



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

**Inter Partes Review Part III: Post-Trial**

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# AIA Webinar Series

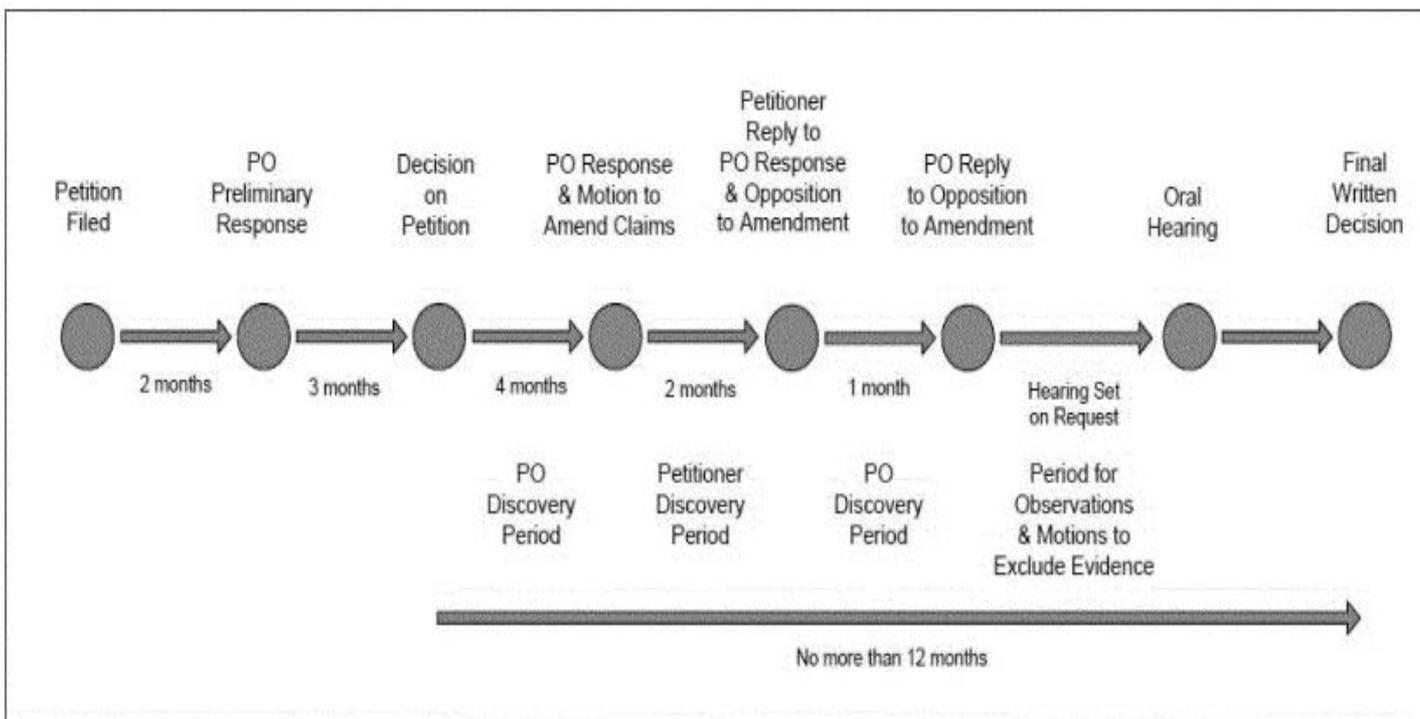
<u>Date</u>	<u>Topic</u>
March 27, 2012	Inter Partes Review Part I: Pre-Trial
April 3, 2012	Inter Partes Review Part II: Trial
<b>April 10, 2012</b>	<b>Inter Partes Review Part III: Post-Trial</b>
April 17, 2012	Supplemental Examination
April 24, 2012	Derivation and PGR



# Agenda

- FR Appeal
- FR Estoppel
- FR Hypotheticals

# IPR Procedure: The 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

## 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

# Appeal

PTAB renders final decision on petition—What's next?

- ❖ Either party can appeal only to the Federal Circuit. No option to file civil action in district court. *35 U.S.C. §§ 141 and 319.*
- ❖ Either party can request rehearing by panel within 30 days of decision. Standard: “misapprehended or overlooked” issue. *37 CFR § 42.71.*
- ❖ Notice of appeal to Federal Circuit due within 63 days of initial PTAB decision or decision on rehearing. *37 CFR § 90.3.*

# 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

## “The petitioner ... or real party in interest or privy”

- Privy is not defined in rules
- Practice guidelines provide:

“Actual control or the opportunity to control the previous proceeding is an important clue that such a relationship [i.e. privity] existed ....”

