



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

## **Inter Partes Review Part II: Trial**

Presented By:

Karl Renner

Dorothy Whelan

Co-Chairs of Post Grant Practice, Fish & Richardson

# Upcoming Webinars

## Date

April 10, 2012

April 17, 2012

April 24, 2012

## Topic

IPR Part III: Post Trial

Supplemental Examination

Derivation and PGR

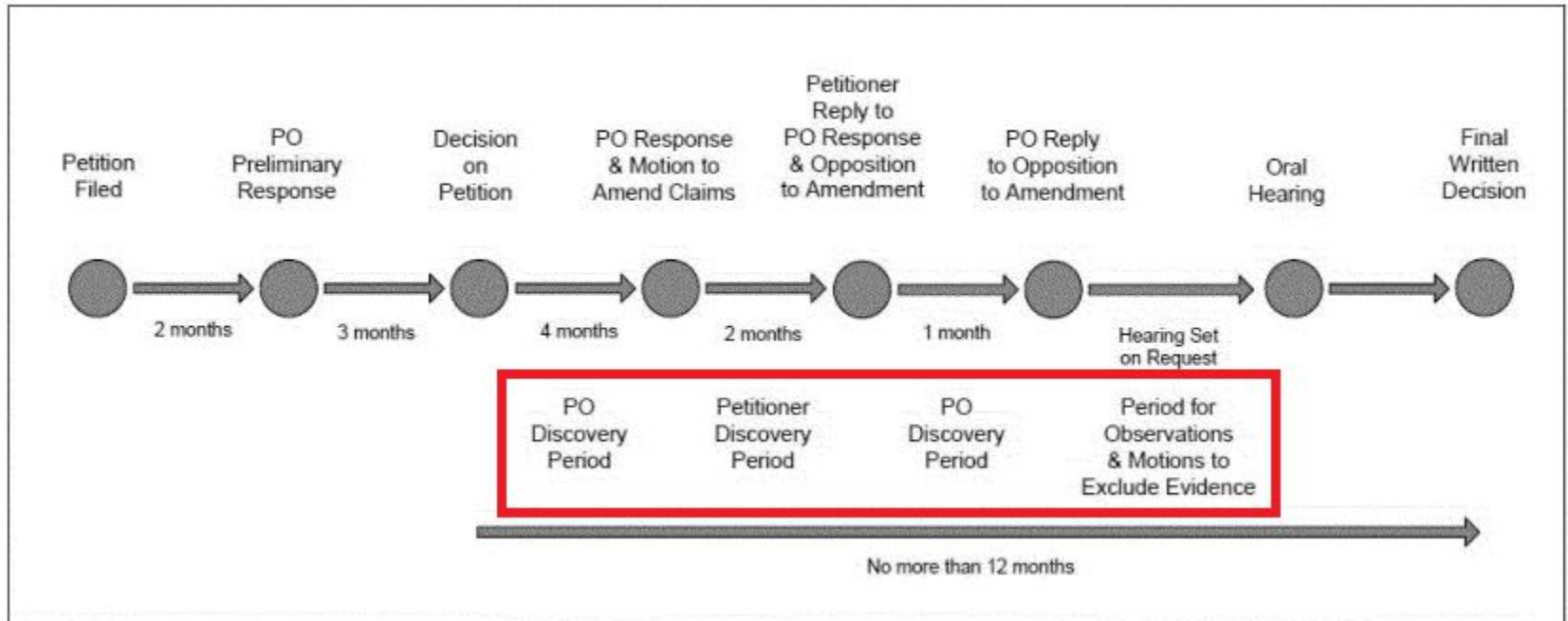
# Agenda

- FR Eligible Practitioners
- FR Overview of the Trial
- FR Scheduling Order and Initial Conference Call
- FR Discovery
- FR Motion Practice
- FR PO Response & Motion to Amend Claims
- FR Petitioner Reply
- FR PO Reply
- FR Oral Hearing

