

An Overview of the New Post Grant Review Proceedings at the USPTO

Michael Griggs, Boyle Fredrickson
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What is Post Grant Review?

- Trial proceedings at the USPTO created by the America Invents Act
 - Became available on September 16, 2012
- Challenge patentability of claims in issued patents
- There are three types of post grant review proceedings
 - Inter Partes Review (IPR)
 - Post Grant Review
 - Review of Covered Business Method Patents (a limited proceeding that I will not be addressing today)
- The goal is to relieve the burden on the district courts with respect to validity challenges to patents



What is the difference between IPR and PGR?

- Scope
 - IPR is limited to 102 and 103 challenges based upon patents and printed publications
 - Any patentability challenge may be raised in a PGR
- Eligible patents
 - IPR is available to any issued patent
 - PGR is available only to patents filed after March 16, 2013 (in other words, first-to-file patents)
- Time for filing
 - IPR may be filed no sooner than 9 months after issuance
 - PGR may only be filed within 9 months of issuance

What is the difference between IPR and PGR?

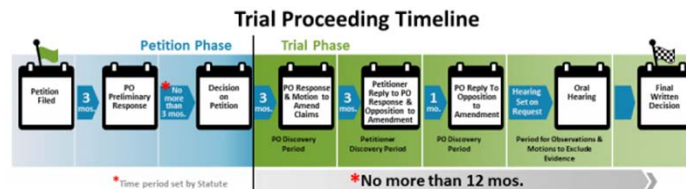
- Filing Fees
 - IPR has a \$9,000 nonrefundable filing fee, and a \$14,000 institution fee that is refunded if not instituted (so \$23,000 in upfront fees, plus additional fees for more than 20 claims)
 - PGR has a \$12,000 nonrefundable filing fee, and a \$18,000 institution fee that is refunded if not instituted (so \$30,000 in upfront fees, plus additional fees for more than 20 claims)

What are the similarities between IPR and PGR?

- While there are differences relating to scope, timing, eligibility, and fees, the procedure and rules governing IPRs and PGRs are the same
- For purposes of this presentation, I will discuss IPR procedure with the understanding that my comments are equally applicable to PGR proceedings
- Since first-to-file patents have only recently started to issue, there have been very few attempts at PGR
 - Two attempts in 2014 that were not instituted
 - Three attempts in 2015 that are pending

General overview of the procedure

- The procedural overview is shown below



Burden of Proof

- Petitioner bears the burden of proof
- Preponderance of the evidence standard
- Lesser burden than the clear and convincing evidence standard applied by Federal District Courts
- Claims are given the broadest reasonable interpretation

The Petition

- The Petition sets forth the proposed grounds for unpatentability under 102 and/or 103
- The Petition is the most critical document for a petitioner
- It can be analogized to a plaintiff's case in chief at trial
 - There is no live testimony at an IPR hearing, so the petition is your trial in paper format
- It is the one and only opportunity to present your case
 - Petitioner's reply can only respond to arguments raised in the Patent Owner's response; cannot raise new issues or belatedly present evidence
- Must include all of the petitioner's argument and evidence
 - Though not required, an expert declaration is strongly recommended

The Petition

- Limited to 60 pages (PGR is 80 pages)
 - Cannot use an expert declaration to thwart the page limit
 - Must choose your grounds carefully
 - Board has emphasized that it prefers clear and concise arguments
- Can file multiple petitions attacking the same patent, but the associated filing fees make this a costly proposition

The Preliminary Response

- An optional brief for the Patent Owner responding to the unpatentability grounds set forth in the Petition
 - Must be filed no later than 3 months after the Petition
- To file or not to file – there is an ongoing strategic debate about the Preliminary Response
- Benefits of filing
 - The Board may deny institution of review of all challenged claims – complete victory
 - The Board may deny institution of review of some challenged claims – partial victory
 - The Board may reject certain proposed claims, thus narrowing the issues and streamlining the proceeding

The Preliminary Response

- Arguments against filing
 - If you make your best arguments and the Board rejects them, what do you do now?
 - Supporting declarations may not be filed with a Preliminary Response, so if arguments are expert dependent or fact intensive, the Preliminary Response may not be the best place to make them

