

# Patent Office Trials under the America Invents Act

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# Outline

- An Introduction to Patent Office Trials under the America Invents Act
- Question and Answer

# AN INTRODUCTION TO PATENT OFFICE TRIALS UNDER THE AIA

# Available Post-Grant Challenges

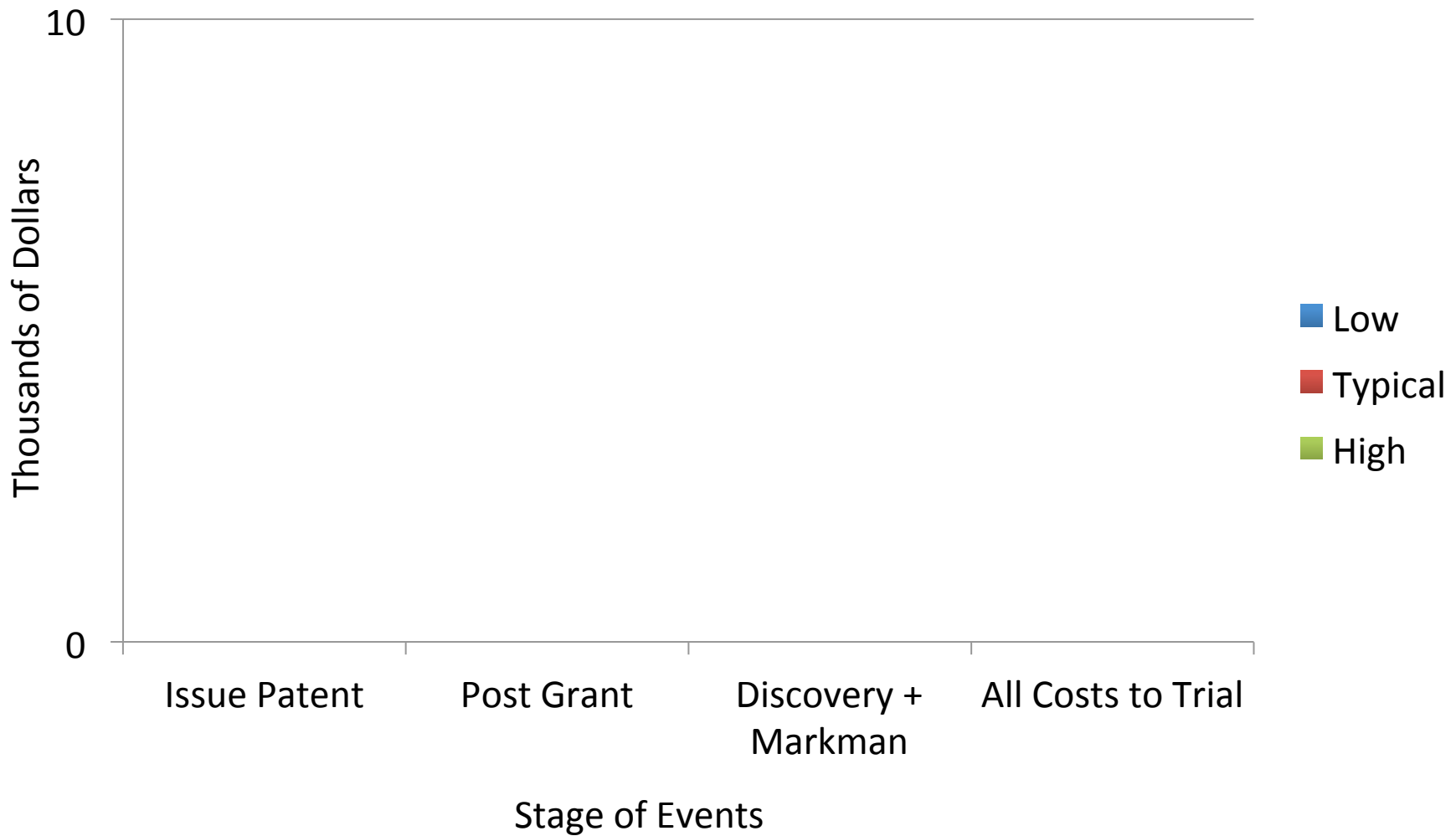
*Inter Partes* Review (IPR)

Covered Business  
Method Review (CBM)

