

# Post-Grant for Practitioners



FR

## Part VII: Inter Partes Review from the Patent Owner's Perspective



Karl Renner & Dorothy Whelan  
*Principals and Co-Chairs of Post-Grant  
Practice*

FISH & RICHARDSON

*Webinar Series*  
August 14, 2013

## Agenda

- I. Overview of Webinar Series
- II. Statistics
- III. IPR from the Patent Owner's Perspective
- IV. Introduction of New Website

## I. Overview

Where? ... see invitation

How often? ... monthly


When? ... 2<sup>nd</sup> 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](mailto:spadavecchia@fr.com).

**FR FISH & RICHARDSON**

## I. Overview (con't)

- Housekeeping
  - CLE
  - Questions
  - Materials
    - 2012 & 2013 Webinar series: <http://fishpostgrant.com/webinars/>

## II. Statistics (IPR)

- IPR's Filed?
  - 412 filed through August 9th
  - 69 filed in July
- Exceeds discretionary limit of 250 filings
- Application of Threshold: Reasonable Likelihood of Success
  - IPR has been instituted in almost all petitions evaluated
  - In many cases where IPR was ordered, it was on only a subset of petitioned claims
  - BUT in the last month there have been a number of IPR petitions denied in full.

- Recently, the PTAB denied IPR petitions in the following 5 proceedings:
  1. IPR 2013-00319
  2. IPR 2013-00125
  3. IPR 2013-00386
  4. IPR 2013-00386
  5. IPR 2013-00144

In some of these proceedings, the Patent Owner failed to propose claim constructions or failed to submit an expert declaration. However, in IPR 2013-00144, the Patent Owner did both and the PTAB still denied the petition.

Take-away: The PTAB is scrutinizing the initial petition very carefully.

## II. Statistics (CBM)

- CBM's Filed?
  - 40 filed through August 9th
  - 3 filed in July
- Application of Threshold: Reasonable Likelihood of Success
  - CBM instituted in vast majority of 3 CBM Petitions that were evaluated
  - In a number of cases, CBM was ordered on only a subset of petitioned grounds and/or claims

## II. Statistics (Stays)

### Granted (36):

- Bd. Of Trustees of the Univ. of Illinois v. Micron Tech., Inc. (C.D. Ill. );
- Clearlamp LLC v. LKQ Corp. (N.D. Ill.);
- Semiconductor Energy Lab Co., Ltd. v. Chimei Innolux Corp. et al. (C.D. Cal.);
- Network-1 Sec. Solutions, Inc. v. Alcatel-Lucent USA Inc. et al. (E.D. Tex.);
- Bergstrom, Inc. v. Idle Free Sys., Inc. (N.D. Ill.);
- Star Envirotech Inc. v. Redline Detection LLC (C.D. Cal.);
- Achates Reference Pub., Inc. v. Symantec Corp. (E.D. Tex.);
- Progressive Casualty Ins. Co. v. Safeco Ins. Co. of Ill. (N.D. Ohio);
- Capriola Corp. v. Larose Industries, LLC (M.D. Fl.);
- Trustees of Columbia University in the City of New York v. Illumina, Inc. (D.Del.);
- ComplementSoft, LLC v. SAS Institute, Inc. (N.D. Ill.);
- Centria v. ATAS International, Inc. (W.D. Pa);
- Prolitec, Inc. v. ScentAir Technologies, Inc. (E.D. WI);
- Escort Inc. v. K-40 Electronics, LLC (S.D. Ohio);
- AutoAlert, Inc. v. Dominion Dealer Solutions, LLC (C.D. Cal.);
- Nutech Ventures v. Norman Noble, Inc. (N.D. Ohio);



