Where to Challenge Patents?  
International Post Grant Practice  
Strategic Considerations Before the USPTO, EPO, SIPO and JPO  

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Disclaimer

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Post Grant Proceedings

Post grant proceedings (PGPs) allow for the invalidation or cancellation of one or more claims of an issued patent.
PGPs Compared to Litigation

Typically PGPs:
• are before examiners or patent professionals rather than a judicial body,
• are lower cost,
• are less resource intensive (e.g., no or little discovery), and
• may result in a stay of on-going litigation.
**Inter partes PGPs**

When *inter partes* PGPs may be desirable?

- Participation in proceeding by petitioner
- Complement litigation efforts
- Technically dense subject matter
- More “relaxed” standards favorable
- Multiple granted patents out of single regional patent office (e.g., the European Patent Office)
PGP Bodies

- United States Patent & Trademark Office (USPTO)
- European Patent Office (EPO)
- State Intellectual Property Office of the People’s Republic of China (SIPO)
- Japanese Patent Office (JPO)
US *inter partes* PGPs

- *Inter partes* review (IPR)
- Post grant review (PGR)
- Covered business methods (CBM)
US IPR Basics

• Grounds for review
  – § 102 (novelty) or § 103 (obviousness)
  – only on the basis of prior art consisting of patents or printed publications

• Who can petition for review?
  – A person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent may petition for an *inter partes* review of the patent.
IPR or Declaratory Judgment Action

- **File DJ Action for Invalidity**
- **File Petition for Inter Partes Review**
- **Petition Denied**
- **Petitioner Served with Complaint for Infringement**
- **File DJ Action for invalidity**
  - **Litigation automatically stayed**

**Automatic stay lifted upon PO’s motion, PO’s own civil action for infringement or counterclaim, or DJ plaintiff’s motion to dismiss**
# Overview of IPR timeline

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Main Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 9 mo</td>
<td>US patent granted</td>
</tr>
<tr>
<td>0 mo</td>
<td>Petition for review filed</td>
</tr>
<tr>
<td>~3 mo</td>
<td>Patent owners preliminary response (3 months*)</td>
</tr>
<tr>
<td>~ 4 mo</td>
<td>Supplemental information (1 month*)</td>
</tr>
<tr>
<td>~6 mo</td>
<td>Decision on Petition (6 months*)</td>
</tr>
<tr>
<td>~18 mo</td>
<td>Final written decision (12 months from institution*)</td>
</tr>
</tbody>
</table>

*Estimated timelines based on typical IPR proceedings.
Overview of IPR timeline
Summary of US *inter partes* review

**Inter partes review (IPR)**

- Timing for filing? 9 months after grant and termination of any pending PGR; and within 1 year of being served with a complaint.
- Discovery? Yes, but limited compared to litigation.
- Amendments to claims? Yes, but historically difficult.
- Estoppel? Yes, strict “any ground that the petitioner raised or reasonably could have raised during that inter partes review” per 35 U.S.C. § 315(e)
- Litigation stay likely? ~60% overall, but district court dependent
- Termination via settlement? At PTAB’s discretion
- Time to first decision? Statutory 1 year to trial from grant of a petition with possibility of 6 month extension (~3 ½ year for first PTAB appeal through CAFC decision)
Projected 2015 IPR Stay Rates

- **US average**
  - Granted: 39%
  - Denied: 59%
- **ND California**
  - Granted: 18%
  - Denied: 82%
- **ED Texas**
  - Granted: 24%
  - Denied: 76%
IPR Statistics

• Institution rates
  – At least one claim – 84%

• Resolution
  – All *instituted* claims invalid or disclaimed – 77.5%
  – All *challenged* claims invalid or disclaimed – 65%

• Caveats
  – Early numbers (end of 2014)
  – Low hanging fruit?