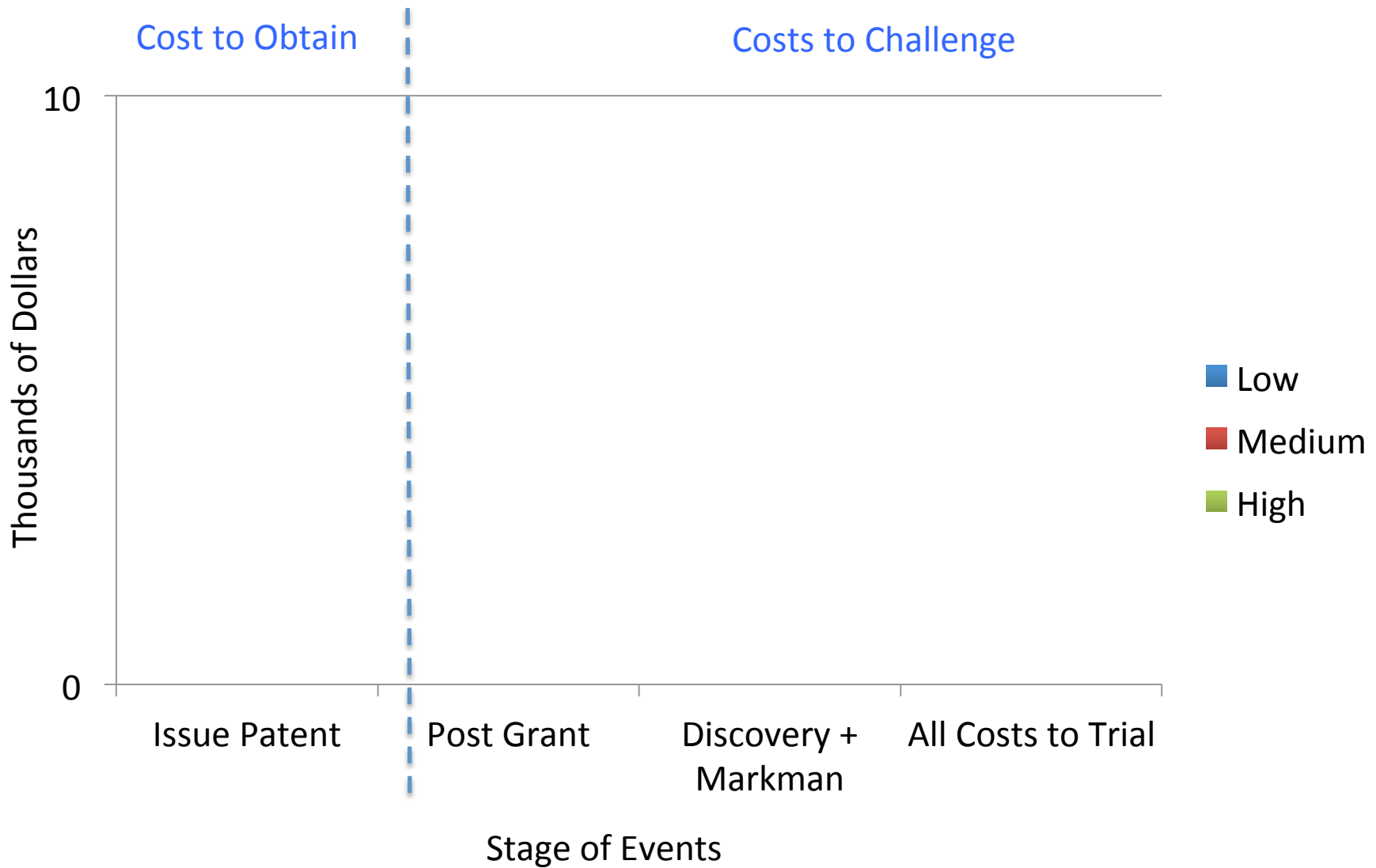
Post-Grant Review (PGR)

*Ex Parte* Reexamination  
(EPX)