**Granted (36) (cont'd):**

- Pi-NET International, Inc. v. The Hertz Corp. (C.D. Cal);
- Cutsforth, Inc. v. LEMM Liquidating Co., (D. Minn.);
- Grobler v. Apple Inc. (N.D.Cal.) (granted in part);
- Cheetah Omni, LLC v. USA (COFC);
- Merck v. Macoven Pharmaceuticals et al. (E.D. Tex.);
- Fiber, LLC v. Ciena Corporation, et al, (D. Col.)
- Coprecitec, S.L. et al v. The Brinkmann Corp., (N.D. GA)
- Grobler v. Sony Computer Entertainment America LLC (N.D. Cal)
- Bennett Regulator Guards, Inc v. Atlanta Gas Light Company, et al (N.D. OH)
- Uniloc USA, Inc. et al. v. Distinctive Developments Ltd. (E.D. Tex.)
- In re: Bear Creek Technologies Patent Litigation (D. Del.)
- Walker Digital v. Microsoft (D. Del.)
- E-Watch, Inc. v. FLIR Systems, Inc. (S.D. TX)
- CTP Innovations LLC v. Waldsworth Publishing (M.D. Ten)
- CTP Innovations LLC v. Textile Printing Company (M.D. Ten)
- CTP Innovations LLC v. MPI Label Systems (M.D. Ten)
- CTP Innovations LLC v. American Printing Company (M.D. Ten)
- CTP Innovations LLC v. Jet Printing, LLC (M.D. Ten)
- CTP Innovations LLC v. Magna IV Color Imaging(M.D. Ten)
- E-Watch, Inc. v. ACTi Corporation (W.D. TX)

**Denied (16):**

- SRAM, LLC v. HB Suspension Prods., LLC, (N.D. Ill.);
- Everlight Electronics Inc. v. Nichia Corp. (E.D. MI);
- Universal Electronics v. Universal Remote Control Inc. (C.D. Cal.);
- General Electric Co. v. Vibrant Media, Inc. (D. Del.);
- One StockDuq Holdings, LLC v. Becton Dickinson and Co. (W.D. Tenn.)
- Automatic Manufacturing Systems, Inc. v. Primera Technology, Inc. (M.D. FL);
- E-Watch , Inc. v. Mobotix Corp. (W.E. Tx) (denied in part);
- Warsaw Orthopedic Inc. v. NuVasive Inc. (S.D. Cal.);
- National Oilwell Varco, LP v. Omron Oilfield & Marine, Inc. (W.D. Tex);
- Ariosa Diagnostics, Inc. v. Sequenom, Inc. (N.D. Cal.);
- Davol, Inc. v. Atrium Medical Corp. (D.Del.);
- National Oilwell Varco, LP v. Pason Systems USA Corp. (W.D. Tex);
- Trustees of Boston University v. Everlight Electronics Co., Ltd., et. al. (D. MA);
- Whalen Furniture Mfg., Inc. v. Z-Line Designs, Inc. (S.D. Cal);
- John Mezzalingua Associates, Inc. v. Corning Gilbert, Inc. (N.D. NY);
- Derma Sciences, Inc. et al v. Manukamed Ltd. et al. (N.D. NJ).

## II. Statistics (Stays)

### Factors considered in denying requests for stays:

- Premature (IPR not ordered);
- Advanced stage of district court case;
- Undue prejudice to patent owner

## II. Statistics (Stays)

Compare:

- (1) *e-Watch v. FLIR Systems, Inc.* (S.D. Tex.): Defendant requested stay on the basis of IPR petition filed by third party. Court granted motion on the condition that Defendant agree to be bound by IPR estoppel provisions.
- (2) *e-Watch v. AcTi* (W.D. Tex.): Same fact pattern. Stay granted without conditions. “It is not necessary for [defendant] to be a party to IPR proceedings for the USPTO’s substantive decisions in reexamination proceedings to have an effect of the patent issues to be litigated in this case.”

### III. IPR from the Patent Owner's Perspective

#### **Important Dates:**

1. Mandatory Notices: 21 days after service of petition.
2. Patent Owner's Preliminary Response: *3 mos.* after petition filed.
3. Patent Owner's Opposition: *3 mos.* after petition granted.

## Mandatory Notices (§ 42.8)

- Identify real party in interest.
- Identify related matters.
- Designate lead and back-up counsel.
  - Lead counsel must be a registered practitioner.
  - Pro hac can be used to designate backup counsel. Watch protective order issues, particularly due to amendment opportunities.
- Provide service information.
  - Consider providing an e-mail address so that service can be effected electronically.

## Preliminary Response (§ 42.107)

- 60 page limit.
- No new testimonial evidence. “New” means created specifically for the proceeding.
  - Consider deposition transcripts, trial transcripts, expert reports, etc. from other proceedings.
- No claim amendments. However, Patent Owner can cancel claims.
- Potentially a powerful tool for the Patent Owner to eliminate grounds or defeat entire petition.