	Filed	Waived
IPR	1,804	398
CBM	232	26
PGR	2	-

The Institution Decision

- The Board considers the Petition and Preliminary Response, if submitted, and decides whether to institute review
- The Institution Decision must be issued within 6 months of the filing of the Petition (which is also 3 months after a Preliminary Response if filed)
- Review will be instituted if the Petition demonstrates a reasonable likelihood that at least one claim is unpatentable
- There are numerous possible outcomes
 - Completely reject the petition
 - Completely accept the petition
 - Anything in between

The Patent Owner Response

- Responds to the grounds for which review was instituted
- Must be filed within 3 months of the Institution Decision
- Can take limited discovery
 - Deposition of expert or fact witness
 - Some limited document discovery
- Limit of 60 pages

Motion to Amend

- Patent Owner may file a motion to amend
 - May be contingent on whether claims are determined to be patentable
- As the rules stand now, extremely difficult due to page restrictions (only 15 pages)
 - Proposed amended claims must be in the brief
 - Address claim construction issues
 - Demonstrate 112 support for the amendments
 - Demonstrate patentability with respect to prior art known to Patent Owner
 - Only one successful motion to amend out of hundreds of attempts
- Rules are being changed to address Patent Owner concerns regarding motions to amend

Petitioner Reply

- Replies to Patent Owner's Response
- Due 3 months after Patent Owner Response is filed
- No new arguments or evidence
- Limited to 15 pages
- Petitioner may take limited discovery
 - Depositions and documents
- Petitioner may also file an opposition to a motion to amend if filed

Hearing

- Occurs at the USPTO in Alexandria, VA before a panel of 3 administrative patent judges
- Each side is usually provided one hour
- No live testimony
- Similar to an appellate setting, judges often interject and ask questions

Final Decision

- The Board's final decision issues within 3 months of the hearing
- Parties may request a rehearing (in other words, request reconsideration the Board's decision on particular issues)
- Final Decision may be appealed to the Court of Appeals for the Federal Circuit

IPR Statistics

- As of April 30, 2015 (from the USPTO website):
 - 13,699 claims challenged – 937 petitions
 - 8,886 claims instituted – 65% of challenged claims
 - 4,813 claims challenged but not instituted – 35%
- Of the claims for which review is instituted
 - 3,378 found unpatentable – 38% of claims instituted, 25% of claims challenged
 - 1,236 claims canceled or disclaimed – 14% of claims instituted, 9% of claims challenged
 - 3,396 claims remaining patentable – 38% of claims instituted, 25% of claims challenged

Why is this important?

- Wave of the future
- It is becoming a common trend for an accused infringer to file a petition for IPR
 - High success rate for Petitioners
 - Streamlined process – limited briefing and limited discovery means less expensive than district court
 - Relatively fast resolution – final decision within 12 months of institution of review
 - May be a basis to stay district court litigation
- Adjudicated by a board with specialized knowledge of patent law and the technology at issue – this may be favorable to both parties

Estoppel

- Beware of the estoppel provisions
- After a final decision, a petitioner will be precluded from challenging the patent in district court based upon arguments that were presented, or could have been presented, in the IPR
- Patent Owner may not obtain claims (in the challenged patent or any other related patent) a claim that is not patentably distinct from a finally refused or canceled claim

Recent Developments

- *St. Jude Medical v. Volcano Corp.* (April 24, 2014)
 - Held that a Petitioner cannot appeal the Board's decision not to institute review
- *In re The Procter and Gamble Company* (Apr. 24, 2014)
 - Denied review of Institution Decision via mandamus, but left the door open for review of institution decision after a final decision has been made
- *In re Cuozzo Speed Technologies, LLC.* (Feb. 5, 2015)
 - Held that the Federal Circuit does not have jurisdiction to review institution of IPR, even after a Final Decision is issued
 - Here, the Board instituted on grounds not included in the Petition, which was challenged by the Patent Owner
 - Affirmed the Board's use of the broadest reasonable interpretation standard for claim construction

QUESTIONS???

WE HAVE ALL THE ANSWERS*

*Being lawyers, the answer to many questions will likely be, "it depends." Please plan your questions accordingly.

THE END

Michael Griggs
Boyle Fredrickson, S.C.
840 N. Plankinton Ave.
Milwaukee, WI 53203
mtg@boylefred.com
414.225.6311

