

FINNEGAN

Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

The New Post-AIA World

New Ways to Challenge a US Patent or Patent Application

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Third Party Patent Challenges

Pre-AIA	New Post-AIA World
Pre-issuance third party submissions (Limited)	Pre-issuance third party submissions (Expanded)
Ex Parte Reexam	Ex Parte Reexam
	Post-Grant Review
	Post-Grant Review for Covered Business Method Patents
Inter Partes Reexam	Inter Partes Review

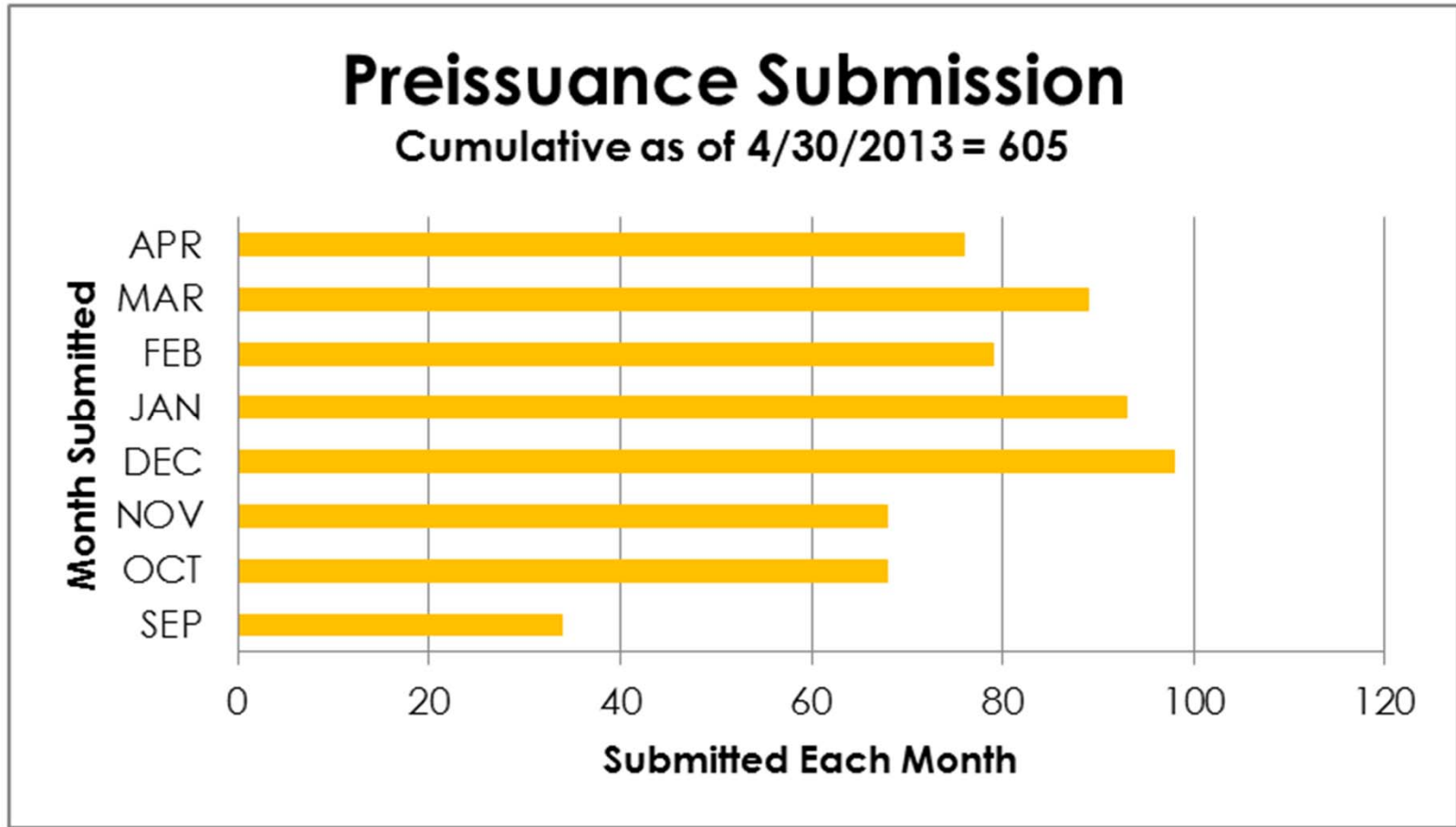
Pre-Issuance Submissions by Third Parties

