necessary in all cases.”
- ❖ Who presides over the decision? One panel member or the entire panel?

Petition Decision

35 U.S.C. § 314(d): “No Appeal. The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.”

From Proposed Trial Practice Guide: “A party dissatisfied with a decision [to not institute trial on any given challenged claim(s)] may file a request for rehearing before the Board, but the Board’s determination on whether to institute a trial is final and nonappealable . 35 U.S.C. § 135(a) and 314(d).”

Petition Decision

- ❖ Consequences:
- ❖ Patent Owner cannot challenge decision to order IPR
- ❖ Petitioner can challenge decision not to order IPR for a particular claim only by requesting rehearing.
 - 42.71(c) contemplates rehearings for information that the Board is believe to have “misapprehended or overlooked.”
 - Who presides? Same panel?
- ❖ If Petitioner’s request for rehearing is denied, Petitioner cannot file an action under the APA.

Resources

F&R web sites

- General: <http://www.fr.com/Services/reexamination/post-grant/>
- IPR: <http://www.fr.com/reexam-services-post-grant-ipreview/>
- PGR: <http://www.fr.com/reexam-services-post-grant-pgreview/>
- Proposed rules governing post-grant: on web pages

USPTO sites & roadshow

- AIA Main: http://www.uspto.gov/aia_implementation/index.jsp
- Inter Partes: http://www.uspto.gov/aia_implementation/bpai.jsp

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Questions?



Thank You!



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