

# New Patent Challenge Options Under AIA



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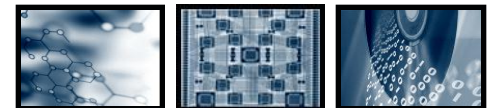




# AIA CHANGES TO CURRENT PRACTICE

- Pre-grant Procedures
  - Preissuance Submissions (35 U.S.C. § 122(e))
  - Derivation Proceedings (35 U.S.C. §§ 135, 146, 291)\*
- Post-grant Procedures
  - Post Grant Review (35 U.S.C. §§ 321-329)\*
  - Transitional PGR for Covered Business Method Patents
  - Supplemental Examinations (35 U.S.C. § 257)
  - **Inter Partes Review** (35 U.S.C. §§ 311-319)

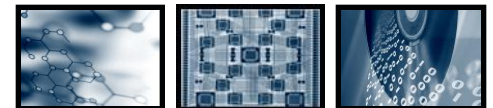
\*Applies to Claims with Effective Filing Date on or after 3/16/13





# INTER PARTES REVIEW

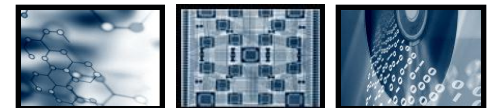
- IP Review replaces inter partes reexam
  - “Trial” on 102/103 issues
  - Patents and printed publications only
- Ex parte reexam remains as is
  - Except appeals to PTAB (not BPAI) and then Fed. Cir.
  - Filing fee increased from \$2,520 to \$17,750





# IP REVIEW– KEY CHANGES

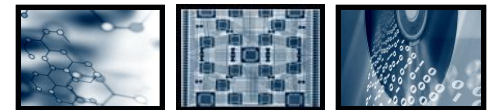
- All Patents: entire portfolio exposed
- Standard: “reasonable likelihood that the requester would prevail” on at least one claim
- Earlier Estoppel: *before* Fed Cir appeal, after PTAB final written decision
- Petition: 60-page limit, including claim charts
- Claim Construction: PTAB will use “broadest reasonable construction”
- Discovery: mainly depositions of experts
- Amended/New Claims: right to one amendment to add “reasonable number of substitute claims”
- Settlement: can stop IP Review
- Increased Fees: based on # of claims
- Possibility of Sanctions: fees and costs





# STRATEGY: D. CT. OVER IP REVIEW

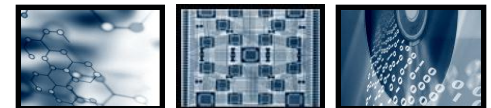
- Need discovery to identify best prior art
  - IP Rev req on weak art risks rejection (evid?) or estoppel
- Need to challenge many claims with many references
  - Q: Multiple defendants challenge different claims in IP Reviews?
- Prosecution history is very good (PTAB won't consider)
- Get D. Ct. claim const'n and infring't cont'ns, then IP Rev.
- Jury better with some art, e.g. Def's own art, analogies
- Avoid pre-trial amendment risk (post-trial reissue poss.)
- Wait to see IP Rev success rate & costs





# STRATEGY: IP REVIEW OVER D. CT.

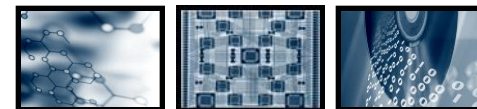
- Limited budget
- Few claims in dispute (60 page limit)
- Few strong references in hand (60 pp; estoppel)
- Other litigation defenses are strong (estoppel)
- Complex technology (PTAB = expert judges)
- Business reasons to stay litigation (stay more likely)
- Lit'n adv. in PO cc & expert depo before lit disc'y
- Lit'n advantage in deposing PO expert twice
- "No patentable weight" construction (PTAB gets it)
- Broad cc standard, no pres. of validity
- Create intervening rights defense





# IP REVIEW vs. EX PARTE

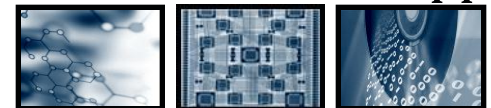
Factors Favoring IP Review	Factors Favoring Ex Parte Reexam
<ul style="list-style-type: none"><li>• Success much more likely</li><li>• Stay by D. Ct. more likely</li><li>• Get discovery, full briefing and hearing</li><li>• Can submit evidence</li><li>• PO must take claim construction position</li><li>• PO must take position on prior art</li><li>• Limit on PO adding new &amp; amended claims</li></ul>	<ul style="list-style-type: none"><li>• Less expensive</li><li>• No estoppel</li><li>• Can remain anonymous</li><li>• Can file multiple co-pending requests</li><li>• Can assert many references</li><li>• Can challenge many claims</li></ul>