## Eligible Practitioners

- ❖ Attorneys registered to practice before USPTO
- ❖ Attorneys admitted *pro hac vice*. Admission is at the discretion of the PTAB. § 42.10(c)
- ❖ Petitioners and Patent Owners must designate both lead and back-up counsel. § 42.10(a)

# Trial Timeline



# 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

## ❖ Sequential Discovery

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

## ❖ PO Response & Amendment

- 50 Page Limit (motion to exceed: “interests of justice”)
- Due date set by scheduling order (default is 4 months)
- One amendment with “substitute” claims allowed by right, but must be cleared with PTAB in conference call

## ❖ Petitioner Reply/Opposition & PO Reply

- 15 Page Limit (motion to exceed: “interests of justice”)
- No new arguments/evidence, except to respond to previous filing

## ❖ 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



# Scheduling Order

- ❖ Accompanies petition decision
- ❖ Sets forth 7 dates:
  - (1) PO post-institution response to petition and motion to amend (default = 4 mos.)
  - (2) Petitioner reply to PO response and opposition to amendment (default = 2 mos.)
  - (3) PO reply to petitioner opposition (default = 1 mo.)
  - (4) Petitioner motion for observation re cross-examination of reply witness, motion to exclude evidence, request for oral argument (default = 3 weeks)
  - (5) PO response to observation, opposition to motion to exclude (default = 2 weeks)
  - (6) Reply to opposition to motion to exclude (default = 1 week)
  - (7) Oral argument (set upon request)

## Scheduling Order cont'd

- ❖ Parties can stipulate to different dates for Due Dates (1)-(5)
- ❖ Due Dates (6) and (7) cannot be extended
- ❖ PO may begin discovery as soon as IPR initiated

# Initial Conference Call

- ❖ Convened within one month of initiation
- ❖ Adjustments to scheduling order discussed
- ❖ Prior to call, parties identify motions they intend to file (at least 2 business days)

Can still file additional motions not identified

# Discovery

- ❖ Sequenced discovery process, where each party provided respective discovery periods
- ❖ Discovery is limited and except in certain cases requires prior PTAB authorization
- ❖ Timing: Established in Scheduling Order/Conference
- ❖ Routine discovery – No PTAB authorization required
  - Production of cited exhibits (§ 42.51(b)(1))
  - Cross of opposing declarants; (§ 42.51(b)(2)) and
  - “Non-cumulative information that is inconsistent with a position advanced by [either party] during the proceeding” (§ 42.51(b)(3)).

## Discovery cont'd

- ❖ Additional discovery – PTAB authorization required
  - Must file motion, unless agreement between parties
  - Standard for granting motion: “interests of justice” (very high)
  
- ❖ Compelled testimony and production of documents (§ 42.52 and 35 U.S.C. § 24)
  - Applies to third parties
  - Applies to testimony/production sought outside US
  - Requires PTAB authorization and explanation of relevance

# Discovery cont'd

- ❖ Taking Testimony (§ 42.43)
  - Direct examination by affidavit. Cross examination by deposition.
  - Objections to content, form, and manner of taking deposition waived unless made during deposition
  - Federal Rules of Evidence apply
  - Can object based upon A/C privilege or work product immunity

