

Post-Grant for Practitioners



FR

Part IV: Conducting Trials in the PTAB: Observations and Practice Tips

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Practice*

Agenda

- I. Overview of Webinar Series
- II. Statistics
- III. PTAB Trials
 - A. Multiple Proceedings
 - B. Motion Practice
 - C. Discovery Requests
 - D. Oral Hearing

I. Overview

Where? ... see invitation

How often? ... monthly

When? ... 2nd Wednesday

Topics? ...

Important decisions

Developments

Practice tips

FR FISH & RICHARDSON

Post-Grant Practice



Post-Grant for Practitioners:

A monthly series of webinars focusing on developments in post-grant proceedings and related practice tips

Part I: Inter Partes Review and Covered Business Method Patents - the First Five Months.

Wednesday, February 13, 2013
1:00 p.m. ET

Fish & Richardson's post-grant practice chairs are back with a new monthly series of webinars devoted to topics of interest in the emerging area of post-grant proceedings. Join them as they share their experiences, insights, and practice tips.

This first webinar will discuss the first five months of inter partes review and covered business method patents.

Speakers:

[Dorothy Whelan](#), Principal and Post-Grant Practice Co-Chair, Twin Cities

[Karl Renner](#), Principal and Post-Grant Practice Co-Chair, Washington, DC

Fish & Richardson will apply for 1.0 hour of general CLE credit in most states. If you would like to receive CLE credit, RSVP with your state bar information.

RSVP

If you have questions, please contact Tracey Spadavecchia at spadavecchia@fr.com.

I. Overview (con't)

- Housekeeping
 - CLE
 - Questions
 - Materials
 - 2012 Webinar series: <http://www.fr.com/post-grant-webinar-series/>
 - 2013 Webinar series: <http://www.fr.com/post-grant-for-practitioners/>

II. Statistics (IPR)

- IPR's Filed?
 - 224 filed through May 3rd
 - 27 filed in April
- Approaching discretionary limit of 250 filings
- Application of Threshold: Reasonable Likelihood of Success
 - IPR has been instituted in all but 1 IPR Petition evaluated
 - In a number of cases where IPR was ordered, it was on only a subset of petitioned claims

II. Statistics (CBM)

- **CBM's Filed?**
 - 21 filed through May 3rd
 - 4 filed in April
- **Application of Threshold: Reasonable Likelihood of Success**
 - CBM instituted in all but 3 CBM Petitions that were evaluated
 - In a number of cases, CBM was ordered on only a subset of petitioned claims

II. Statistics: Who is filing?

- By industry (IPR + CBM)
 - ~60% software or EE
 - ~20% mechanical
 - ~20% bio/chemical
- Most challenged patents anchor pending litigations

II. Statistics (Stays)

- Granted (8):
 - Bd. Of Trustees of the Univ. of Illinois v. Micron Tech., Inc. (C.D. Ill. Aug. 24, 2012);
 - Clearlamp LLC v. LKQ Corp. (N.D. Ill. Oct. 18, 2012);
 - Semiconductor Energy Lab Co., Ltd. v. Chimei Innolux Corp. et al. (C.D. Cal. Dec. 19, 2012);
 - Network-1 Sec. Solutions, Inc. v. Alcatel-Lucent USA Inc. et al. (E.D. Tex. March 5, 2013);
 - Bergstrom, Inc. v. Idle Free Sys., Inc. (N.D. Ill. Mar. 21, 2013);
 - Star Envirotech Inc. v. Redline Detection LLC (C.D. Cal. Apr. 3, 2013);
 - Achates Reference Pub., Inc. v. Symantec Corp. (E.D. Tex. Apr. 5, 2013);
 - Progressive Casualty Ins. Co. v. Safeco Ins. Co. of Ill. (N.D. Ohio Apr. 17, 2013)
- Denied (1):
 - SRAM, LLC v. HB Suspension Prods., LLC, (Mar. 7, 2013 N.D. Ill.)

