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results

## Inter Partes Review

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# Inter Partes Review

- Participation by both 3<sup>rd</sup> party requestor and patent owner
- Applicable to any patent issued before, on or after September 16, 2012 (no longer limited to post-11/29/1999 patents)
- Prior art to be considered is confined to prior patents and printed publications
- Higher preponderance of evidence test already in place as part of transition
- Either party can appeal an adverse final decision
- Filing Fee: \$27,200 to request review of up to 20 claims, \$34,000 to request review of 21 to 30 claims, and so

# Differences: Inter Partes Re-exam & IPR

<i>Inter Partes</i> Reexams	<i>Inter Partes</i> Review
<p><u>Threshold</u>: “substantial new question of patentability” (already no longer in use)</p>	<p><u>Threshold</u>: “a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition.”</p>
<p>Can be filed at <u>any time prior to September 16, 2012</u> (requests for <i>Inter Partes</i> Reexams will not be granted after that date)</p>	<p>Can be filed <u>9 months after patent issue date</u>; or after completion of any previously-initiated Post-Grant Review</p>
<p>DJ Plaintiffs in a court action challenging the validity patent <u>are</u> permitted to initiate request</p>	<p>DJ Plaintiffs in a court action challenging the validity patent <u>are not</u> permitted to initiate request—does not apply to <u>counterclaim</u></p>

# Differences: Inter Partes Re-exam & IPR

<i>Inter Partes Reexams</i>	<i>Inter Partes Review</i>
Conducted by patent examiner	Conducted by <b>three-judge panel</b> Patent Trial and Appeal Board
<u>Discovery</u> generally not allowed	<u>Discovery</u> available to challenge the patent owner's positions, including cross examination of expert witnesses
Conducted with Special Dispatch 35 U.S.C. § 314(c)	1 Year (6 month maximum extension) 35 U.S.C. § 316(a)(11)
<u>Cost</u> : \$8,800	<u>Cost</u> : \$27,200 (20 claims) to \$68,000 (51-60 claims) + additional \$27,200 to request review of additional groups of 10 claims.

# Differences: IPR & District Court Litigation

<b><i>Inter Partes</i> Review PTO</b>	<b>District Court</b>
No presumption of patent validity. <i>In re Swanson</i> , 540 F.3d 1368, 1377 (Fed. Cir. 2008) (preponderance of evidence)	Presumption of patent validity 35 U.S.C. § 282 (clear and convincing)
PTO will apply the broadest reasonable claim construction. <i>In re NTP, Inc.</i> , 654 F.3d 1279, 1287 (Fed. Cir. 2011)	Court will apply its construction of claim
Decision-maker a patent examiner with knowledge of the art	Right to jury trial on validity
Appeal to Board of Patent Appeals and Interferences and then to Federal Circuit	Appeal to Federal Circuit from district court decision
Discovery limited to depositions, affidavits, and “what is otherwise necessary in the interest of justice”	Discovery to develop invalidity defenses

# Timing of IPR Petition

- **Within 1 year of being sued:** “An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent” 35 U.S.C. § 315(b)
- **9 months after issuance:** 9 months after patent issue date; or after completion of any previously-initiated Post-Grant Review. 35 U.S.C. § 311(c)

# Inter partes review requirements

- IPR will not be instituted if the Petitioner filed a civil action challenging the validity of a claim of the patent (counterclaim of invalidity does not constitute a civil action)
- Civil action challenging the validity of a claim of the patent that is filed after the Petition will be stayed until
  - The court lifts the stay
  - PO files civil action or counterclaim alleging infringement, or
  - The court dismisses the civil action

# Inter partes review petition

- All Trial proceedings initiated with a petition to the Patent Trial and Appeal Board (PTAB)
  - In general, anyone can file a petition for IPR
  - Must certify that patent is eligible for review
  - Must certify that the petitioner is not barred or estopped from the proceedings
  - Must identify each claim and the grounds on which the claims are challenged
  - Should include submission of evidence to support grounds for invalidity
  - Claim charts not required but encouraged (claim charts count towards page limits)
  - Claim construction
    - *The Board will use the “broadest reasonable interpretation” approach for challenged, amended and new claims*
    - *Statement that claims should be given their “broadest reasonable interpretation” will suffice*

# Inter partes review petition

- Petition must be served on patent owner at address of record
  - “Filing date of Petition” granted after:
    - *Fee received*
    - *Service on patent owner*
    - *Petition complies with requirements*
  - Petitioner will have one month to respond to Notice of Incomplete
- Patent owner has three months to respond to petition (“preliminary response”) from the filing date granted to the Petition
  - Patent owner can present evidence, except “new testimonial evidence,” to demonstrate that no proceeding should be instituted (new testimonial may be presented in preliminary response if patent owner demonstrates that the evidence is in the interest of justice)
  - Patent owner can file election to waive a preliminary response without adverse inference
  - Patent owner can file statutory disclaimer of one or more challenged claims in preliminary response (proceedings terminated if no challenged claims remain)