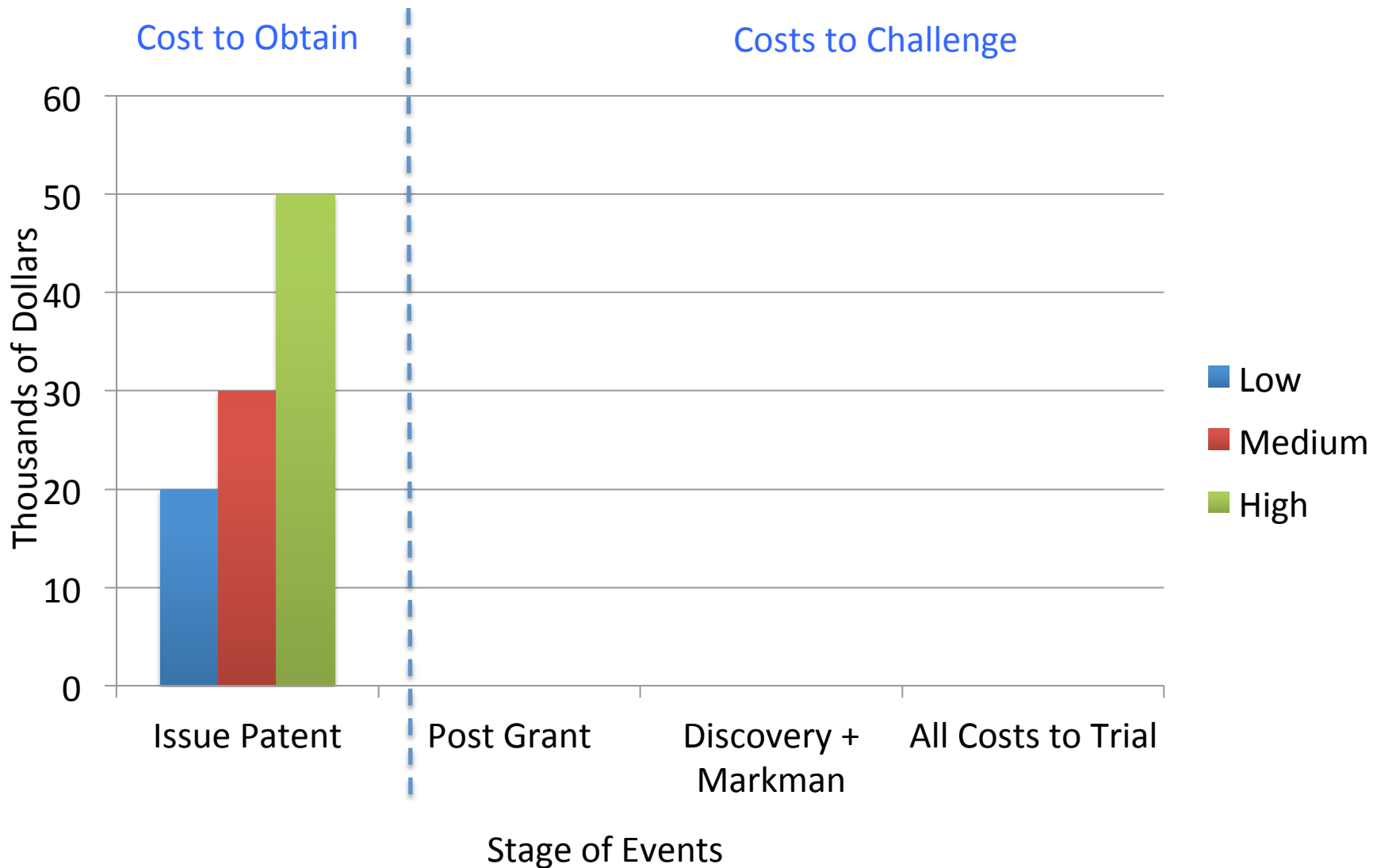
# Why Do We Care About IPRs?



