

# America Invents Act (AIA) Post-Grant Proceedings

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# What is included in Post-Grant Reform in the U.S.?

- Some current procedures are modified and some new ones have been put in place
- Re-examination
  - *Ex Parte*
  - *Inter Partes*
- Post-Grant Review
- Inter Partes Review
- Supplemental Examination

# Overview of Presentation

- Discuss new rules
- Discuss the differences in substance and procedure between historic processes and new processes
- Overview of Supplemental Examination
- Overview of Inter Partes Review
- Overview of PGR
- Overview of Trial Practices
- Concerns, Strategies, Final Thoughts

# Various Post-Grant Proceedings modified under AIA

- *Ex parte* reexamination
  - **Modified** by AIA Sec. 6(h)(2)
  - Continue to be available under AIA
- *Inter partes* reexamination
  - **Modified** by AIA Sec. 6(c)
  - Phasing out
- *Inter partes* review
  - **New** under AIA Sec. 6(c)
  - Will replace *inter partes* reexams, but there will be overlap for years
- Post-grant review
  - **New** under AIA Sec. 6(d)
- Supplemental examination
  - **New** under AIA Sec. 12

# *Ex Parte* Reexamination

- Existing procedures remain in place
- No substantive changes
- Substantial new question of patentability remains the standard in *ex parte* reexamination
- Right of appeal to the district court is removed
- Estoppel: none
- May arise due to supplemental examination (discussed next)

# Supplemental Examination

- Originally intended as a mechanism for patentees to potentially eliminate inequitable conduct allegations
  - In light of *Therasense*, there may only be limited applicability of the new procedure for its originally intended purpose
  - Must be filed / concluded before civil action defense raised
- A patent owner may request that the PTO consider, reconsider, or correct information believed to be relevant to the patent (101, 112, 102, 103)
  - Each request limited to 10 items of information
- PTO must promptly decide whether the information raises a substantial new question of patentability
- If substantial new question of patentability is raised, PTO will place the patent into *ex parte* reexamination

# Supplemental Examination

- Supplemental Examination request must:
  - Identify patent at issue
  - Provide list of items of information for consideration (limited to 10 per request)
  - Identify aspect to be examined
  - Explain issues raised by and relevance of each item identified
  - Include payment of Supp. Ex. fee and *ex parte* reexamination fee
    - Partial refund of fees if *ex parte* reexamination not ordered

# Supplemental Examination

- PTO shall address each SNQ of patentability identified during the supplemental examination
  - Unlike normal *ex parte* reexamination, there is no limit on issues that can be raised in supplemental examination
  - Provides a way to initiate an *ex parte* reexamination for issues relating to ***non-publication prior art*** (e.g., “public use,” “on sale,” Section 112 issues, etc.)
    - Any information believed to be relevant to the patent that goes beyond the limits of a printed publication or patent under normal *ex parte* reexamination



# Supplemental Examination

- Supplemental examination provisions including changes to *ex parte* reexamination are effective September 16, 2012
- Retroactive application to any patent issued before, on, or after the effective date

# Supplemental Examination

- If such disclosure of information is made, this information cannot be a basis for inequitable conduct defense in litigation
- Mere availability of supplemental examination cannot be a factor for a finding of inequitable conduct
  - In case patentee does not avail itself of this procedure

# *Inter Partes* Review

- Purpose
  - Replaces “*inter partes* reexamination”
  - Intended to be a relatively quick proceeding for challenging a patent’s validity in the Patent Office
- Effective September 16, 2012 (1 year after AIA date of enactment)
- Scope
  - Petitioner may institute review on grounds of prior art that could be raised under sections 102 or 103 on the basis of patents or printed publications
  - Filing Deadline
  - Petition shall be filed after the later of either:
    - The date that is 9 months after the grant of a patent or issuance of a reissue of a patent;  
or
    - If a post-grant review is instituted, the date of termination of such post-grant review

# *Inter Partes* Review

- Petition must:
  - Include Fee (proposed US\$23,000 for 20 or fewer challenged claims, \$14,000 refunded if petition is denied)
  - Identify of all real parties in interest
  - Establish standing
    - patent available for IPR, and
    - petitioner not estopped from requesting IPR
  - Identify claims challenged
  - May be fewer than total number of claims, but fees include non-challenged intervening claims
  - Define how the claims are to be construed
  - Include grounds on which each claim is challenged, with supporting evidence, including any supporting affidavits or declarations
  - Indicate petition served upon patent owner (and serve)
- One month time frame to correct defective petition