- Challenging a **pending patent application**
- Allows 3rd parties to file publications along with a short statement of relevance, in any pending U.S. application
- Includes: patents, patent application, and other printed publications, including litigation papers
- Statement of relevance may include:
 - Narrative describing disclosure of publication
 - Claim chart mapping portions of the publication to claims in the application
 - BUT NOT argument or proposed claim rejection

Pre-Issuance Submissions by Third Parties

- Timing of 3rd Party Submissions by earlier of:
 - Mailing of a Notice of Allowance; or
 - Later of:
 - 6 months after the application is first published, or
 - Mailing date of a first Office Action including a claim rejection
- USPTO Fee for 3rd Party Submission
 - 3 or fewer documents = no fee
 - more than 3 documents = \$180 per 10 documents

Pre-Issuance Submissions by Third Parties



Source: http://www.uspto.gov/aia_implementation/statistics.jsp

Post-Grant Challenges

- Challenging an **issued US patent**
- New AIA proceedings before Patent Trial and Appeal Board (PTAB)
 - **Post-Grant Review (PGR)**
 - **Post-Grant Review for Covered Business Method Patents (CBM)**
 - **Inter Partes Review (IPR)** replaces Inter Partes Reexamination
- Old procedure still available
 - Ex Parte Reexamination

Post-Grant Review (PGR)

Scope

- Only available for patents filed on or after March 16, 2013

Grounds

- Novelty, obviousness, patentable subject matter, written description
- BUT NOT best mode

Timing

- File PGR petition within 9 months of patent grant

Post-Grant Review (PGR)

Threshold

- Petition shows at least one claim **more likely than not** unpatentable (>50%)
- OR novel legal question

Estoppel

- In later PTO proceeding or civil action
- Cannot raise issues that PGR “raised or could have raised”

Estoppel Timing

- Attaches after PTAB final written decision

PGR for Covered Business Methods (CBM)

Scope

- Available for “covered business method patents” but not “technological inventions”
- Includes pre- and post- AIA patents

Grounds

- Novelty, obviousness, patentable subject matter, written description
- BUT NOT best mode

Timing

- File CBM petition while patent is in force

PGR for Covered Business Methods (CBM)

Threshold

- Petition shows at least one claim **more likely than not** unpatentable (>50%)
- OR novel legal question

Estoppel

- In later PTO proceeding: “raised or could have raised”
- In later civil action: **only issues actually raised**

Estoppel Timing

- Attaches after PTAB final written decision

PGR for Covered Business Methods (CBM)

- What is a Covered Business Method?
 - Method or corresponding apparatus for performing data processing or other operations in the practice, administration, or management of a **financial product or service**
 - But not a **“technological invention”**
 - Class 705 is a clue

Inter Partes Review (IPR)

Scope

- Includes pre- and post- AIA patents
- Replaced Inter Partes Reexamination

Grounds

- Only **patents and printed publications**

Timing

- AIA patents: file nine months after grant
- Pre-AIA patents: no 9 month waiting period
- Must file within one year of being served with complaint

Inter Partes Review (IPR)

Threshold

- **Reasonable likelihood** that the petitioner would prevail with respect to a claim (50/50)

Estoppel

- In later PTO proceeding or civil action
- Cannot raise issues that IPR “raised or could have raised”

Estoppel Timing

- Attaches after PTAB final written decision
- In IPR, could not have raised 101, 112

Patent Trials at PTAB (incl. PGR, IPR, CBM)