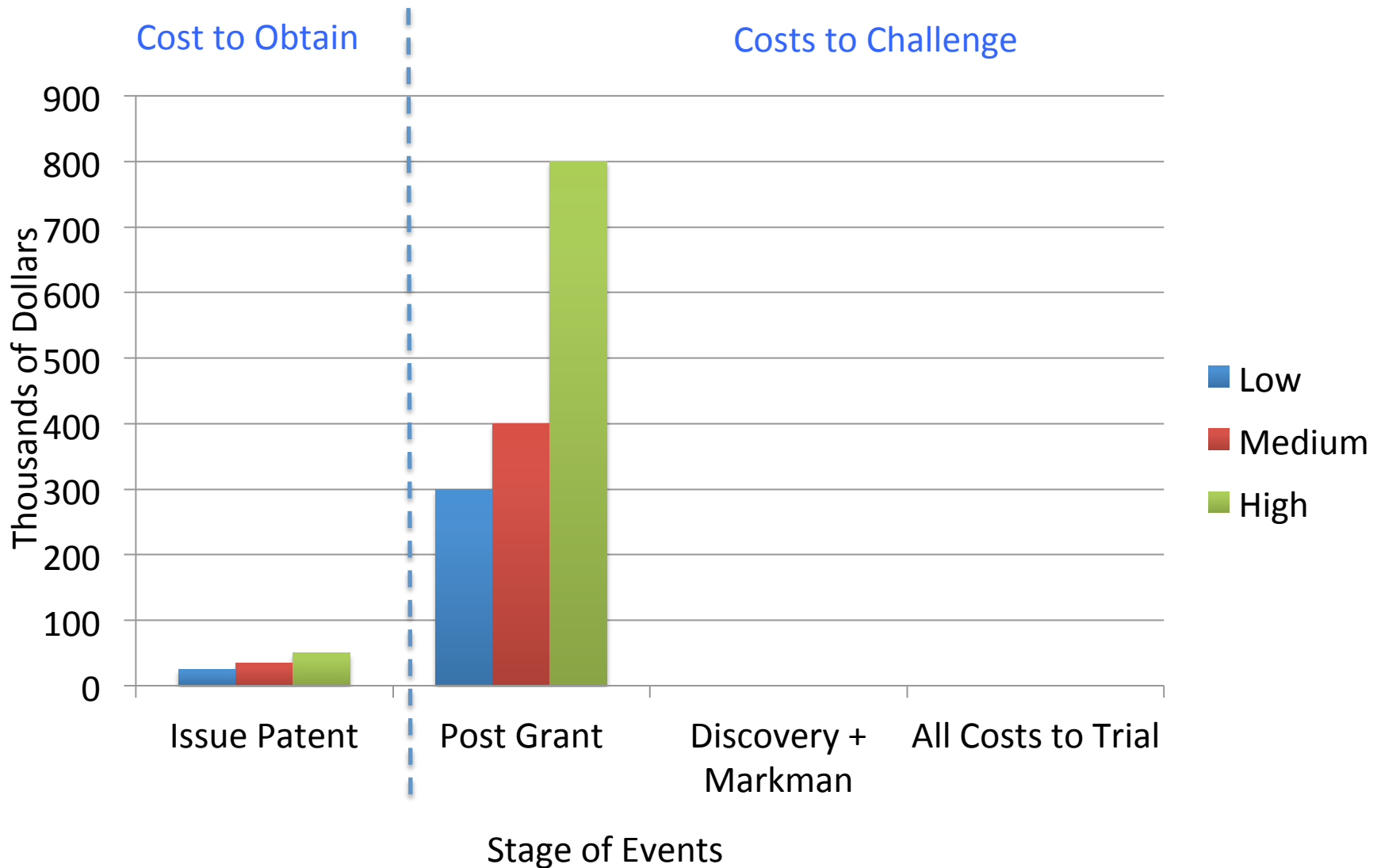
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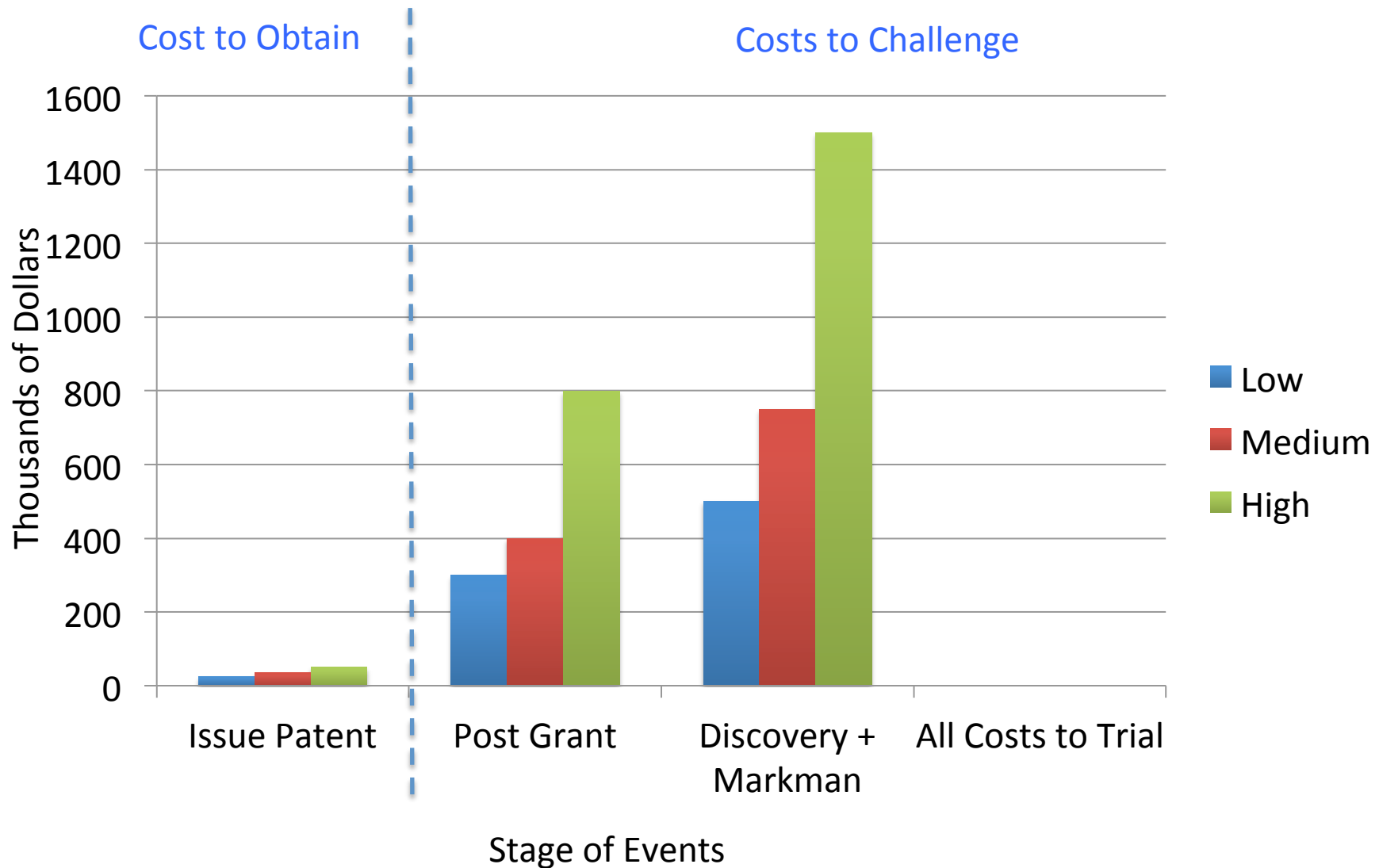