## Preliminary Response (cont'd)

- Jurisdiction Challenges
  - Was Petition filed > 1 year after service of a complaint for infringement?
  - Did petitioner file a declaratory judgment complaint prior to petition?
  - Real party in interest/privity: does estoppel apply?



## Preliminary Response (cont'd)

- Claim construction challenges
  - Are there claim constructions that would be dispositive with respect to at least one alleged ground?
    - Did the petitioner offer any claim constructions of critical terms?
    - Did the petitioner offer any evidence to support its claim constructions?
  - Does any other evidence (e.g., documents from other proceedings such as trial transcripts, expert reports, deposition transcripts, etc.) exist to rebut petitioner's claim constructions or support patent owner's claim constructions?

## Preliminary Response (cont'd)

- Substantive Grounds
  - Select grounds for which expert testimony is not necessary for success:
    - Combinations that, on their face, will not work
    - Combinations that, if made, would still lack a claim element
  - Tactical considerations
    - Consider refraining from attacking grounds that would be materially stronger with expert testimony support
    - Consider accelerating challenges that might be materially weakened through petitioner rebuttal or further expert evidence
    - Consider impact of providing petitioner an additional 5 months to prepare rebuttal arguments/evidence

## Preliminary Response (cont'd)

- Redundancy

*Liberty Mutual Insurance Co. v. Progressive Casualty Insurance Co.*, slip op. CBM2012-00003 (PTAB Oct. 25, 2012)

- Horizontal Redundancy

- PTAB Explanation: “All of the myriad references relied on provide essentially the same teaching to meet the same claim limitation, and the associated **arguments do not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, and vice versa.**”

- Examples

- Assume references A, B, and C are addressed in the petition
- Horizontal redundancy:
  - Claim 1 is rendered obvious by each of A+B and A+C
  - Claim 1 is anticipated by each of B and C

## Preliminary Response (cont'd)

- Redundancy
- Vertical Redundancy
  - PTAB explanation: “there is assertion of an additional prior art reference to support another ground of unpatentability when a based ground already has been asserted against the same claim without the additional reference and the Petitioner has not explained what are the relative strength and weakness of each ground.”
  - Examples
    - Assume references A and B are addressed in the petition
    - Vertical redundancy exists if claim 1 is rejected based on each of A and A+B
    - **To gain consideration of each, must explain why each is needed**

## Preliminary Response (cont'd)

#fishwebinar

- Consider requesting that the PTAB deny certain grounds because they are redundant; justifications:
  - Simplify trial;
  - Increase chances of overall success;
  - Lower costs.

Try to differentiate among grounds presented and tactically reduce redundant grounds.

## Preliminary Response (cont'd)

Should you cancel claims at this stage?

- How solid is the challenge raised in the petition?
- In defending the claims, do you risk making arguments that could undermine infringement positions and/or other patentability positions?
- Do you risk credibility by defending the claims?

## Scheduling Conference

- Generally occurs within one month of institution of review
- Authorization for motions obtained during scheduling conference
  - Parties must identify motions then knowable
- Timing varies, case by case: only opportunity to adjust
- Consider signaling any intended amendments, if known

**NY CLE Code: 819**

## Amendments

- Patent owner may, by right, only file one motion proposing a “reasonable number” of substitute claims
- Additional motion to amend only allowed upon
  - (1) joint request of patent owner and petitioner, or
  - (2) demonstration by patent owner of “good cause”
- Substitute claims may not broaden scope of original claims
- Amendments must respond to a ground of patentability at issue in trial
- Petitioner may challenge amendments
- Consider dropping weak dependent claims to make room for better claims



## Objective Evidence of Nonobviousness

- If it exists, submit, despite low likelihood of success prior to CAFC, as it could help on appeal.
- *Leo Pharmaceutical Products Ltd. v. Rea*, No. 2012-1520, slip op. (Fed. Cir. Aug. 12, 2013)
  - Inter partes reexam. PTAB found claims unpatentable as obvious. Federal Circuit reversed.
  - “[B]ecause the Board incorrectly found the claimed invention would have been obvious in view of the prior art and incorrectly weighed the objective indicia of nonobviousness, this court reverses the Board’s obviousness determination.”