# Inter partes review petition

- Board will initiate an initial conference call within one month of the date of institution of the trial to discuss
  - Scheduling Order
  - List of motions that the parties anticipate filing
- Patent owner response to petition is an “Opposition to Petition”
  - Must identify all claims believed to be patentable and the basis for such belief
  - Provide evidence of patentability
  - Claim charts not required

# Inter partes review petition

- Patent owner can file a first Motion to Amend without Board approval
  - Due with patent owner's Opposition to Petition
  - Cannot enlarge scope of claims or add new matter
  - Amended/new claims will be construed under broadest reasonable interpretation standard
  - Patent owner can attempt to demonstrate that the scope of an amended claim is substantially identical to that of an original claim, as the original patent claim would have been interpreted by a district court.
- Additional motions to amend later in the proceedings require Board approval and will generally be granted only if both Petitioner and Patent owner file a joint request and is made to materially advance settlement

# Inter partes review petition

- Petitioner can file Opposition to Motion to Amend
  - Can include evidence, including new expert declarations directed to the proposed substitute claims
  - Time for filing will be set in scheduling order
- Petitioner's Reply to patent owner's Opposition to Petition
  - Replies cannot raise new issues and arguments are limited to those arguments raised in corresponding opposition
  - New evidence may be interpreted as a sign of raising a new issue

# Inter partes review

- Discovery proceeds in a sequential fashion
  - PO can depose Petitioner's declarants after trial is instituted. PO can then file Opposition and Motion to Amend.
  - Petitioner then deposes PO's declarants. Petitioner can then file Reply to PO's Opposition and files Opposition to Motion to Amend.
  - PO then deposes Petitioner's declarants. PO can then file "Observations" and file a Reply to Petitioner's Opposition to Motion to Amend
- After time for discovery has ended, parties can file motions to exclude evidence believed to be inadmissible

# Inter partes review

- Settlements possible (must file settlements with Board)
- Intervening rights may apply on new/amended claims
- Final Decision appealable to the Federal Circuit

# Estoppel Associated with IPR

- After the Board has issued its Final Decision the Real Party in Interest (and any privy thereof) for IPR is estopped from
  - Filing a third party request for *ex parte* reexam based on any ground that the Petitioner raised or could have raised
  - Asserting in a civil action or ITC proceeding that the claim is invalid on any ground that the Petitioner raised or could have raised
- After the Board has issued its Final Decision the Real Party in Interest (and any privy thereof) for CBM is estopped from
  - Asserting in a civil action or ITC proceeding that the claim is invalid on any ground that the Petitioner actually raised

# IPR & Litigation: Estoppel No Longer Reciprocal

- Old rule: reciprocal estoppel
  - “[A] party can choose to run horses in both races, but the conclusion of one race automatically ends the other; a party cannot ride both horses to conclusion.” *Sony v. Dudas*, 2006 WL 1472462 (E.D. Va. May 22, 2006)
- *In re Baxter International Inc.*, Fed. Cir., No. 2011-1073, 5/17/12
  - No estoppel from court ruling on PTO reexamination.
  - Federal Circuit ruled patent not obvious in 2009, reexamination finds obvious in 2010, Federal Circuit affirms obviousness in 2012.
- AIA: estoppel only runs one way; issue raised in litigation can still be relied on for *inter partes* review.
  - Completion of *inter partes* review will estop the validity determination in court and ITC. 35 U.S.C. § 315(e)(2)
  - No estoppel if *inter partes* review terminated by settlement. new 35 U.S.C. § 317(a)

# IPR Estoppel in District Court Litigation

- “A third-party requestor . . . is estopped from asserting at a later time, in any civil action . . . the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or **could have raised** during the inter partes reexamination proceedings.” Old 35 U.S.C. § 315(c)
- “The estoppel does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.” Old 35 U.S.C. § 315(c)
- No estoppel for defenses based on 35 U.S.C. §112, unenforceability, inventorship, or prior art products

# Where is the Finish Line?

- Estoppel applies once there is a final decision.
- **District Courts & Patent Office** currently consider a decision to be final only after appeal is over or after the time to appeal expires
- **Patent Office after AIA**: considers a decision to be “final” after issuance of “final written decision” by the PTAB, not after any appeals are concluded. 35 U.S.C. § 315(e)
- As a result, courts may be required to apply estoppel even though PTAB decision has been appealed to Federal Circuit



# Thank You

international presence

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