# *Inter Partes* Review

- Patent owner may optionally file a preliminary response to persuade the Director not to grant the petition IPR
  - Within a time period set by the PTO
    - proposed as 2 months from date of notice that request to institute IPR has been given a filing date (issued when request meets all requirements)
  - Optional – may choose to not respond without negative inference
  - To advance proceedings, may file paper stating no preliminary response to be filed
  - May *not* submit new testimony evidence
    - May be filed later if IPR instituted
  - *May* request discovery before filing preliminary response
    - Such as with respect to petitioner standing and other facts asserted in the petition for IPR.
  - May *not* file any amendments to the claims
    - Exception is filing of statutory disclaimer of one or more claims, for which no IPR will be instituted

# *Inter Partes* Review

- New elevated threshold to initiate *inter partes* review
- Must show a “reasonable likelihood that the requester will prevail with respect to at least 1 of the claims challenged in the request”
  - Higher than previous “substantial new question of patentability” (SNQ) threshold in *inter partes* reexamination
- Petitioners must present information showing that their challenge has a “reasonable likelihood of success”
  - H.R. Rep. No. 112-98 (Part 1), at 47.
- Satisfaction of this threshold is assessed based on the information presented both in the petition for the proceeding and in the patent owner’s preliminary response to the petition, if filed.

# What We Know About the New Standard

- So far, PTO has been granting *inter partes* reexamination requests under likelihood of success standard at roughly the same rate
  - Is the change more form than substance?
- The PTO does seem to be requiring more information in the original petition request'
  - Many of the rejections have included request for additional information to be provided

# *Inter Partes* Review

- *Inter partes* review is a *trial* conducted by the Patent Trial and Appeal Board (PTAB)
  - Procedures are conducted by administrative patent judges
  - Limited discovery allowed with respect to stated facts
  - In contrast to the Central Reexam Unit, which used patent examiners for *inter partes* reexaminations
  - PTAB replaces Board of Patent Appeals and Interferences (BPAI)
  - Sanctions available
- Preponderance of the evidence standard
  - Petitioner has the burden of proving a proposition of unpatentability by a preponderance of the evidence to win *inter partes* review



# *Inter Partes* Review

- After IPR instituted:
  - Patent owners may be permitted to amend claim without enlarging the claim scope or introducing new matter
    - May file one motion to amend as a matter of right
      - Motion entered if timely and complies with procedural requirements
      - Entry of motion does not automatically result in entry of the proposed amendment
  - Additional motions to amend require prior Board authorization
    - Must demonstrate good cause
    - Timeliness, impact on proceedings, and additional burden on petitioner considered
    - May be permitted upon a joint request of patent owner and petitioner to advance settlement
  - Limited discovery is permitted
    - Opportunity to cross-examine any affiant or declarant relied upon by either party

# *Inter Partes* Review

- After IPR instituted (cont'd):
  - Oral hearings are available to either party
  - Protective orders are provided for governing the exchange and submission of confidential information
  - Any petition or document filed with the intent that it be sealed shall, if accompanied by motion to seal, be treated as sealed pending the outcome of the ruling on the motion
  - Petitioner may submit supplemental information
    - Will not be considered with respect to instituting IPR
    - Request to submit supplemental information must be filed within one month of institution of IPR

# *Inter Partes* Review

- Final written determination must be issued by PTAB no later than 1 year from institution of the review
  - Extendable by an additional 6 months upon showing of good cause
  - May be terminated upon joint request of petitioner and patent owner, unless Office has decided the merits before such request
  - Settlement agreement
  - No estoppel attaches to either party
- A party may appeal final written decision to the Federal Circuit

# *Inter Partes* Review

- An *inter partes* review will not be instituted if petitioner has already filed a civil action (e.g., declaratory judgment) challenging the patent
  - Counterclaim does not count
- If petitioner files a civil action after petitioning for *inter partes* review, the civil action will be stayed until one of the following events:
  - Patent owner moves to lift the stay
  - Patentee files infringement action or counterclaim
  - Petitioner moves to dismiss the action
- May not file an *inter partes* review if petition filed more than **1 year** after a complaint for infringement was filed