# PATENT OWNER STRATEGY RE IP REVIEW

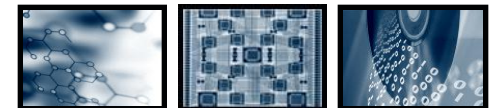
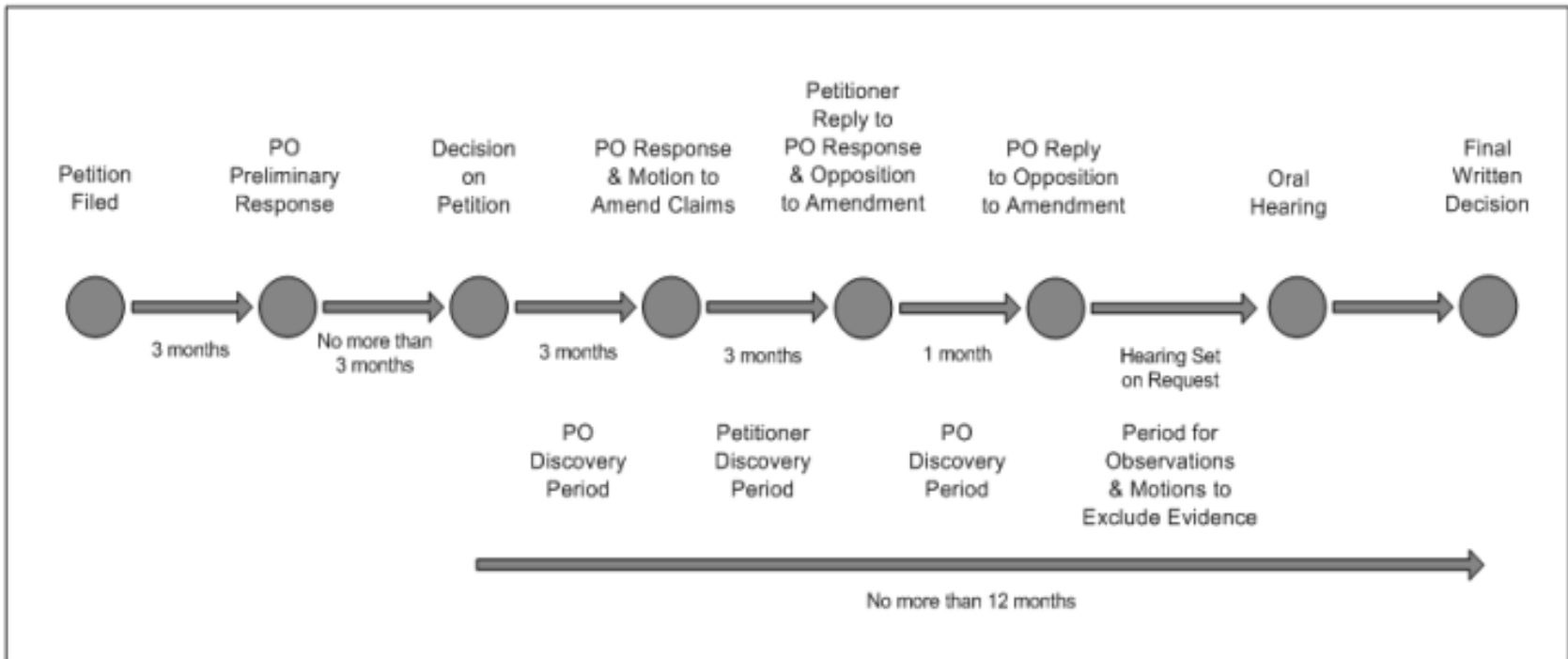
- Embrace petition, speed it up, to get estoppel asap & pressure
  - Waive preliminary statement
  - Notice expert depositions quickly
  - File substantive response soon
  - Consider not amending , so petitioner cannot add new art
- Seek early litigation discovery on accused product to use in IPR cc & amendments (& D. Ct. prot. order allowing such use)
- If want to add more new claims than 1:1 presumption:
  - Submit “alternative” or “conditional” claims (beyond 1:1)
  - Move for leave to add more claims
  - Add claims in continuation app, or poss reissue app’n
- Enforce limits on petitioner
  - Challenge petition that cuts corners to get more references into 60 pp
- Be prepared to settle before decision