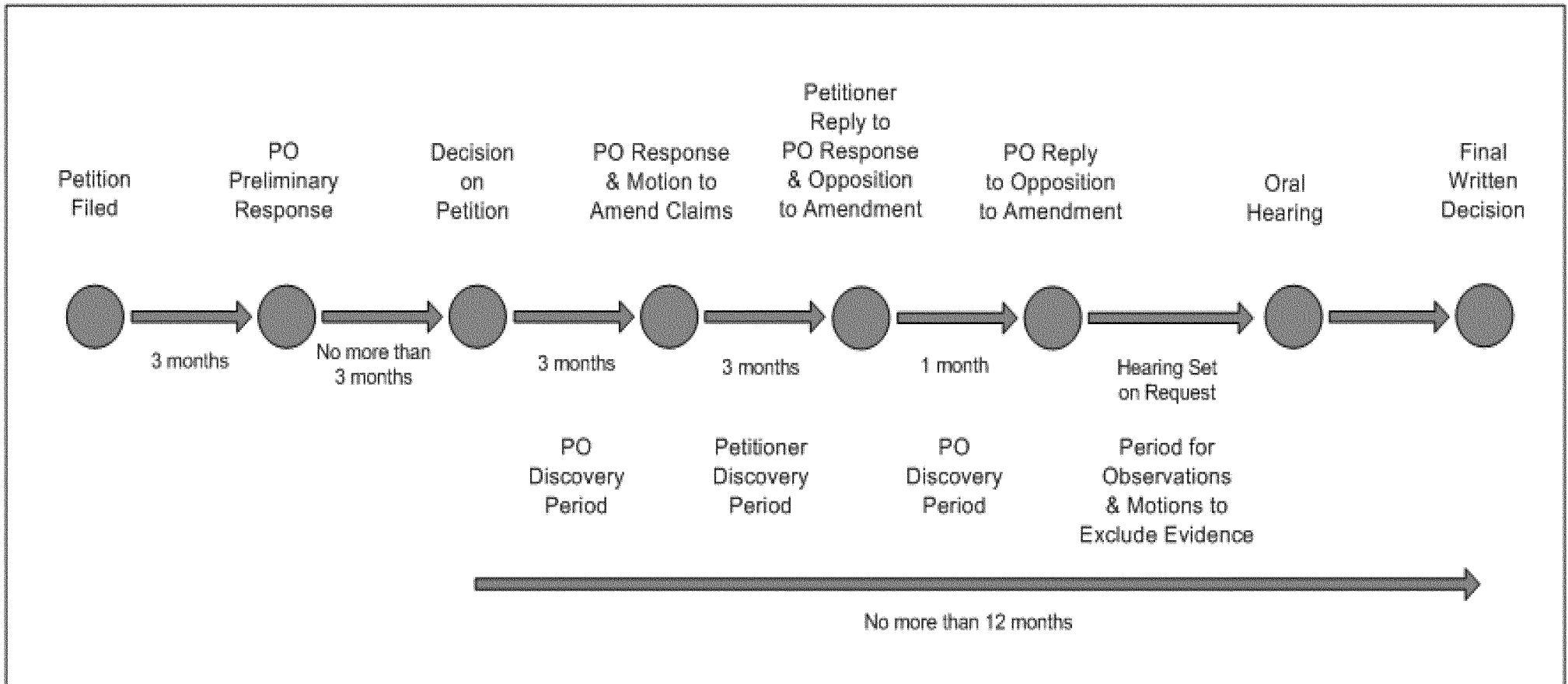
- Statute requires completion in 12 months from institution
 - Director may take 6 month extension for good cause
- Claims given broadest reasonable interpretation
- Limited discovery
- Lower burden of proof
 - Preponderance of the evidence
 - No “presumption of validity”
- Appeals directly to U.S. Court of Appeals for the Federal Circuit

Patent Trials at PTAB (incl. PGR, IPR, CBM)

- **Stays** of related litigation may be available
- PTO fees
 - IPR: \$9,000 petition + \$14,000 institution
 - PGR/CBM: \$12,000 petition + \$18,000 institution
- Page limits
 - IPR: petition/response 60 pages
 - PGR/CBM: petition/response 80 pages