# Why Do We Care About IPRs?

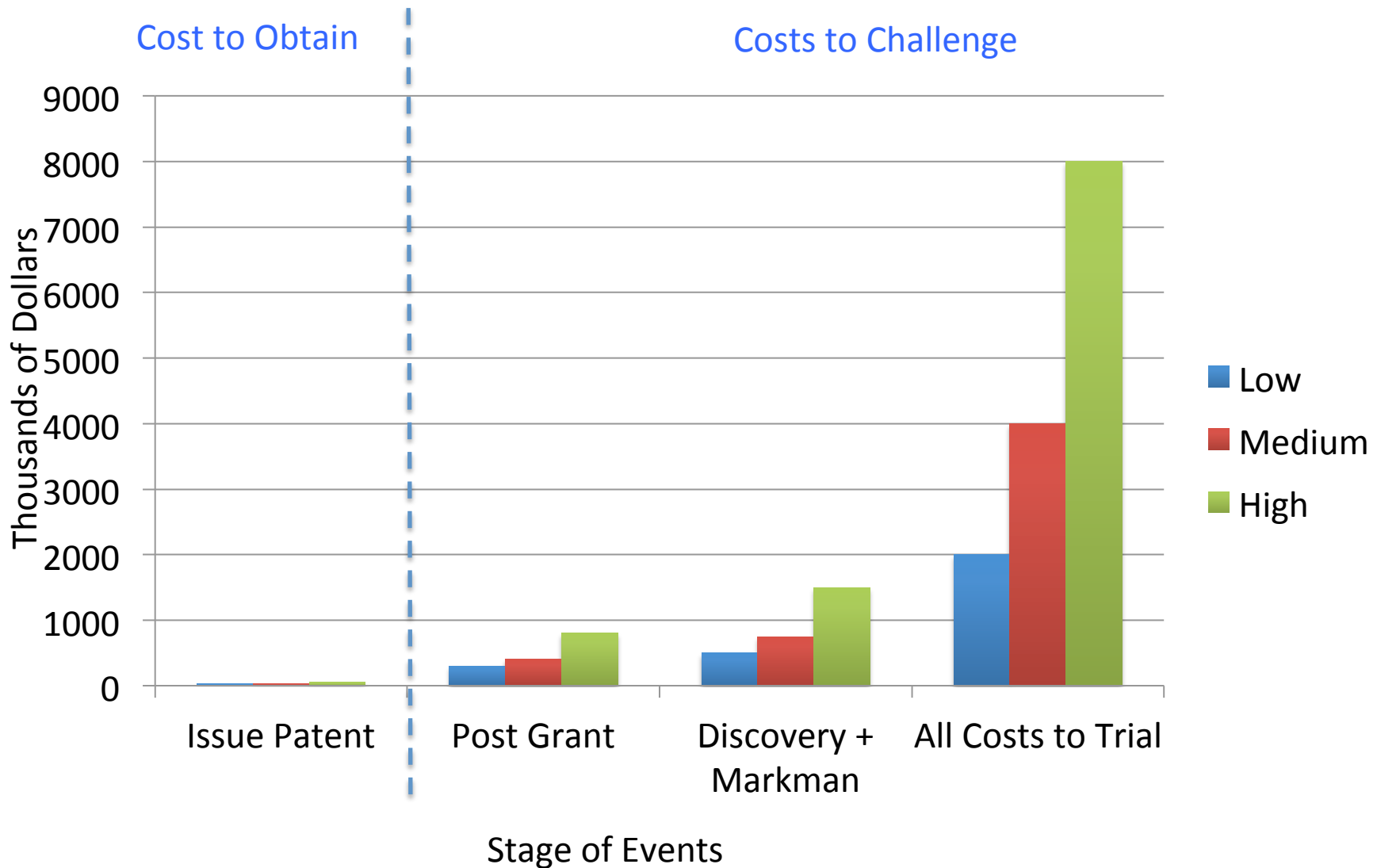




# Why Do We Care About IPRs?



# Why Do We Care About IPRs?



# Comparing IPR, CBM PGR

Challenge	<i>Inter Partes</i> Review	Covered Business Method Patent Review	Post Grant Review
<b>Eligible Patents</b>	All (pre & post-AIA)	Business Method (pre & post-AIA)	FITF Patents (filed after March 15, 2013)
<b>Grounds</b>	Patents and Printed Publications - 102/103	All prior art- 101, 102, 103, 112 (except best mode) <b>NOTE: CBM Limited to Publicly Available Prior Art</b> (see e.g., CBM2013-00008)	All prior art- 101, 102, 103, 112 (except best mode)
<b>Litigation-Related Limits</b>	<ul style="list-style-type: none"> <li>Petitioner has not filed a prior invalidity action</li> <li>Petition filed after 9mos/PGR*(FITF only) and within 1 year after service of complaint for infringement</li> </ul>	<ul style="list-style-type: none"> <li>Petitioner has not filed a prior invalidity action (CBM2014-0037)</li> <li>Petitioner must be sued or charged with infringement</li> <li>Petition not filed within 9 months of issue (of FITF patents only)</li> </ul>	<ul style="list-style-type: none"> <li>Petitioner has not filed a prior invalidity action</li> <li>Petition filed within 9 months of issue</li> </ul>
<b>Institution</b>	Petition must demonstrate a <b>reasonable likelihood</b> that Petitioner would prevail as to at least one of the claims challenged (may be 50/50 chance)	Petition must demonstrate that it is <b>more likely than not</b> that at least one of the claims challenged is unpatentable (greater than 50/50 chance)	