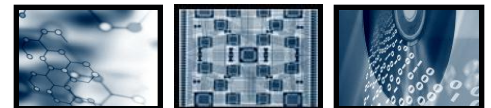
# IP REVIEW TIMELINE





# IP REVIEW DISCOVERY

- Scope:
  - Limited to grounds raised by opponent
    - Respond to evidence submitted in petition and response
  - Secondary considerations of non-obviousness
  - Real party in interest
  - “Interests of justice”
- Depositions:
  - Experts and other declarants
  - Subpoena to compel testimony
- Motions to exclude evidence





# IP REVIEW – FEES

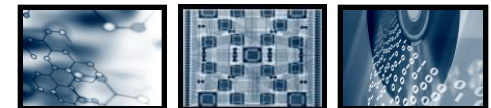
## IP Review Filing Fees:

No. of Claims	Cost
1-20	\$27,200
Each additional claim	\$600
30	\$33,200
40	\$39,200
50	\$45,200
60	\$51,200

## IP Review Cost Estimate from PTO\*:

<b>Petition</b>	\$46,000 (+ fees)
<b>Preliminary Response by PO</b>	\$34,000
<b>Trial (each party)</b>	\$193,000
<b>Total:</b>	\$266,000 (Petitioner) \$227,000 (Patent Owner)

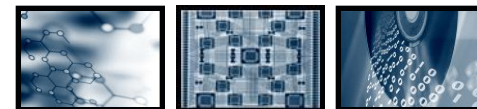
\*Based on estimated 6 motions, opp'ns, and replies, and \$371 average rate





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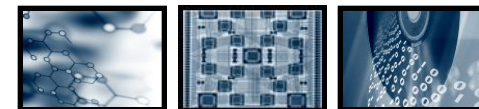
	IP Review	Ex Parte
<b>Costs</b>	<ul style="list-style-type: none"><li>• Substantial filing fee → \$27,000+</li><li>• Mini “trial” on 102/103 issues → costs could be substantial due to discovery and amended claims</li></ul>	<ul style="list-style-type: none"><li>• Increased filing fee → from \$2,520 to \$17,750</li><li>• No other increased cost</li></ul>
<b>Eligibility</b>	<ul style="list-style-type: none"><li>• All patents (issued &gt; 9 months)</li></ul>	<ul style="list-style-type: none"><li>• No restrictions</li></ul>
<b>Petitioner</b>	<ul style="list-style-type: none"><li>• All parties if not in litigation &gt; 1 year</li><li>• “Real party in interest”</li></ul>	<ul style="list-style-type: none"><li>• Anonymous</li></ul>
<b>Procedure</b>	<ul style="list-style-type: none"><li>• Trial</li></ul>	<ul style="list-style-type: none"><li>• Requester done after filing</li></ul>
<b>Limitations</b>	<ul style="list-style-type: none"><li>• 60-page petition</li><li>• Can file once per challenged claim</li></ul>	<ul style="list-style-type: none"><li>• None (may file serial requests)</li></ul>
<b>Discovery</b>	<ul style="list-style-type: none"><li>• Limited</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>





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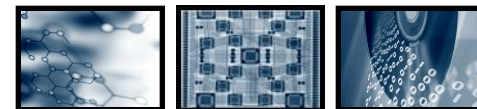
	IP Review	Ex Parte
<b>Amend Claims</b>	<ul style="list-style-type: none"><li>• 1 amendment</li><li>• Presumption → 1 substitute claim for each challenged claim</li></ul>	<ul style="list-style-type: none"><li>• Essentially unlimited</li></ul>
<b>Reviewer</b>	<ul style="list-style-type: none"><li>• PTAB → panel of 3 APJ</li><li>• 1 APJ determines to institute and decides motions</li></ul>	<ul style="list-style-type: none"><li>• Reexam Examiner, CRU</li></ul>
<b>Speed</b>	<ul style="list-style-type: none"><li>• 18 months</li></ul>	<ul style="list-style-type: none"><li>• 25 months + appeal</li></ul>
<b>Estoppel</b>	<ul style="list-style-type: none"><li>• Broad; before Fed. Cir. Appeal</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
<b>Settlement</b>	<ul style="list-style-type: none"><li>• Ends IP Review</li></ul>	<ul style="list-style-type: none"><li>• Once instituted, can't stop</li></ul>





# SUPPLEMENTAL EXAMINATION

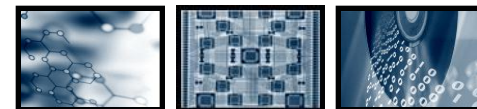
- Request by patent owner to fix incorrect information from original prosecution
  - Applies to any patent
  - PTO may order reexam if “substantial new question of patentability” is raised
    - Not limited to patents and printed publications
- Patent Owner Can Inoculate Patent Against Charges of Inequitable Conduct
  - Only if no charge has been made