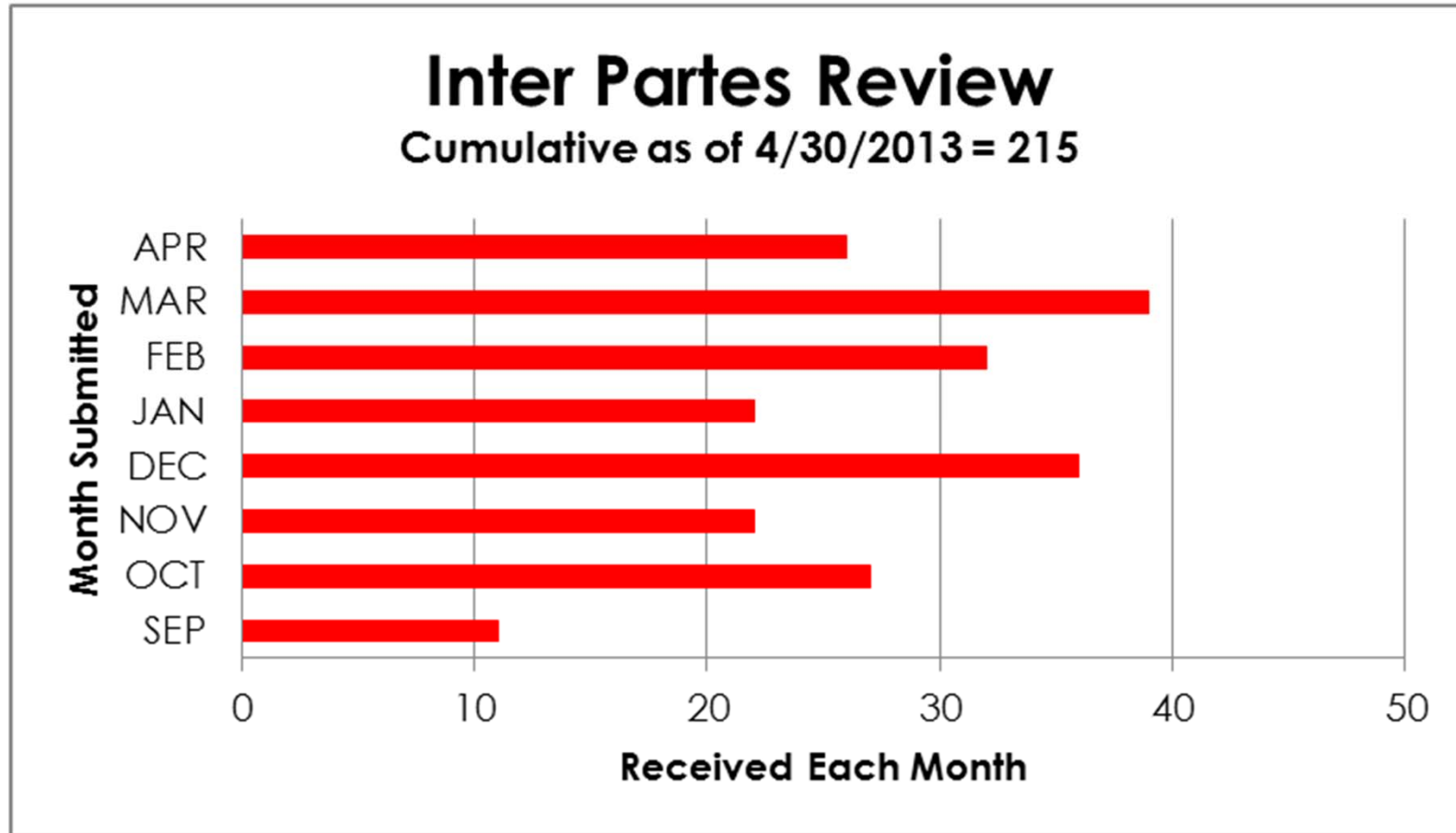
1. Rules of practice for trials before PTAB
 - “Umbrella rules” for trial practice before the Board including IPR, PGR, CBM, and derivations (37 C.F.R. §§ 42.1-42.74)
 - “Umbrella rules” that govern all proceedings
2. Changes to implement IPR/PGR/CBM
 - IPR (37 C.F.R. §§ 42.100-42.123)
 - PGR (37 C.F.R. §§ 42.200-42.224)
 - CBM (37 C.F.R. §§ 42.300, 42.302, 42.303, and 42.304)
3. CBM-specific rules
 - Defines “covered business method patent” and “technological invention”
4. Office patent trial practice guide