# Comparing Estoppels

Challenge	<i>Inter Partes</i> Review	Covered Business Method Patent Review	Post Grant Review
<b>Petitioner Estoppels in Civil and ITC Actions</b>	May not request or maintain a proceeding before the court: if <b>final written decision</b> re a claim, and w.r.t. that claim any ground the <b>Petitioner raised or reasonably could have raised during the review</b>	Limited estoppel to Civil Action and ITC to preclude an assertion by Petitioner that a claim is invalid <b>on any ground that the Petitioner raised during the CBM proceeding</b>	May not request or maintain a proceeding before the court: if <b>final written decision</b> re a claim, and w.r.t. that claim any ground the <b>Petitioner raised or reasonably could have raised during the review</b>
<b>Estoppel Applies to:</b>	Petitioner, Real Party in Interest, and Privy of Petitioner	Petitioner only (not RPI or Privy)	Petitioner, Real Party in Interest, and Privy of Petitioner
<b>Petitioner Estoppel in PTO</b>	May not request or maintain a proceeding before the PTO: if <b>final written decision</b> re a claim, and w.r.t. that claim any ground the <b>Petitioner raised or reasonably could have raised during the review</b>		
	Applies to Petitioner, Real Party in Interest, and Privy of Petitioner		
<b>Patent Owner Estoppel in PTO</b>	Yes - 37 CFR § 42.73(d)(3) Patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent: <ul style="list-style-type: none"> <li>(i) A claim that is not patentably distinct from a finally refused or cancelled claim; or</li> <li>(ii) An amendment of a specification or of a drawing that was denied during the trial proceeding, but this provision does not apply to an application or patent that has a different written description.</li> </ul>		

# Patent Owner Estoppel in the Patent Office - 37 CFR § 42.73(d)(3)

- (3) Patent applicant or owner. A patent applicant or owner is **precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent:**
  - (i) A claim that is not patentably distinct from a finally refused or cancelled claim; or
  - (iii) An amendment of a specification or of a drawing that was denied during the trial proceeding, but this provision does not apply to an application or patent that has a different written description.

# Impact on Prosecution

- New AIA post-grant proceedings will
  - Raise visibility of good prosecution (or at least highlight *bad* prosecution)
    - Reward “better” patenting: i.e., tailored applications in view of the prior art
  - Influence claiming practice in prosecution
  - Narrow the “information gap” between prior art in prosecution and prior art in litigation

# Impact on Litigation

- New AIA post-grant proceedings will
  - Change the approach to initiating patent litigation
    - Declaratory Judgment
  - Increase the likelihood of stays in litigation
  - Affect discovery practices
  - Shorten the overall life cycle of patent enforcement
  - Change the challenges asserted in litigation
    - Patentability/validity challenges before engaging in full litigation
    - Estoppel will eliminate some challenges in litigation

# Enforcement Before Passage of the AIA

## Prosecution

- Prosecution with efforts to survive litigation

## Reexamination

- Examiner based (in the CRU)
- 6 Figure actions
- Focus on validity
- No time limit, but special dispatch
- Sometimes inter partes- Limited evidence – no discovery
- Sometimes stayed, but sometimes not due to multi-year delays

## Litigation

- Lay judges and juries
- 7 Figure enforcement actions
- decide validity and infringement
- At least six figure discovery costs drive nuisance suit settlement value



# Enforcement After Passage of the AIA



## Prosecution

- Prosecution with efforts to survive litigation

## AIA Patent Review

- Patent Attorney Judges in PTAB
- 6 Figure actions
- Intense focus and only on validity
- Statutory completion timers – more likely to stay litigation
- Always *inter partes* with limited discovery
- Option for early settlement

## Litigation

- Lay Judges and Juries
- 7 Figure enforcement actions
- decide validity (if not in PTAB) and infringement
- At least six figure discovery costs but less nuisance suit settlement value

# AIA Post-Grant Options Compared to Litigation and Reexam

- AIA Post-Grant Trials are
  - Fast
  - Accurate
  - Focused
  - Decided by patent attorney judges
  - Cheaper than traditional litigation



# Different Standards for Interpretation and for Burden of Proof Between Review and Litigation

## Ex Parte Prosecution & Reexam & IPR/CBM/PGR Review

- Interpretation
  - Broadest reasonable interpretation
    - *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984)
- Burden of Proof
  - Preponderance of the evidence

