



Strategic Considerations in View of the USPTO's Proposed Rules

Part V: Derivation & Post Grant Review

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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
April 10, 2012	Inter Partes Review Part III: Post-Trial
April 17, 2012	Supplemental Examination
April 24, 2012	Derivation and Post Grant Review
May 8, 2012	Comparison

Agenda

- ❖ Derivation Proceedings
- ❖ Post Grant Review
 - Procedural Particulars
 - Comparison with Inter Parties Review
- ❖ Questions

Derivation Proceedings: Background

- ❖ Sec 3, §§ 135, 146, 291
- ❖ Takes effect on March 16, 2013
- ❖ Applies to claims with effective filing date after March 15, 2013 (first to file applications)
 - Interference proceedings remain as option for earlier applications
- ❖ “created to ensure that the first person to file the application is actually a true inventor”
- ❖ “will ensure that a person will not be able to obtain a patent for the invention that he did not actually invent”

Derivation Proceedings: The Petition

- ❖ Inventor must file an application to provoke derivation proceeding
- ❖ Inventor must also file a petition and pay fee
- ❖ Can be filed in PTO or U.S. District Court
 - PTO: must be filed within one year of publication of a claim to the derived invention (in U.S. patent application publication or PCT designating US)
 - U.S. District Court: must be filed within one year of issuance of the patent
- ❖ Substantial evidence of derivation must be submitted with petition
 - state with particularity the basis for finding that a named inventor in earlier application derived claimed invention from inventor named in petition and without authorization filed the application
 - “at least one affidavit addressing communication and lack of authorization”
 - Communication must be corroborated

Derivation Proceedings: The Details

- ❖ Director institutes proceeding if standards are met
 - not appealable
- ❖ PTAB determines if named inventor in earlier application derived invention from applicant named in petition
 - PTAB may correct inventorship
 - adverse decision on pending claims in application – final refusal
 - adverse decision on patent claims – cancellation
- ❖ Parties to proceeding can settle
 - settlement agreement to be filed with PTO
 - PTO “must take action consistent with the agreement”
- ❖ Parties can arbitrate
 - does not preclude Director from determining issues of patentability

Derivation Proceedings: Scheduling Order*

1. Respondent MAY file response to petition and motion to amend
 - if do not file anything, Respondent must arrange conference call with PTAB
2. Petitioner must file reply and opposition to amendment
3. Respondent files reply to opposition
4. Petitioner must file observation on the cross examination testimony of a reply witness; parties files motion to exclude evidence and request for oral argument
5. Respondent must file response to petitioner's observation; parties file oppositions to motions to exclude
6. Parties file replies to motions to exclude
7. Oral Argument

* Parties may stipulate to different dates for 1-5 but not later than 6

Resources For Derivation Proceedings

F&R websites

- General: <http://www.fr.com/Services/reexamination/post-grant/>
- Proposed rules governing post-grant: on web pages

USPTO sites & roadshow

- AIA Main: http://www.uspto.gov/aia_implementation/index.jsp
- Derivation: http://www.uspto.gov/aia_implementation/77fr7028nprm.pdf

Post-Grant Review: The Details

FR Applicability

- patents with a claim or claims having an effective filing date after first-to-file provisions take effect (i.e., after March 2013)

FR Availability

- any person (non-anonymous), other than the patent owner, may file a petition for PGR

FR Grounds

- 101, 112 (not best mode), 102 and 103 (based on any art)