# *Inter Partes* Review

- New estoppel
- “Raised or reasonably could have raised” estoppel applies to:
  - Other USPTO proceedings
    - May not “request or maintain” the proceeding on that basis
  - Civil action and ITC proceedings
    - May not “assert” that the claim is invalid on that basis
  - Estoppel attaches only upon final written decision

# *Inter Partes* Review

- Intervening rights
  - Any proposed amended or new claim determined to be patentable and incorporated into a patent following an *inter partes* review may give rise to intervening rights
  - Intervening rights may apply to any person who made, purchased, or used within the United States, or imported into the United States anything patented by such proposed amended or new claim, or who made substantial preparation therefore, before issuance of a certificate for *inter partes* review

# Synopsys v. Mentor Graphics

- Synopsys filed a petition to institute *inter partes* review of U.S. Patent 6,947,882
- '882 Patent concurrently involved in district court litigation
- The '882 Patent generally relates to systems for emulating integrated circuit designs

# Synopsys v. Mentor Graphics

- Key clause: “wherein clocking of the second time multiplexed interconnection is independent of clocking of the first time multiplexed interconnection.”
- Claim construction: Petitioner argues “independent clock signal” = “asynchronous clock signal”
- Patent Owner disagrees and asserts that “independent” = “not affiliated with a larger controlling unit”
- All cited references asserted in petition were the same or substantially the same as in prosecution



# Synopsys v. Mentor Graphics

- Challenged on Anticipation and Obviousness
- Prior art generally discloses capability to use different clocks
- None explicitly disclose using different *independent* signals simultaneously
- Board declines to institute *inter partes* review based on anticipation

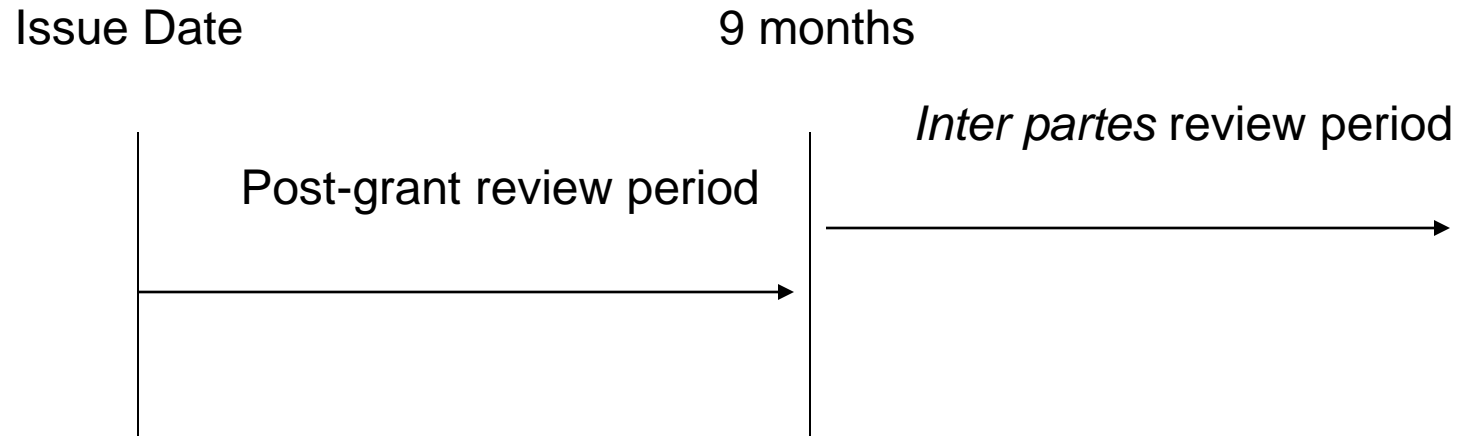
# Synopsys v. Mentor Graphics

- Petitioner asserts that to the extent that the '882 patent is not anticipated, it would be obvious to a person of ordinary skill
- Petitioner fails to clearly explain reasoning
- Board **declines** to institute *inter partes* review on the basis of the petition