## General Strategic Considerations

### Identification of Experts:

- Same or different from trial expert?
- Company employees?
- Consider costs and timing of depositions, credibility of witness, impact on evidence in co-pending dispute, and cost.

### Other considerations:

- No live testimony: live presentation less important than in litigation
- Consider status at the time of the invention (definitions, combinability)

## Objectives in Deposing Petitioner's Expert

- Undermine credibility of the petitioner and their expert
- Undermine positions taken by petitioner
- Opportunity to create evidence through the mouth of the petitioner's deponent
  - For purposes of IPR
  - For purposes of co-pending dispute
  - Particularly powerful if petitioner's deponent is a company employee or inventor
- Note: Consider using experienced post-grant counsel for strategy and PTAB submissions while using experienced trial litigator for taking depositions

## Deposition of your Expert


- Limit affidavit to limit deposition & rebuttal testimony?
  - Recall: IPR depositions treated as cross-examinations, and rebuttal limited to issues presented in patentee response
  - Consequently, limit scope of affidavit to:
    - (1) limit exposure of your expert , and
    - (2) Limit opportunity for petitioner to offer additional discovery

## IV. New Website

### Post-Grant for Practitioners:

- <http://fishpostgrant.com/>
- Descriptions of each proceeding
- Links to final rules and practice guide (soon searchable integrated text)
- Familiar proceeding timeline and table comparing proceedings
- Embedded video and/or audio recordings of all of our post-grant webinars
- Periodic tips and other content and resources

<a href="#">INTER PARTES REVIEW</a>	<a href="#">COVERED BUSINESS METHOD</a>	<a href="#">POST-GRANT REVIEW</a>	<a href="#">EX PARTE REEXAMINATION</a>	<a href="#">SUPPLEMENTAL EXAMINATION</a>	<a href="#">COMPARE ALL</a>
-------------------------------------	---	-----------------------------------	--	--	-----------------------------



# Engineering pedigree: The key to Fish's partnership with Perceptive Pixel

[LEARN MORE](#)

## Biographies

Meet our post-grant team and learn more about our experience with proceedings at the USPTO

[Learn More](#) | [Contact Us](#)

## Latest News

[Patent Trial and Appeal Board Final Hearing in Inter Partes Review IPR2012-00001](#)  
Available via Audiocast

[View All News](#)

## Webinars

[Register now](#) for the next session in our [Post-Grant for Practitioners](#) webinar series, or view archived webinars

[View Webinars](#)

## Testimonials

Discover why companies turn to Fish to handle their post-grant proceedings

[View Testimonials](#)

- 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://fishpostgrant.com/webinars/>
- 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://fishpostgrant.com/webinars/>
  - General: <http://fishpostgrant.com/>
  - IPR: <http://fishpostgrant.com/inter-partes-review/>
  - PGR: <http://fishpostgrant.com/post-grant-review/>
  - Rules governing post-grant: <http://fishpostgrant.com/>
- USPTO sites:
  - 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?



Dorothy Whelan  
Principal, Twin Cities  
[whelan@fr.com](mailto:whelan@fr.com)  
612.337.2509



Karl Renner  
Principal, DC  
[renner@fr.com](mailto:renner@fr.com)  
202.626.6447

Special thanks to Tom Rozylowicz, David Holt, Andrew Patrick, and Josh Pond.

© Copyright 2013 Fish & Richardson P.C. These materials may be considered advertising for legal services under the laws and rules of professional conduct of the jurisdictions in which we practice. The material contained in this presentation has been gathered by the lawyers at Fish & Richardson P.C. for informational purposes only, is not intended to be legal advice and does not establish an attorney-client relationship. Legal advice of any nature should be sought from legal counsel. Unsolicited e-mails and information sent to Fish & Richardson P.C. will not be considered confidential and do not create an attorney-client relationship with Fish & Richardson P.C. or any of our attorneys. Furthermore, these communications and materials may be disclosed to others and may not receive a response. If you are not already a client of Fish & Richardson P.C., do not include any confidential information in this message. For more information about Fish & Richardson P.C. and our practices, please visit [www.fr.com](http://www.fr.com).