# Discovery cont'd

## Confidentiality

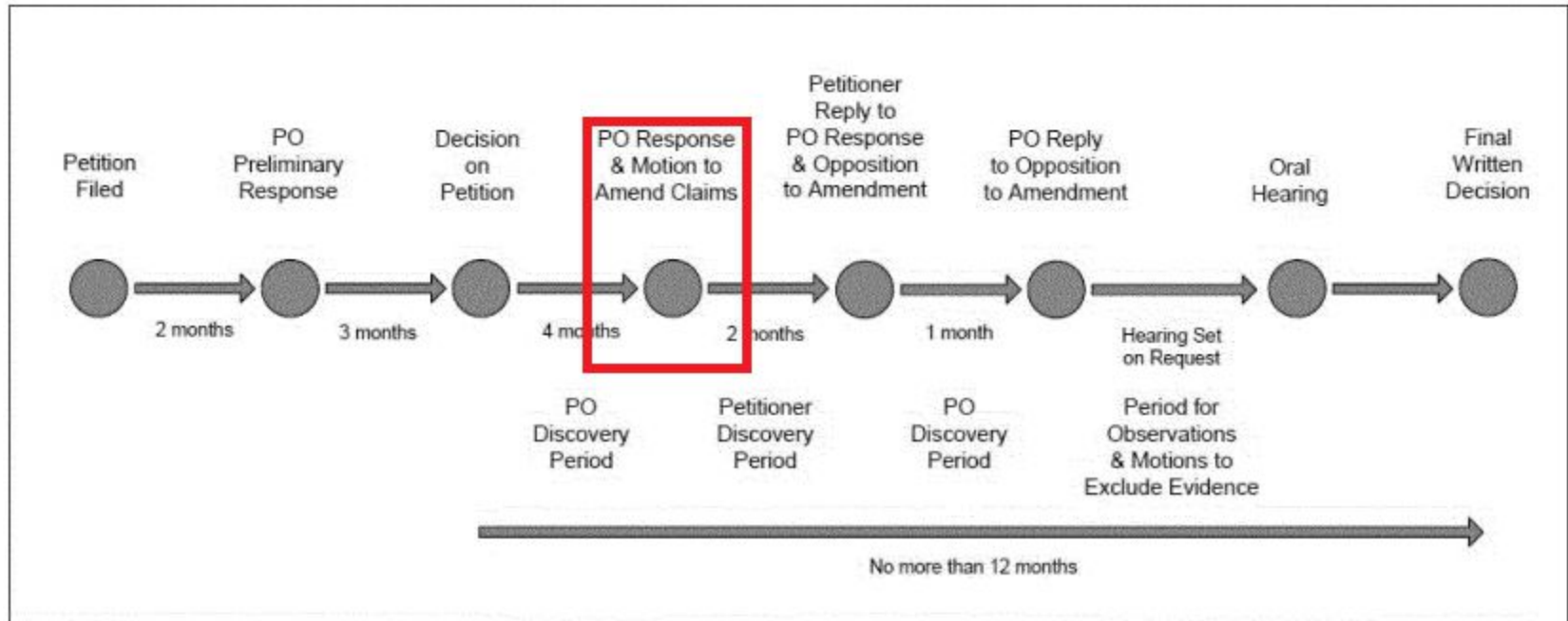
- ❖ Protective Orders are available to preserve confidentiality (§ 42.54)
- ❖ Mechanism: file motion to seal and include protective order
- ❖ Protective order effective upon filing of motion and remains in place until lifted by PTAB
- ❖ Parties can negotiate terms; default protective order adopted if no agreement
- ❖ NOTE: If PTAB decision relies on or refers to confidential information, expectation is that it WILL be made public. Party must file motion to expunge to maintain confidentiality.
  - Expect confidentiality issues to arise with commercial success evidence

# Motions and Conference Calls

- ❖ PTAB prior approval for motions
  - No prior authorization required: motions to seal and motions filed with petitions (e.g., waive page limits)
  - Need authorization but automatically granted: requests for rehearing, motions to exclude evidence, observations on cross-examination
  - Need authorization but not automatically granted: all others (e.g., joinder, file supplemental information, judgment based on supplemental information)
- ❖ Typically, authorization for motions obtained during initial conference call, which generally occurs within one month of institution of review
- ❖ Any communications with PTAB to be handled through conference call that includes all parties. No prior notice of substance.
- ❖ No recourse if motion is denied