# Post-Grant Review

- Available for patents issued from *applications*
  - having at least one claim with an effective filing date on or after March 16, 2013, or
  - a specific reference under 120, 121, or 365(c) to any patent or application containing or contained at any time such a claim.
- Third party may request a post-grant review proceeding to invalidate a patent on grounds for conditions of patentability
  - 101 - Patentable Subject Matter
  - 102 – Novelty
  - 103 – Obviousness
  - 112 - Invalidity based on failure to comply with any requirement of section 112, first paragraph (written description and enablement, not best model)
- Post-grant review is only available in the **9-month period** after
  - a patent issues
  - a patent reissues
    - but only for claims not identical or narrower than originally issued (e.g., for a broadening reissue patent issuing after original 9-month window)

# Post Grant Review – Timeline



Post-grant review – available only during period immediately after patent issues

*Inter partes* review – available after post-grant review throughout life of patent

# Post-Grant Review

- Petition must:
  - Include Fee \$30,000 with \$18,000 refunded if petition is denied.
  - Identify of all real parties in interest
  - Establish standing
    - patent available for PGR, and
    - petitioner not estopped from requesting PGR)
  - Identify claims challenged
    - May be fewer than total number of claims, but fees include non-challenged intervening claims
  - Define how the claims are to be construed
  - Include grounds on which each claim is challenged, with supporting evidence, including any supporting affidavits or declarations
  - Indicate petition served upon patent owner (and serve)
  - Meet proposed page limit requirements
    - 25 pages per ground of challenge (101 and 112 overlap may result in a single ground / combined motion)
    - Only three motions for unpatentability allowed per request (70 pages total)

# Post-Grant Review

- Petition must
  - Demonstrate that it is “more likely than not” that at least one claim of the challenged patent is unpatentable

OR

- Raise a novel or unsettled legal question that is important to other patents or patent applications

# Post-Grant Review

- Patent owner may optionally file a preliminary response to persuade the Director not to grant the petition PGR
  - Within a time period set by the PTO
    - proposed as 2 months from date of notice that request to institute PGR has been given a filing date (issued when request meets all requirements)
  - Optional – may choose to not respond without negative inferences
    - To advance proceedings, may file paper stating no preliminary response to be filed
  - May not submit new testimony evidence
    - May be filed later if PGR instituted
  - May request discovery before filing preliminary response
    - Such as with respect to petitioner standing and other facts asserted in the petition for PGR.
  - May not file any amendments to the claims
  - Exception is filing of statutory disclaimer of one or more claims, for which no PGR will be instituted
    - May propose a reasonable number of substitute claims that do not enlarge the claim scope or introduce new matter.

# Post-Grant Review

- Director shall make a determination on whether to institute post-grant review within 3 months after the earlier of:
  - Date patentee files preliminary response or waiver
  - Time for filing response has passed
- Final determination shall be made no later than **one year** after the date on which Director notices the institution of the proceeding
  - May be extended by no more than six additional months for good cause



# Post-Grant Review

- Post-grant review will not be instituted if petitioner has already filed a civil action (*e.g.*, a DJ) challenging the patent
  - Counterclaim does not count
- If petitioner files action after petitioning for post-grant review, the action will be stayed until one of the following events:
  - Patent owner moves to lift the stay
  - Patentee files infringement action or counterclaim
  - Petitioner moves to dismiss the action

# Post-Grant Review

- *PGR* is a *trial* conducted by the Patent Trial and Appeal Board (PTAB)
  - Proceedings similar to IPR discussed above
  - Procedures are conducted by administrative patent judges
  - Limited discovery allowed with respect to stated facts
  - Must file motions to amend
  - Sanctions available
  - Burden is on moving party
  - Page limits proposed for all motions, petitions, oppositions, and replies
- Preponderance of the evidence standard
  - Petitioner has the burden of proving a proposition of unpatentability by a preponderance of the evidence to win Post-Grant Review