III. PTAB Trials

- A. Multiple PTO Proceedings
- B. Motion Practice
- C. Discovery Requests
- D. Oral Hearing

A. Multiple Proceedings

1. IPR/IPRx
2. IPR/EPRx
- 3. Multiple IPR's (joinder)**

A. Multiple Proceedings

35 U.S.C. § 315 (c)

“JOINDER—If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes **review under section 314.**”

A. Multiple Proceedings

35 U.S.C. § 315(d)

“MULTIPLE PROCEEDINGS—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, **consolidation, or termination of any such matter or proceeding.”**

A. Multiple Proceedings

37 CFR § 42.122

Multiple proceedings and Joinder

“(a) Multiple proceedings. Where another matter involving the patent is before the Office, the Board may during the pendency of the inter partes review enter any appropriate order regarding the additional matter including providing for the stay, transfer, consolidation, or termination of any such matter.

(b) Request for joinder. Joinder may be requested by a patent owner or petitioner. Any request for joinder must be filed, as a motion under § 42.22, no later than one month after the institution date of any inter partes review for which joinder is requested. The time period set forth in § 42.101(b) shall not apply when the petition is accompanied by a request for joinder.”

A. Multiple Proceedings: IPR/IPRx

CBS Interactive et al. v. Helferich Patent Licensing, slip. op. IPR2013-00033
(PTAB Nov. 6, 2012)

- IPR petition filed 10/25/12 while IPRx was pending
- No overlap between claims being challenged in the two proceedings
- Independent claims challenged in IPRx; dependent claims challenged in IPR
- Some overlap re: grounds and prior art
- 5 IPR petitioners; 4 of the 5 also filed the IPRx
- PTAB *sua sponte* stayed IPRx

Multiple Proceedings: IPR/IPRx

CBS Interactive et al. v. Helferich Patent Licensing, slip. op. IPR2013-00033 (PTAB Nov. 6, 2012)

“Conducting the reexamination concurrently with the instant proceeding, however, would duplicate efforts within the Office and could potentially result in inconsistencies between the proceedings. Notably, since all of the challenged claims are depended from the reexamination claims directly or indirectly, the Patent Owner could amend the independent claims or other claims in the reexamination which in turn could change the scope of the challenged claims while the Board is conducting its review. Further, the patentability of all of the independent claims would be determined in both the instant proceeding and the reexamination based on the same grounds of unpatentability.”

Multiple Proceedings: IPR/EPRx

Invue Security Products Inc. v. Merchandising Technologies, Inc., slip. op.
IPR2013-00122 (PTAB April 2, 2013)

Timeline:

- 10/31/12: Patent Owner files Supplemental Examination Request
- 1/24/13: Petitioner files IPR petition
- 1/30/13: CRU grants Supplemental Examination Request; says EPRx will be ordered
- 3/20/13: Petitioner moves to stay Supplemental Examination
- 3/22/13: PTAB denies motion as moot because already granted
- 4/1/13: CRU orders EPRx
- 4/2/13: PTAB *sua sponte* stays EPRx before acting on IPR petition

A. Multiple Proceedings: IPR/EPRx

Invue Security Products Inc. v. Merchandising Technologies, Inc., slip. Op. IPR2013-00122 (PTAB April 2, 2013)

- Common claims (1-3 for EPRx; 1-6 for IPR)
- All EPRx references included in IPR

“Conducting the reexamination concurrently with this proceeding would duplicate efforts within the Office and could potentially results in inconsistencies between the proceedings. Notably, since claims 1-3 are the subject of both proceedings, the Patent Owner could amend those claims, which in turn could change the scope of the challenged claims while the Board is conducting its review. Further, the patentability of the three claims would be determined in both proceedings based on the same allegations of unpatentability.”

A. Multiple Proceedings: IPR/EPRx

Motorola Solutions, Inc. v. Mobile Scanning Technologies, LLC, slip. op.
IPR2013-00093 (PTAB Jan. 31, 2013)

Timeline:

- **11/23/12:** CRU grants Patent Owner's EPRx request
- 12/20/12: Petitioner files IPR petition and moves to join IPR and EPRx
- 1/31/13: PTAB denies petition for joinder and *sua sponte* stays EPRx before acting on IPR petition

A. Multiple Proceedings: IPR/EPRx

Motorola Solutions, Inc. v. Mobile Scanning Technologies, LLC, slip. op. IPR2013-00093 (PTAB Jan. 31, 2013)

- Same claims involved in both proceedings
- IPR petition included 1 reference that CRU rejected because it failed to raise an SNQ

“[W]e dismissed a Petition to join the inter partes review with the concurrent reexamination on the basis that joinder could complicate and delay the inter partes review. We also recognized that conducting the above identified reexamination concurrently with the inter partes review will duplicate efforts within the Office and could potentially result in inconsistencies among the proceedings.