# PO Response and Motion to Amend



# PO Response and Motion to Amend

## Response

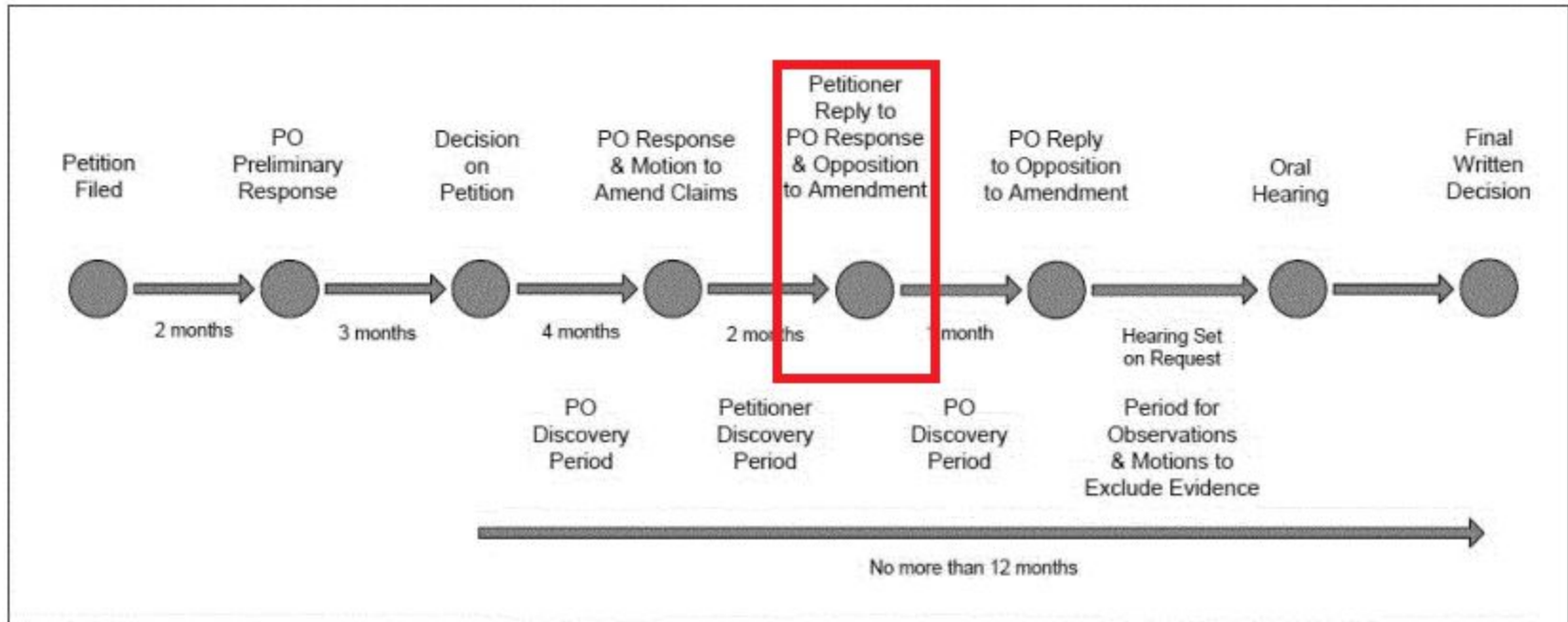
- Default due date: 2 months from institution, though will be set in scheduling order
- Primary means for PO to get evidence on record (decl'ns and documents)
- Identify all the involved claims that are believed to be patentable and state the basis for that belief
- 50 Page Limit

# PO Response and Motion to Amend

## Amendment

- Only one motion to amend allowed by right
- “Reasonable” number of “substitute” claims (i.e., 1:1)
- “Should clearly state where the specification and any drawings disclose” amendments
- Must notify PTAB you are amending in conference call
- Must show “good cause” to amend more than once or after PO Response deadline, or agreement of parties
- Amendments must be responsive to grounds of unpatentability raised in trial
- OK to cancel claims later in proceeding