# Post-Grant Review

- Preliminary Injunctions
  - If civil action is filed within 3 months after patent issue date:
    - Court may not stay consideration of patentee's motion for preliminary injunction on basis that post-grant review petition has been filed at USPTO
- No claim amendments as of right
  - Amendments to claims may be made pursuant to motion filed by patent owner
  - May propose “reasonable number” of “substitute claims”
    - Cannot enlarge scope or add new matter
  - Additional motions may be made:
    - Upon joint request by patent owner and petitioner; or
    - Upon the request of the patent owner for good cause shown
- Affidavits and declarations may be used to introduce factual evidence & expert opinions
- Intervening Rights
  - Adopts intervening rights effects of Section 252 (for reissue)

# Post-Grant Review

- Multiple Petitions may be:
  - Consolidated into a single post-grant review proceeding
  - Refused, such as a second petition for post grant review may be denied if:
    - the “same or substantially the same” arguments are made
    - Arguments were raised or reasonably could have been raised in first petition
    - Estoppel based on same issues addressed in certain civil actions and ITC proceedings.

# Post-Grant Review

- Post-grant review proceedings may be terminated:
  - Upon joint request of the petitioner and patent owner; and
  - If no decision on the merits has been made
- Either party has the right to appeal PTAB's decision to the Federal Circuit

# Summary of Rules of Trial Practice

- Proceedings before the Board are to be conducted differently under the new rules as compared to the old rules.
  - “Trial” as opposed to “Response” practice
  - Applies to *inter partes* reexam, post grant review, derivation proceedings, and transitional program for covered business method patents (excludes interferences)

# Summary of Rules of Trial Practice

- Default evidentiary standard is “preponderance of the evidence”
- Determination to institute a trial is by an administrative patent judge
  - Allowed flexibility in administering proceedings to balance precise rules against the need for flexibility to achieve fast, inexpensive, and fair proceeding

# Summary of Rules of Trial Practice

- Due dates set by order
  - Good cause needed for extension
  - Late action may be excused if in interests of justice
- Limited *ex parte* communication with Board
  - Allowed communications include:
    - Ministerial communications
    - Hearings in which opponent declines participation
    - Informing board of related proceedings
    - Reference to a pending case in support of a general proposition



# Summary of Rules of Trial Practice

- Procedures for filing documents
  - Standards similar to patent prosecution filings (37 C.F.R. § 1.52(a)) and filings at Federal Circuit (Fed. R. App. P. 32)
  - Cannot incorporate arguments by reference
  - Electronic filing
  - Exhibit order (after first document referring to exhibit)
  - Simultaneous service

# Summary of Rules of Trial Practice

- **Mandatory notices to be provided**
  - Real party in interest
  - Related matters
    - Applications, patents, reexaminations
  - Lead and back-up counsel
  - Service information
- **Sanctions available**
  - Abuse of discovery, process and any other improper use of the proceedings
  - Misrepresentations of a fact

# Summary of Rules of Trial Practice

- Petition and Motion Practice
  - Petition to institute trial
  - Other relief requested must be in form of motion
- Motions will not be entered absent Board authorization
- Burden of proof on moving party
  - Motion must justify relief requested
- Board may order briefing on any issue
- Each petition or motion must be filed as a separate paper and include:
  - Precise relief requested
  - Statement of material facts with specific citations to record
  - Statement of the reasons for relief
  - Board may request additional information (showings or explanations)

# Summary of Rules of Trial Practice

- Replies may only respond to arguments raised
- Various page limits for petitions, motions, oppositions, and replies
  - Moving party
    - Up to 50 pages for petition requesting IPR and Derivation proceedings (25 pages for each ground)
    - Up to 70 pages for PGR and Covered Bus. Meth.
      - Based on number of grounds identified (25 pages for each, 70 pages for three grounds)
    - 25 pages for motions
    - 15 pages for miscellaneous motions
  - Oppositions to motions
    - 15 page limit for priority motion replies (reply to petition requesting trial, etc)
    - Five pages for miscellaneous (procedural) motion replies
    - Ten page limit for all other motions

# Summary of Rules of Trial Practice

- Limited Testimony and Production (Discovery)
  - Proponent and Opponent generally have similar access to relevant evidence
  - Routine discovery of exhibits cited
  - Cross examination of affidavit testimony
  - Parties must provide information inconsistent with a position advanced
  - May request discovery related to any factual assertions made