The Board does not ordinarily stay a reexamination proceeding because, in the absence of good cause, reexaminations are conducted with special dispatch. However, a decision on whether to institute an inter partes review or a final written decision with respect to the patentability of the challenged claims in the inter partes review will likely simplify the **issues in the concurrent reexamination.”**

A. Multiple Proceedings: IPR/IPR

Microsoft Corp. v. Proxyconn, Inc., slip op. IPR2013-00109 (PTAB Feb. 25, 2013)

- Petitioner filed 2 IPR petitions against the same patent:
 - Petition #1 filed 9/18/12 (claims 1, 3, 10-12, 14, 22-24)
 - Petition #2 filed 1/11/13 (claims 6, 7, 9, 11, 12, 14)
- Stated purpose of 2nd petition was to address 2 additional claims newly asserted against Petitioner in co-pending litigation (claims 6 and 9)
- Complaint filed and served 11/4/11
- 2nd petition was filed > 1 year after service of complaint in litigation
- Prior art overlapped
- **Petitioner moved for joinder of 2 IPR's; Patent Owner did not object**
- PTAB granted motion

A. Multiple Proceedings: IPR/IPR

Microsoft Corp. v. Proxyconn, Inc., slip op. IPR2013-00109 (PTAB Feb. 25, 2013)

“Based upon the admitted facts and our own findings, supra, we have determined that this policy would best be served by granting Petitioner’s motion. The same patents and parties are involved in both proceedings. There is an overlap in the cited prior art. There is no discernible prejudice to either party. Petitioner has been diligent and timely in filing the motion. And while some adjustments to the schedule have been made necessary, there is not undue delay. In sum, the relevant factors of which we are aware all weigh in favor of granting this motion.”

A. Multiple Proceedings: IPR/IPR

Microsoft Corp. v. Proxyconn, Inc., slip op. IPR2013-00109 (PTAB Feb. 25, 2013)

- The PTAB also held that although the 2nd petition was filed after 1 **year of service and ordinarily would have been barred**, “the one-year time bar does not apply to a request for joinder. 35 U.S.C. § 315(b) (final sentence); 37 C.F.R. § **42.122(b)**.”
- Contrast “request” for joinder vs. filing of petition
- Implications?

A. Multiple Proceedings—Take Aways

- Trend is to stay co-pending **EPRx's** and **IPRx's** in favor of **IPR's**
- Desire to avoid inconsistent results and to maximize efficiency
- PTAB will stay *sua sponte* and before acting on IPR petition
- A petition filed > 1 year after service may not be barred if it is accompanied by a motion for joinder after the filing of a timely and co-pending IPR

B. Motion Practice

B. Scheduling conferences demystified

- B. Prepare to address any/all outstanding motions/petitions/issues
- C. Prepare to raise any concerns over the schedule proposed by the scheduling order
- D. At least 2 days prior, moving party must submit a motions list to the PTAB and opposing counsel of any contemplated/foreseeable motions

C. Other motions

- B. Expect to fully and verbally address issues for which motion is being sought during the conference call

c. Discovery Requests

- Recall, from *Garmin*, that the PTAB must authorize discovery beyond “routine discovery”
- 35 U.S.C. § 316(a)(5) and 37 C.F.R. § 41.51(b)(2): moving party must demonstrate that additional discovery sought is “in the interest of justice”
- *Garmin* reinforces the challenge of this standard

In *Garmin*, the PTAB sets forth a 5-part test for establishing “in the interest of justice”

“(1) More Than a Possibility and Mere Allegation—The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.

(2) **Litigation Positions and Underlying Basis**—**Asking for the other party’s litigation positions** and the underlying basis for those positions is not necessary in the interest of justice.