PGPs in Europe (1/2)

**DECISION TO APPLY FOR PATENT(S) IN EUROPE**

**EUROPEAN ROUTE**
- European patent application
- Grant of EP patent
- "Validation" in DE, FR, UK, …
  - FR "part" of EP pat.
  - DE "part" of EP pat.
  - UK "part" of EP pat.
  - …

**NATIONAL ROUTE (DE, FR, UK, …)**
- DE app.
- FR app.
- UK app.
- DE pat.
- FR pat.
- UK pat.
- …
PGPs in Europe (2/2)

How and where to challenge patent validity?

**EUROPEAN PATENT**
- Grant of EP patent
- "Validation" in DE, FR, UK, ...
- 9 mo. window for filing an OPPOSITION before the EPO

**NATIONAL PATENTS (DE, FR, UK, ...)**
- DE patent
- FR pat.
- UK pat.
- ... 3 mo. for OPP. before the DPMA
- Nullity action
- DE Court
- Nullity action FR Court
  - (No PGP)
- Nullity action UK Court
  - (No PGP)

PGP (opposition) in AU, DE, NO, PL, SE, CH...
No PGP in BE, CZ, FR, IE, IT, NL, ES, UK...
EPO Opposition basics (1/4)

• Who can oppose?
  – “Any person” except for the patent owner
  – For any reason: no commercial or other interest needs to be shown
  – Opposition cannot be anonymous but can be filed by a « straw man »

• Grounds for opposition
  – Lack of inventive step (1st ground for revocation)
  – Lack of novelty (2nd ground)
  – Added subject-matter (3rd ground)
  – Invention is insufficiently disclosed
  – Non-patentable subject matter
  – Lack of industrial applicability

Lack of clarity is NOT a ground for opposition
## EPO Opposition basics (2/4)

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Main Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 9 mo</td>
<td>European patent granted</td>
</tr>
<tr>
<td>0 mo</td>
<td>Notice of opposition filed at the EPO: facts, evidence and arguments in support of at least one ground</td>
</tr>
<tr>
<td>1 mo</td>
<td>EPO invites the Patentee to respond to opposition</td>
</tr>
<tr>
<td>5-7 mo</td>
<td>Patentee responds to opposition: he/she may file amended claims; he/she may file a main request and several auxiliary requests</td>
</tr>
<tr>
<td>12-18 mo</td>
<td>Summons to Oral Proceedings + Preliminary opinion of the Opposition Division (OD)</td>
</tr>
<tr>
<td>14-23 mo</td>
<td>Parties’ final submissions before Oral Proceedings</td>
</tr>
<tr>
<td>15-24 mo</td>
<td>Oral Proceedings: hearing in front of the OD; Decision pronounced at the end of the hearing</td>
</tr>
<tr>
<td>16-26 mo</td>
<td>Decision (D) in writing containing the reasoning of the OD</td>
</tr>
<tr>
<td>D + 2 mo</td>
<td>Notice of appeal before the EPO Board of Appeal</td>
</tr>
<tr>
<td>D + 4 mo</td>
<td>Detailed grounds of appeal</td>
</tr>
</tbody>
</table>
EPO Opposition basics (3/4)

- Outcome of the opposition
  - Patent is revoked
  - Opposition is rejected
  - Patent is maintained in amended form

EPO stats for 2014:

Opposition rate = 4.7%
EPO Opposition basics (4/4)

EPO Opposition

- Timing for filing? Within 9 months after mention of grant
- Discovery? No
- Amendments to claims? Yes. Usually, several sets of amended claims are filed as auxiliary requests
- Estoppel? No. The opponent is not estopped from reasserting the same (or other) arguments later before national Courts
- Litigation stay likely? The national Court dealing with the infringement decides on a case-by-case basis
  
  FR, NL: likely / DE, IT, UK: unlikely
- Termination via settlement? At EPO’s discretion
- Time to first decision? 25,5 mo (Median value – EPO stats 2014)
  
  Time to appeal decision? 34,3 mo (Median value – EPO stats 2014)
SIPO Invalidity Proceeding

• Who can file?
  – Anyone, including the patentee (however, the patentee can only file a request for invalidating partial claims, instead of all claims)