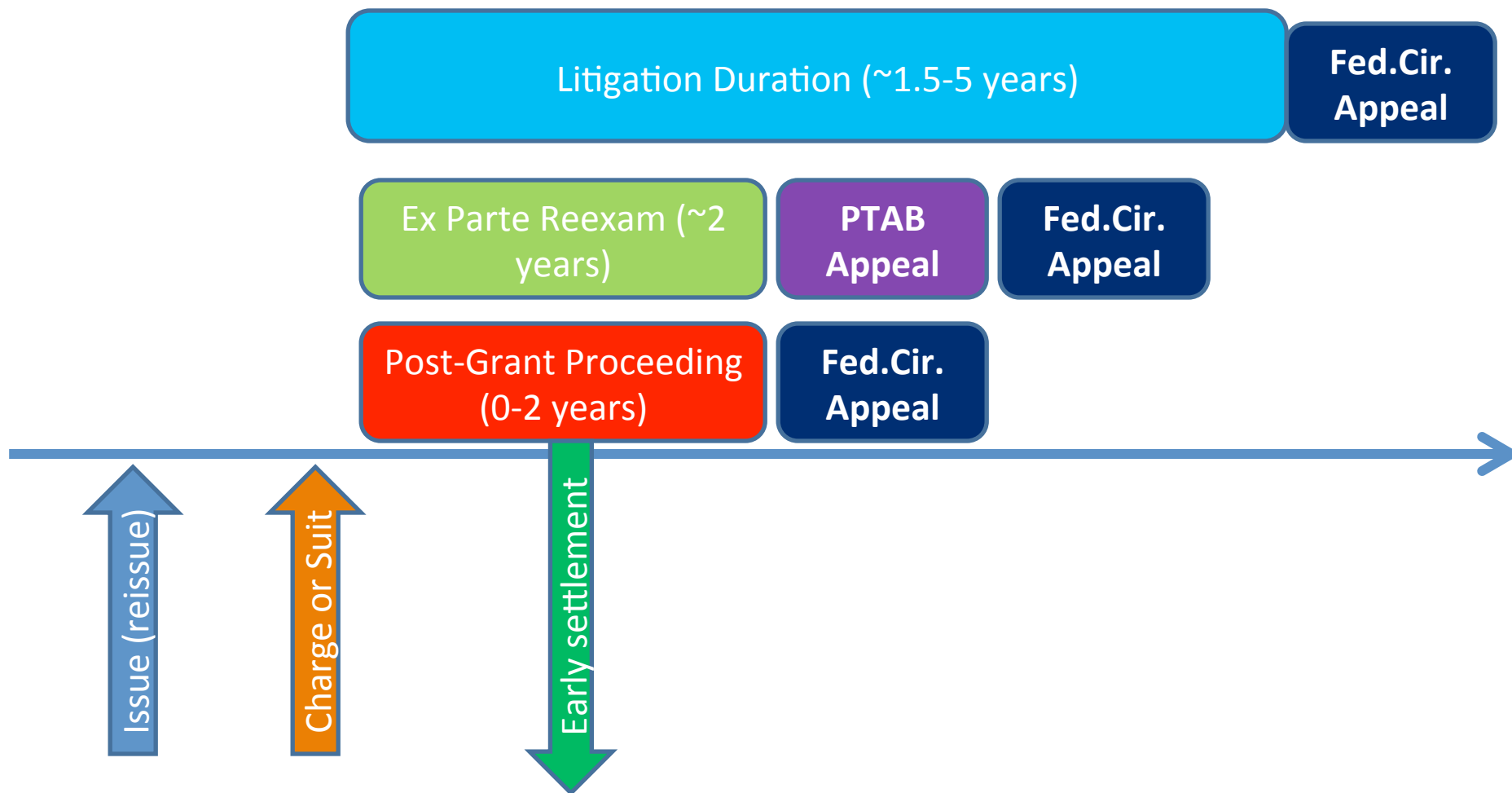
## Litigation

- Interpretation
  - *Phillips/Markman*
- Burden of Proof
  - Clear and convincing evidence