(3) Ability to Generate Equivalent Information By Other Means.

(4) Easily Understandable Instructions.

(5) **Requests Not Overly Burdensome to Answer.”**

- Factor #1 — “More Than a Possibility and Mere Allegation” is key
- Underscores limited nature of PTAB discovery vs. district court

“The Essence of Factor (1) is unambiguously expressed by its language, i.e., the ***requester of information should already be in possession of a threshold amount of evidence or reasoning tending to show beyond speculation that something useful will be uncovered.*** “Useful” in that context does not mean merely “relevant” and/or “admissible.” In the context of Factor (1), “useful” means favorable in substantive value to a contention of the party moving for discovery.”

- PTAB standards for threshold showing similar to standards for relevance of evidence in district court trial, not lower standard in district court for supporting a discovery request

- In fact, the PTAB’s high standards for “interest of justice” must be viewed in context of PTAB’s mandate to complete patent trials within 1 year of petition decision:

“[I]n *inter partes* review, discovery is limited as compared to that available in district court litigation. Limited discovery lowers cost, minimizes the complexity, and shortens the period require for dispute resolution. There is a one-year statutory deadline for completion of *inter partes* review, subject to limited exceptions. 35 U.S.C. § 316(a)(11); see also 37 C.F.R. § 42.100(c). What constitutes permissible discovery must be considered with that constraint in mind.”

- Recent decisions: A survey of the following motions for additional discovery shows conservative treatment of such motions, with a partial grant only once, and denial otherwise
 - IPR2013-00011, IPR2012-00006, IPR2012-00007 Petition for IPR by Illumina, Inc., (Request for additional discovery denied on January 9, 2013)
 - IPR2012-00001, Petition for IPR by Garmin International, Inc., (Request for additional discovery denied on March 5, 2013)
 - IPR2012-00026, Petition for IPR by Microsoft Corporation (Request for additional discovery denied on March 8, 2013)
 - IPR2013-00081, IPR2013-00080, Petition for IPR by Apple Inc., (Request for additional discovery denied on April 3, 2013)
 - IPR2013-00042, Petition for IPR by Synopsis (Request for additional discovery denied on April 25, 2013)
 - IPR 2013-0038, Petition by patent owner seeking discovery related to identification of the real parties-in-interest. (Granted in-part, April 26, 2013)

- Observation: In the absence of agreement, parties should assume that **only “routine discovery” will be available/permitted**
- Questions:
 - Even if parties agree, will PTAB still limit discovery to meet 1-year deadline?
 - Effect on overall cost vs. district court?
 - **Effect on petitioner’s choice of forum?**
 - Effect on timing of petition relative to co-pending district court litigation?

D. Oral Hearing

- *SAP v. Versata*: first oral hearing in front of PTAB (CBM2012-00001)
- No live testimony
- Hearing limited to attorney argument and response
- Aggressive questioning by lead PTAB judge
- Similar to conventional oral arguments before BPAI
- Panel attention focused on issues raised in pre-hearing briefs
- Willingness to focus on details and precise claim language

- In our initial 7-part webinar series titled “Challenging Patent Validity in the USPTO,” we explored details regarding several of the post grant tools, with 3 sessions dedicated to Inter Partes Review (IPR), and a final session walking through several hypotheticals, to help listeners understand how these apply to common situations.
- Audio and slides for these webinars are posted online at:
<http://www.fr.com/post-grant-webinar-series/>
- If you listen to these webinars, you will be well positioned to engage in a conversation over whether and when to use those tools and how to defend against them.

Resources

- F&R web sites:
 - Post-Grant for Practitioners: <http://www.fr.com/post-grant-for-practitioners/>
 - General: <http://www.fr.com/post-grant-practice/>
 - IPR: <http://www.fr.com/reexam-services-post-grant-ipreview/>
 - PGR: <http://www.fr.com/reexam-services-post-grant-pgreview/>
 - Rules governing post-grant: <http://www.fr.com/post-grant-practice/>
- USPTO sites:
 - AIA Main: http://www.uspto.gov/aia_implementation/index.jsp
 - Inter Partes: http://www.uspto.gov/aia_implementation/bpai.jsp

Questions?



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