# Summary of Rules of Trial Practice

- May take testimony
  - Direct testimony in form of affidavit
  - Cross examination and redirect testimony in form of deposition transcript
    - Time periods for cross examination to be set
    - Board must approve deposition format in advance
    - Exhibit numbering
    - Objections must be raised at time of deposition
- Protective Orders
- Confidential Information
- May challenge admissibility of evidence

# Summary of Rules of Trial Practice

- Oral Arguments
  - May request oral arguments on any issue raised
  - Exhibits must be provided well in advance of oral hearings
- Decision
  - Petitions and motions taken up in any order
  - Interlocutory Decisions
    - Decisions short of judgment not final
    - Decisions by a panel govern the trial
    - May request rehearing
      - Party should request rehearing by a panel to preserve an issue for judicial review

# Summary of Rules of Trial Practice

- Judgment
  - Judgment disposes of all issues that were, *or by motion could have been*, properly raised and decided
  - Final judgment entered or recommendation to Director / Examiner for further action
  - Estoppel
- Settlement
  - Joint motion of both parties terminates trial unless decision on merits reached before request
  - Board not a party to settlement agreement, and may continue to take action, including determination of patentability



# Garmin v. Cuozzo

- Discovery for inter partes review
- “Routine discovery” is very limited
  - Any exhibit cited in a paper or in testimony must be served with the citing paper or testimony
  - Specific information known by the responding party to be inconsistent with a position advanced by that party in the proceeding

# Garmin v. Cuozzo

- “Additional discovery” is available if “necessary in the interest of justice.”
- 5 factors considered:
  1. 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  
ex: Request for Production reading “Documents you intend to rely upon at trial or have provided or intend to provide to an expert witness or declarant.” Not accepted

# Garmin v. Cuozzo

## 2. More than a possibility and mere allegation

- party requesting discovery should already be in possession of evidence tending to show beyond speculation that something useful will be uncovered
- “Useful means favorable in substantive value to a contention of the party moving for discovery.”
- “Useful” is different from FRCP standard of discovery, which is closer to meaning “relevant” or “admissible”

# Garmin v. Cuozzo

## Examples from Factor 2:

- Majority of requested discovery items related to assertion of secondary considerations of nonobviousness, such as long-felt unresolved need, failure of others, commercial success, and copying - Not accepted due to lack of nexus
- Request for Production No. 3: “License, settlement, co-development, or technology transfer agreements directly related to the speed limit alert feature.”
- RFP No. 4: “To the extent the speed limit alert feature is discussed in them, Agreements between You and any customer, supplier, reseller, or distributor...”
- RFP No. 6: “Market analysis, ... projections, or roadmap Documents discussing Your decision to ... commercialize the speed limit alert feature...”
- RFP No. 8: “Documents sufficient to show the incremental commercial value of the speed limit alert feature included in Garmin’s Devices.”
- Not accepted because Cuozzo did not present a threshold amount of evidence tending to show beyond speculation that Garmin was able to charge or demand a premium ... for the speed limit alert feature.”

# Garmin v. Cuozzo

## Examples from Factor 2, cont.:

- RFP No. 9: “Documents relating to the ‘074 patent, the inventor Guiseppe Cuozzo, or discussions You had with Mr. Cuozzo about his invention.”
- RFP No. 10: “The file history for US Patent No. 8,258,878 [Garmin’s patent], any agreements relating to it, and documents discussing the ‘074 [Cuozzo’s patent] or Cuozzo in connection with the ‘878 patent.”
- RFP Nos. 9 and 10 not accepted because Cuozzo failed to present a threshold amount of evidence or reasoning tending to show beyond speculation that Garmin copied from Cuozzo. Evidence of infringement is not automatically evidence of copying
- Interrogatory No. 6: “If any non-Garmin entity owns or has an interest in the speed limit alert technology or intellectual property, please identify the entities and Describe their respective interest.”
  - Not accepted because the motion did not explain the purpose for the request in identities, and thus, how it was “useful” was unknown.
  - Joinder rules from FRCP do not apply in inter parte review

# Garmin v. Cuozzo

## 3. Ability to generate equivalent information by other means

- information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have produced by the other party (e.g., documents you can find on PAIR)
- Ex: Court held that Cuozzo can conduct its own market survey to compare price differential between Garmin products with and without the speed limit alert feature