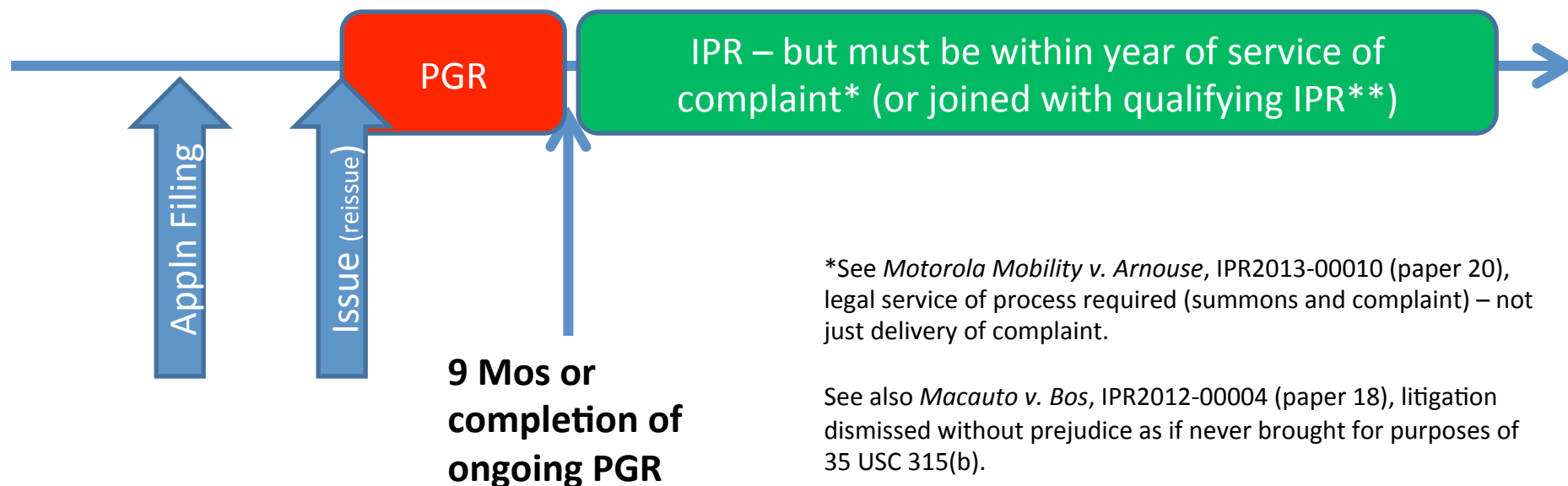
# Which Challenge Will I Choose?

- Simple Ways to Rule Out Options:
  - If the patent was the subject of a suit of over a year ago, then IPR is not an option.
  - If the patent is not in litigation and no charge of infringement, CBM is not an option
  - If the patent was filed before March 16, 2013, then PGR is not an option
  - If the patent issued more than 9 months ago, then PGR is not an option

# Timing Comparison of Litigation, Post-Grant Trials, and *Ex Parte* Reexam



# PGR/IPR Timing

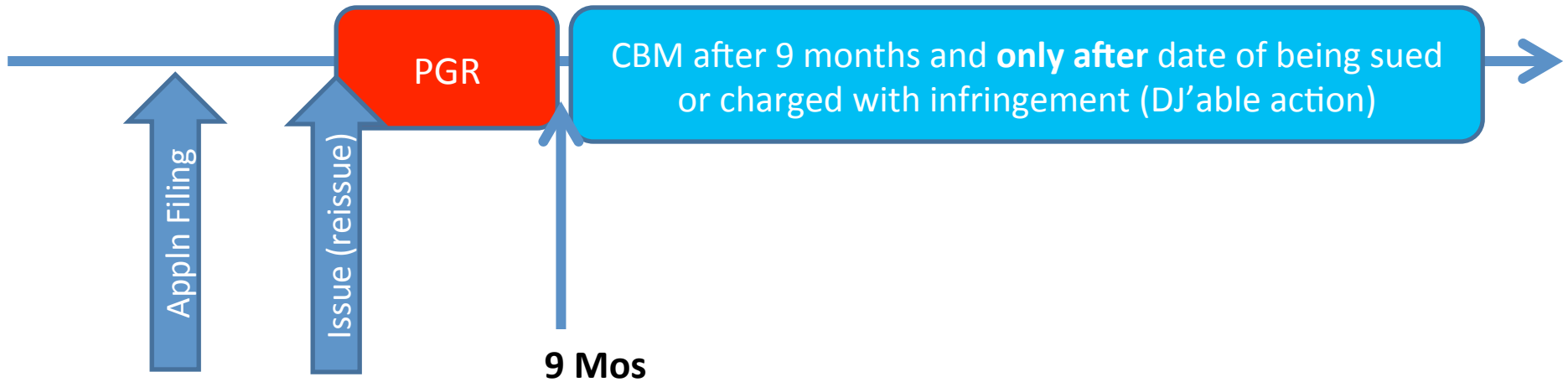


\*See *Motorola Mobility v. Arnouse*, IPR2013-00010 (paper 20), legal service of process required (summons and complaint) – not just delivery of complaint.

See also *Macauto v. Bos*, IPR2012-00004 (paper 18), litigation dismissed without prejudice as if never brought for purposes of 35 USC 315(b).

\*\* See *Microsoft v. Proxyconn*, IPR2013-00109 (papers 14 and 15) for example of joinder after 1 year bar under 35 USC 315(b) by petitioner after patent owner added claims to litigation.

# PGR/CBM Timing



# Disclaimer

- This presentation is not intended to be legal advice, but rather it is a general discussion of possible considerations about patent practice which will vary greatly with actual facts and state of the law. The reader is urged to retain competent legal counsel for any actions contemplated or ongoing.



# Question and Answer

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