Representative Timeline



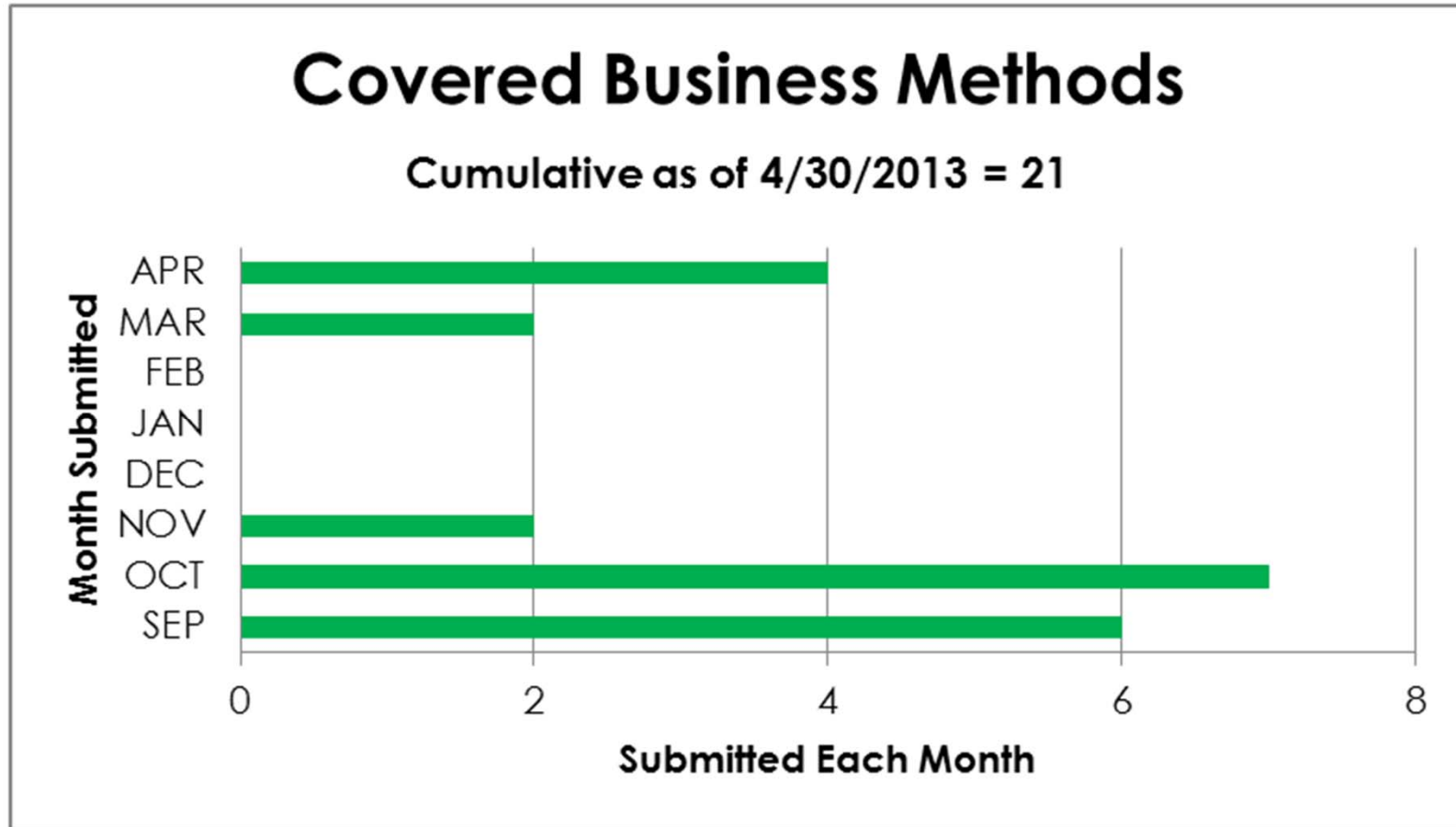
Source: Trial Practice Guide

Early PTO Statistics



Source: http://www.uspto.gov/aia_implementation/statistics.jsp

Early PTO Statistics



Source: http://www.uspto.gov/aia_implementation/statistics.jsp

Early Lessons Learned

- Not all requested grounds are being instituted
 - Denials of redundant grounds/references
 - Denials of grounds lacking detailed support
- PTAB willing to make new rules
 - Shortened patent owner response period
 - Discovery disputes prior to institution
 - Stayed ex parte reexamination in favor of IPR before institution

Early Lessons Learned

- District courts have granted stays based on IPR and CBM
 - Even before PTAB trial institution
- “Covered business methods” being construed broadly
 - Method for pricing products
 - Method for hiring temporary employees
 - System for pricing car insurance

Comparison: Slide 1 of 2

	Ex Parte Reexam	Post-Grant Review	PGR Covered Business Methods	Inter Partes Review
When	After grant	Within nine months of grant	After grant, for covered business method patents	After nine months of grant
Threshold showing	SNQ	More likely than not or novel legal question	More likely than not PLUS sued or charged with infringement	Reasonable likelihood of success
Grounds	102, 103	101, 102, 103, 112	101, 102, 103, 112	102, 103
Time at PTO	Years	12-18 months	12-18 months	12-18 months
Anonymity	Yes	No	No	No

Comparison: Slide 2 of 2

	Ex Parte Reexam	Post-Grant Review	PGR Covered Business Methods	Inter Partes Review
Estoppel	None	Issues raised or could have been raised	PTO: raised or could have raised Dist Ct.: raised	Issues raised or could have been raised
Before whom	CRU	PTAB	PTAB	PTAB
Discovery/evidence	Declaration	Declaration and discovery	Declaration and discovery	Declaration and discovery
Appeal	Only patent owner may appeal to PTAB then Federal Circuit	Both parties may appeal to Federal Circuit	Both parties may appeal to Federal Circuit	Both parties may appeal to Federal Circuit

Thank you.



Erika Arner chairs Finnegan's patent prosecution practice. She focuses on PTAB trials, patent prosecution management, client counseling, and litigation, with an emphasis on electronic technology, computer software, and the Internet. She has helped clients of all sizes to establish and grow patent portfolios, design and implement procedures to protect intellectual capital, and formulate company-wide IP strategies and policies.

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