# Garmin v. Cuozzo

## 4. Easily understandable instructions

- e.g., 10 pages of complex instructions for answering questions is prima facie unclear
- The court considered 2 page instructions for interrogatories and 2 page instructions for document requests were easily understandable

# Garmin v. Cuozzo

## 5. Requests not overly burdensome to answer

- Consider: financial burden, burden on human resources, burden on meeting the time schedule of Inter Partes review
- 1 year statutory deadline for inter partes review
- Ex: 75-125 labor hours and \$22-37,000 to respond to document request, 50-75 labor hours and \$15-22,500 to respond to interrogatories, and 50-75 labor hours and \$15-22,500 to produce persons to testify at a deposition was too burdensome
- Doc. Request No. 1: “Documents and Things You considered in preparing Your responses to patent owner’s Interrogatories.”  
Not accepted because undue breadth



# Discovery standard comparison

FRCP § 26(b) – “Parties may obtain discovery regarding any non-privileged matter that is relevant to any party’s claim or defense – including the existence, description, nature, custody, condition, and location of any documents or other tangible things and the identity and location of persons who know of any discoverable matter.” Limits include:

- Party from whom discovery is sought must show that the information is not reasonably accessible because of undue burden or cost
- Court must limit frequency or extent of discovery when the discovery is unreasonably cumulative or duplicative, or can be obtained from some other source that is more convenient, less burdensome, or less expensive; or when the burden or expense of the discovery outweighs its likely benefit

# Concerns with Trial Procedures

- Any patent practitioner may appear before Board, including
  - Patent Agents
  - Patent Attorneys
  - Pro hac vice representative (discretionary)
- However, IPR and PGR are “trials,” requiring motion practice and including possible depositions and raising of objections
  - Patent Agents, while permitted, may not be “qualified” for trial practice, typically performed by trial attorneys
  - Many patent attorneys that focus on prep and pros may likewise not be “qualified” for Board trial practice

# Concerns with Trial Procedures

- What to do about discovery violations?
  - At district court, can call the court and get immediate rulings?
    - Is this possible?
- What about non cooperative witnesses?
  - Subpoena power unlikely, what happens if witness gives false declaration?
    - Any recourse?

# Concerns with Trial Procedures

- Would a patent agent be engaging in the unauthorized practice of law?
- What will be the practical scope of estoppel?
- What level of deference will the Federal Circuit give determinations by the PTAB?

# Costs and Strategies

- Costs for PGR and IPR are relatively high
  - May use lower cost means to put patent owner on notice of relevant or novelty-destroying art
    - Mail copy of patent document to attorney of record
      - Disclosure rules requires they submit relevant art for office consideration during examination
      - May impact Rule 11(b) due diligence before instituting litigation
  - Third-party Submission
    - During prosecution (may be considered by Examiner)
      - » Requires routine monitoring of patents
    - After grant (placed in patent file)

# Costs and Strategies

- Estoppel
  - Costs for PGR and IPR are relative to number of claims challenged
  - Estoppel only applies to claims challenged
    - To save costs, may challenge limited number of claims
      - Puts patent owner on notice with respect to remaining claims
- Weigh costs at USPTO, potential litigation costs, desired outcome, and other factors to determine best route(s)

# Practical Changes

- Dramatic increase in cost – Fewer reexaminations?
  - Will the cost make certain patents unchallengeable at the PTO?
- Workload increase for the PTAB
  - Will Appeals (which do not have statutory timeframe) be slower?

# Potential Uses?

- As a way to draw out claim construction positions?
  - Consider the case where both non-infringement / invalidity arguments exist, depending on construction of claim
- As a sword against patent trolls?
  - Difficulty in predicting who the troll will be, however



# Final Thoughts

- The patent side of the USPTO has very little experience with “litigation”
  - Will they draw from the Trademark Trial and Appeal Board (more experience with opposition procedures)
- Lots of unresolved questions
  - Given the long implementation schedule (first PGR cases in 2015?) no clarity for a long time

# Final Thoughts

- Unclear how high the demand for the PGR is going to be
  - Likely biotech companies
  - Likely software companies
  - Other industries?
- PTO will continue to issue rules and regulations to address problems as they arise

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# THANK YOU!

Any Questions?