• Grounds
<table>
<thead>
<tr>
<th>Timeline</th>
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</tr>
</thead>
<tbody>
<tr>
<td>0 mo</td>
<td>Patent grants and invalidation request filed with the PRB of the SIPO</td>
</tr>
<tr>
<td>1 mo</td>
<td>Payment of fees; file further evidences or reasoning</td>
</tr>
<tr>
<td>1-3 mo</td>
<td>SIPO forwards the request to the patentee and invites the response</td>
</tr>
<tr>
<td>2-4 mo</td>
<td>Patentee files the response (~with amended claims)</td>
</tr>
<tr>
<td>3-6 mo</td>
<td>SIPO forwards the response to the requestor; requestor may add further arguments in re the amended claims</td>
</tr>
<tr>
<td>6-18 mo</td>
<td>Oral hearing summons and hearing</td>
</tr>
<tr>
<td>9-19 mo</td>
<td>Final submissions</td>
</tr>
<tr>
<td>9-24 mo</td>
<td>Decision (D+3 to appeal before Beijing 1st Intermediate Court)</td>
</tr>
</tbody>
</table>
Summary of SIPO Invalidity Proceeding

SIPO Invalidity Proceeding

- Timing for filing? Anytime after grant
- Discovery? None
- Amendments to claims? Limited (canceling or combining of claims)
- Estoppel? None
- Litigation stay likely? Utility or design – very likely, invention patent – very unlikely
- Termination via settlement? SIPO’s discretion (likely before oral hearing, unlikely after hearing)
- Time for decision? 4 months to 2 years to exhaustion of SIPO proceedings
SIPO Invalidation Statistics

- Invalidation (Utility model)
  - Maintained – 32%
  - Partially invalidated – 11%
  - Completely invalidated – 33%

JPO Opposition

• Who can file?
  – Anyone including through a straw man, but not on an anonymous basis
  – Non-JP domicile or resident must be filed through JP representative

• Grounds
  – Lack of novelty or inventive step, insufficient disclosure, and addition of new matter in an amendment
## JPO Opposition Timeline

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Main Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 mo</td>
<td>Gazette publication and notice of opposition filed with reasons for revocation/evidence</td>
</tr>
<tr>
<td>1 - ? mo</td>
<td>JPO notifies patent owner of notice</td>
</tr>
<tr>
<td>3- ? mo*</td>
<td>JPO sends notification of reasons for revocation</td>
</tr>
<tr>
<td>5- ? mo</td>
<td>Patent owners response and claim amendments</td>
</tr>
<tr>
<td>6- ? mo</td>
<td>Petitioner files a written argument on the amended claims (only when the Patent Owner amends claims)</td>
</tr>
<tr>
<td>8 - ? mo*</td>
<td>JPO sends the Patent Owner notification of reasons for revocation with announcement of revocation</td>
</tr>
<tr>
<td>10 - ? mo</td>
<td>Patent Owner response to notification; may file amended claims</td>
</tr>
<tr>
<td>12 -? mo</td>
<td>Decision for revocation</td>
</tr>
<tr>
<td>D + 1 mo</td>
<td>Appeal before the IP high court</td>
</tr>
</tbody>
</table>
Summary of New JPO Opposition

JPO Opposition

- Timing for filing? Within 6 months from publication in Gazette
- Discovery? Limited – can request examination of witnesses and evidence
- Amendments to claims? Only (1) limiting elements; (2) correcting informalities; (3) clarifying an ambiguous term; and (4) removing a dependency; and (5) cancelling claims are allowed.
- Estoppel? None
- Litigation stay likely? Not for post grant review, but will delay for invalidation trial
- Termination via settlement? Only until a first Office Action is issued.
- Time to first decision? Not yet known.
What else?

- Evidentiary issues?
- Procedural issues?
- Costs?
Costs and benefits of international PGP strategy

- Increased costs and complexity, but can leverage work product (e.g., prior art search)
- Increased pressure on opponent
  - Attack and defend using different (sometimes more favorable) legal standards
  - Attack and defend using procedural favorable jurisdictions
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