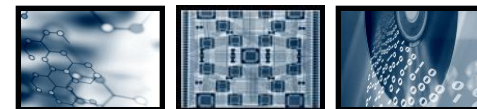
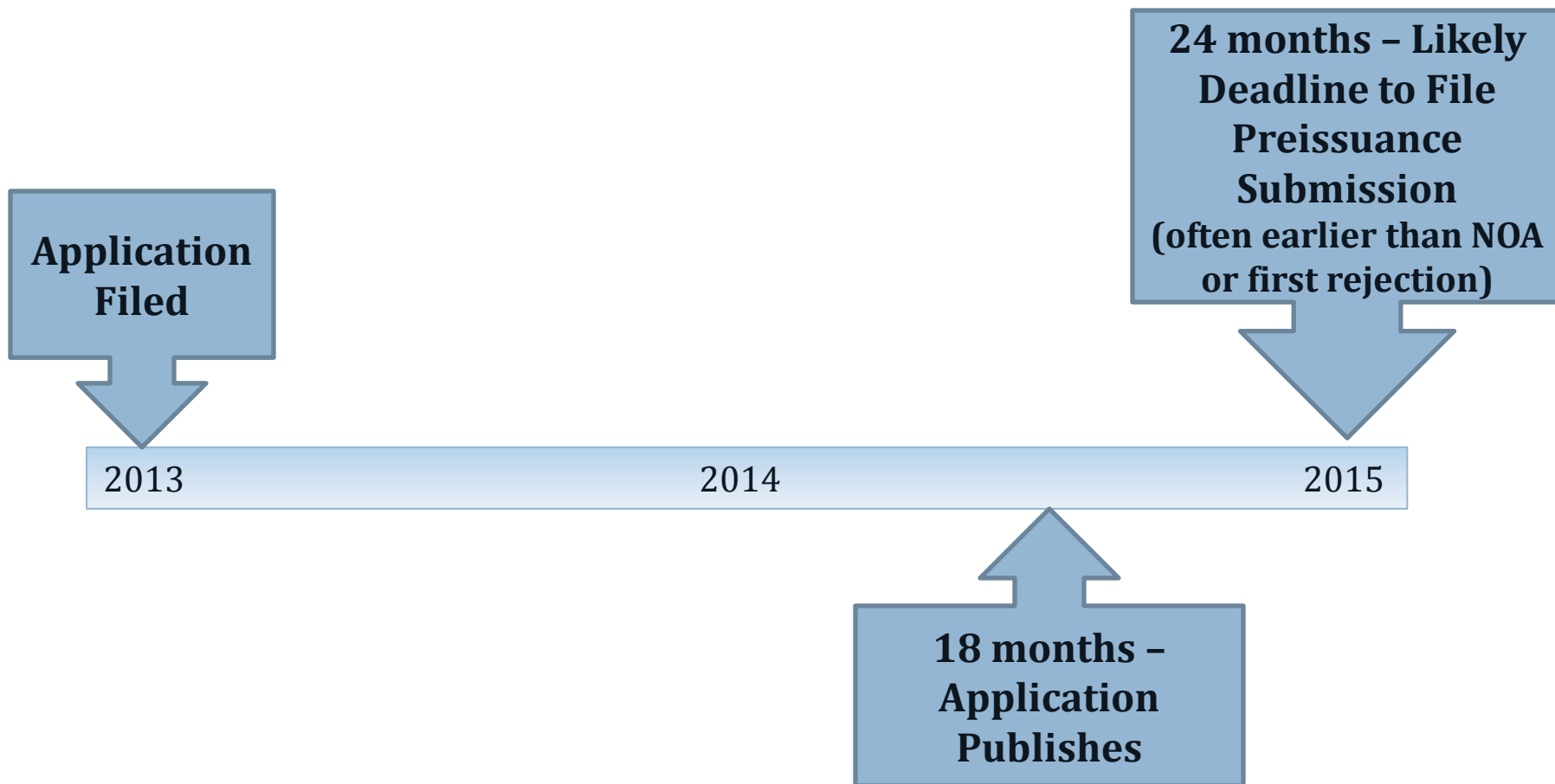
# PRE-ISSUANCE SUBMISSIONS

- Any non-provisional or continuing patent application
- Third party can submit patents, published applications, and other printed publications, with the description of relevance of each document
  - Treated as if included in IDS
- Replacing
  - Third party submissions
  - Public use proceedings (can raise in PGR)
- Anyone can submit
  - Can remain anonymous





# PREISSUANCE SUBMISSIONS







# QUESTIONS?