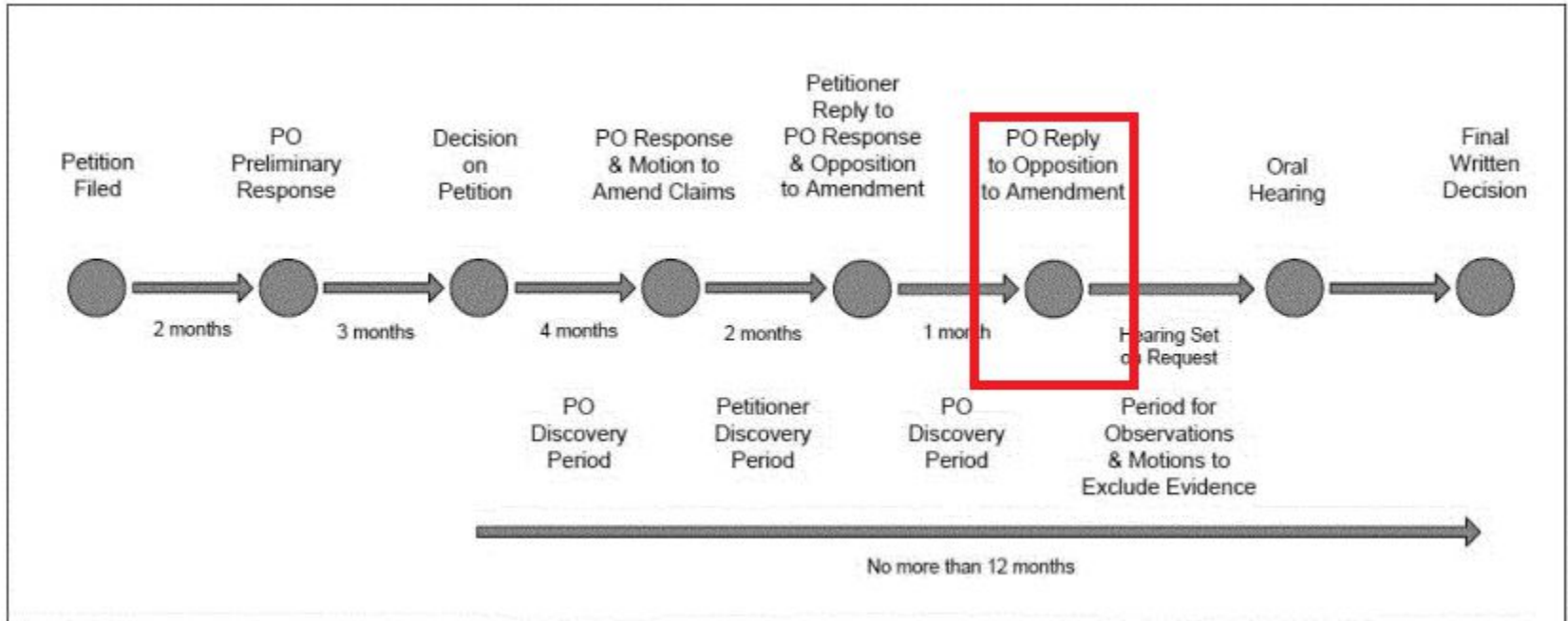
# Petitioner Reply and Opposition



# Petitioner Reply and Opposition

- ❖ Due date: default of 2 months after PO Response, but exact date negotiated in scheduling conference
- ❖ Page Limit: 15 pages
- ❖ Reply limited to arguments raised in the PO Response
  - A reply that raises a new issue or belatedly presents evidence will not be considered
  - PTAB will not sort proper from improper portions of the reply
- ❖ Petitioner may supplement evidence to respond to new issues arising from proposed substitute claims, including new declarations