Factors for determining actual control or the opportunity to control include existence of a controlling interest in the petitioner ....”

- Consider:
- (a) joint defendants/joint defense agreements
  - (b) customer/supplier
  - (c) licensee/licensor

# Estoppel

FR “may not request or maintain a proceeding before the office”

- May not *request*
  - Petitioner cannot bring a subsequent EPRx or IPR
  
- May not ... *maintain*
  - Pending IPRx filed by petitioner will be terminated
  - But what about a pending EPRx filed by petitioner?
    - ... does a petitioner “maintain” an EPRx, once ordered?
    - ... different grounds?

37 CFR § 42.73(d)(1): Petitioner “is estopped in the Office from taking an **action that is inconsistent** with a judgment as to any ground that the petitioner raised or reasonably could have raised during the trial.”

# Estoppel

 “... with respect to [the challenged] claim”

- Estoppel applies on a claim by claim basis.
- Estoppel does not apply to claims for which IPR is not ordered.
- ... Or does it? Will collateral estoppel apply to common issues?

# Estoppel

- “... on any ground ... petitioner raised or reasonably could have raised”
  - IPR limited to printed publications
    - Does estoppel apply to sale art? Public use art? 112 grounds? 101 grounds?
  - Applicable to grounds raised but not adopted by PTAB?
  - How far does “reasonably could have raised” extend the estoppel?
    - “Reasonably” added, relative to IPRx estoppel
    - Not defined
    - Consider:
      - (a) prior art locatable via routine computer search
      - (b) non-English Ph.D theses in libraries of obscure universities

# Estoppel

- **Timing: in an IPR “... that results in a final written decision under section 318(a)”**

## § 318. Decision of the Board

(a) FINAL WRITTEN DECISION. —If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).

# Estoppel

## ❖ Civil Actions and Other Proceedings (*35 U.S.C. § 315(e)(2)*)

“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 assert either in a **civil action** arising in whole or in part under section 1338 or title 28 or in a proceeding before the **International Trade Commission** under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.”

- Estoppel applies to both District Court and ITC actions
- Applies to both pending and prospective actions (“may not assert”)

# Estoppel

## 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

- ❖ Consider effect of 42.73(d)(3) on:
  - pending or future continuations with similar terms;
  - pending or future reissue applications.
  
- ❖ Are reissue claims not necessarily available by amendment in response to rejections raised in IPR, and thus precluded under 42.73(d)(3)(ii)?
  
- ❖ Other continuations?
  
- ❖ Will this stand?

# 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)*

# Hypotheticals

## ❖ Hypothetical #1

Patent in IPR discloses a chair having a seat, 3 legs, and one or more optional features (arms, casters, swivel, tilt). Patent has two claims. Claim 1 is a chair having a seat and 3 legs. Claim 2 depends on claim 1 and recites arms. Only claim 1 is the subject of IPR. PO has pending CONs/DIVs covering chair with various combinations of other optional features.

PO loses because claim 1 anticipated over prior art patent that discloses chair with seat and 3 legs, but none of the other features.

## Hypothetical #1 cont'd

1. Can PO now claim chair with seat, 3 legs, plus one or more other features in CONs/DIVs? PO “could have” proposed these claims during IPR. Does it matter whether new claims included in CONs/DIVs prior to final PTAB decision?
2. There is no estoppel as to claim 2. Could PO claim a chair with seat, 3 legs, arms, and one or more other features in a CON/DIV?
3. Suppose PO filed a reissue application prior to PTAB decision with claims to various combinations of seat, 3 legs, and other features. Does reissue terminate upon issuance of final PTAB decision?
4. Any effect on already issued claims to such combinations?

## Hypothetical #2

Same facts as #1 but now petitioner loses—i.e. claim 1 found patentable over prior art patent that petitioner raised.

1. Suppose petitioner filed EPRx using different prior art before PTAB final decision issued. Does EPRx terminate?
2. Suppose after final decision, petitioner appeals to the Federal Circuit, and the Federal Circuit reverses the PTAB (ie claims are patentable). What happens next? Can petitioner still raise invalidity in district court?

# 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!



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