FR Timing

- not later than 9 months after issuance or reissue of patent

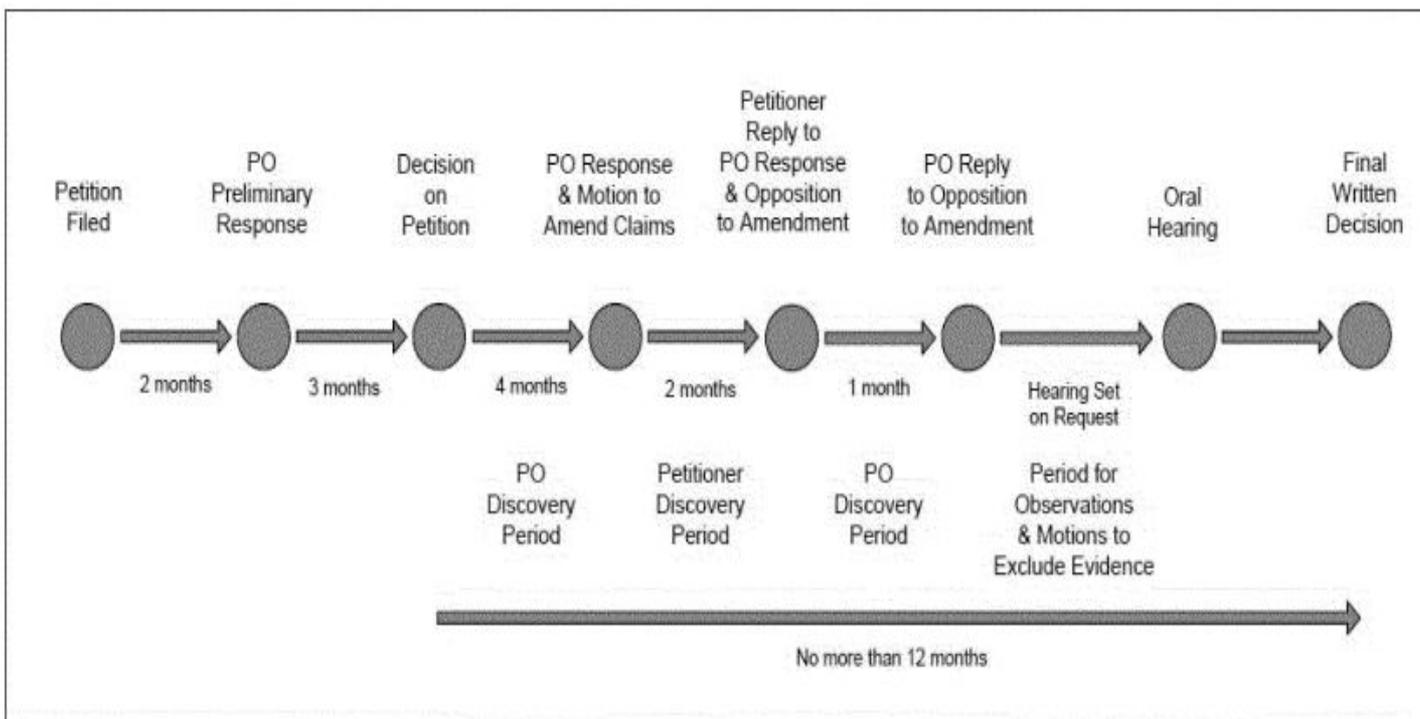
FR Threshold

- more likely than not that one claim is unpatentable

FR Estoppel

- raised or reasonably could have raised

Post Grant Review: 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 “more likely than not” 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
 - 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
- ❖ Petitioner Reply/Opposition & PO Reply
 - 15 Page Limit
 - 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
- Can request rehearing within 30 days (misapprehended or overlooked issue)
- 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



Post-Grant Review vs. Inter Partes Review

	Post-Grant Review (§321-329)	Inter Partes Review (§311-319)
What	<ul style="list-style-type: none"> patents with claims having effective filing date after first-to-file provisions take effect (i.e., after March 2013) 	<ul style="list-style-type: none"> available, for all patents, on and after September 16, 2012
When	<ul style="list-style-type: none"> Within 9 months of issuance or reissue of patent 	<ul style="list-style-type: none"> After 9 months of issuance or reissue of patent, BUT before civil allegation of invalidity, and not more than 1 year after being served
Basis	<ul style="list-style-type: none"> Any ground of invalidity 	<ul style="list-style-type: none"> Only prior art patents or printed publications
Threshold	<ul style="list-style-type: none"> <u>More likely than not</u> that at least 1 claim is unpatentable 	<ul style="list-style-type: none"> <u>Reasonable likelihood</u> that petitioner would prevail on at least 1 claim
Who	<ul style="list-style-type: none"> Any person, other than the patent owner; Must identify all real parties in interest 	
Phase-in	<ul style="list-style-type: none"> PTO may limit number of PGRs/IPRs for first 4 years after enactment (2011-2015) 	
Other procedures	<ul style="list-style-type: none"> Patentee may respond (deadline to be determined) PTO issues preliminary response w/in 3 months of patentee statement, or lapse of patentee's window Completion w/in one year after institution (+ six month extension for good cause) Limited discovery allowable (to be addressed by PTO regulations) Patentee may amend claims, but amendments cannot expand claims or add new matter Conducted by new Patent Trial & Appeal Board, and appealable to Federal Circuit Preponderance of the evidence (more likely than not) standard applies May be settled by parties 	
Estoppel	<ul style="list-style-type: none"> Raised or could have raised 	

PGR vs. IPR: Applicability

- ❖ **IPR:** available, for all patents, on September 16, 2012
- ❖ **PGR:** available for patents with claims having effective filing date after first-to-file provisions take effect (i.e., after March 2013)

PGR vs. IPR: Threshold

- ❖ **IPR:** reasonable likelihood that petitioner would prevail on at least 1 claim
- ❖ **PGR:** more likely than not that at least 1 claim is unpatentable

PGR vs. IPR: Basis

- ❖ **IPR:** can challenge issued patents based on §§ 102/103 but only on prior art patents and publications
- ❖ **PGR:** any ground of invalidity (§§ 101, 102, 103, 112 (not best mode)); not limited to patents/publications

Estoppel In PGR and IPR

- ❖ **At the PTO:** petitioner 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*
- ❖ **In civil actions:** the petitioner may not assert in a civil action that a reviewed *claim* is invalid on any ground that petitioner *raised or reasonably could have raised*

Estoppel In PGR and IPR

FR “... on any ground ... petitioner raised or reasonably could have raised”

- Greater potential impact in PGR v. IPR?
- Applicable to grounds raised but not adopted by PTAB?
- How far does “reasonably could have raised” extend the estoppel?
 - Not defined
 - Consider:
 - (a) prior art locatable via routine computer search
 - (b) non-English Ph.D theses in libraries of obscure universities
 - (c) publically available brochure (prior sale)

Expert Testimony

- ❖ When appropriate?
- ❖ Who to select?
 - Technical, industry, economics/sales

Discovery

- FR Deposition of experts/declarants
- FR Documents

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- PGR: <http://www.fr.com/reexam-services-post-grant-pgreview/>
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- PGR: http://www.uspto.gov/aia_implementation/77fr7060nprm.pdf

Questions?



Thank You!



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