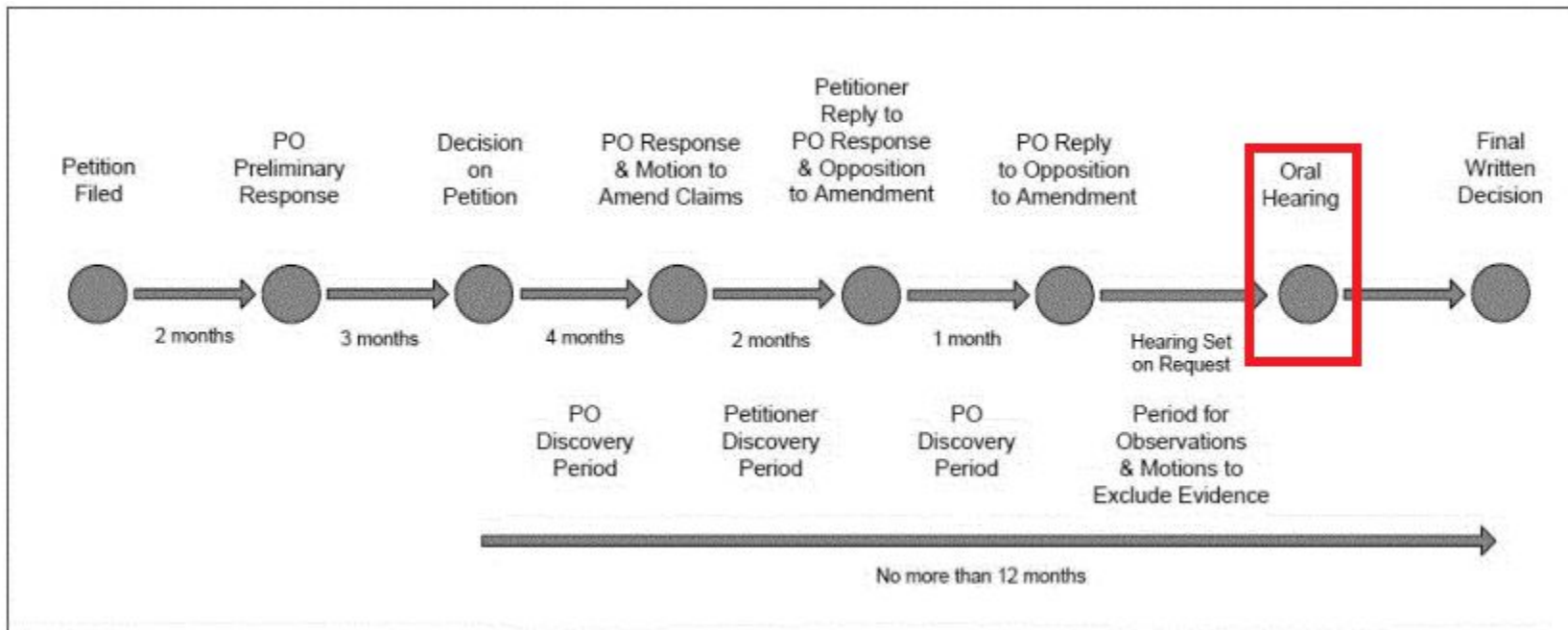
# PO Reply to Opposition



# PO Reply to Opposition

- ❖ Due date: generally 1 month from Petitioner Reply, though will be set in scheduling order
- ❖ Reply may only respond to arguments raised in the Petitioner Opposition to Amendment
- ❖ Generally, same evidence rules as Petitioner Reply (e.g., page limit of 15 pages)

# Oral Hearing





# Oral Hearing

- ❖ Must be requested in separate filing that outlines issues to be argued
- ❖ Timing set in scheduling order
- ❖ Three members of board will hear oral arguments
- ❖ Order of Arguments: (1) Petitioner, (2) Patent Owner, (3) Petitioner Rebuttal (though may be reversed by PTAB based on issues being presented)
- ❖ No new evidence or arguments
- ❖ Inform PTAB of any equipment needs as soon as possible
- ❖ No live testimony expected (similar to current appeals)

# 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](http://www.uspto.gov/aia_implementation/index.jsp)
- Inter Partes: [http://www.uspto.gov/aia\\_implementation/bpai.jsp](http://www.uspto.gov/aia_implementation/bpai.jsp)

# Questions?



# Thank You!



Karl Renner  
Washington, DC  
202-626-6447  
renner@fr.com



Dorothy Whelan  
Twin Cities  
612-337-2509  
whelan@fr.com