



**POST-GRANT  
PROCEEDINGS AT  
THE PATENT OFFICE  
UNDER THE AIA**

**HERSHKOVITZ IP GROUP**

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# Derivation Proceedings in the PTO

- A later applicant may assert that an earlier applicant derived the claimed invention and filed without authorization
- Effectively replaces interference proceedings
- Question now revolves around single act of invention, rather than competing acts of invention
- Remedy is cancellation/refusal of derived claims

# Derivation Proceedings

- Pays to monitor competitors' applications early in the filing process
- Timing: petition must be filed within one year of publication of a competitor's application

# Derivation Actions

- Similar provision for patent owners to sue in court, alleging that a third-party patent was derived from the inventors' work
- Must sue within a year of patent issuance

# Take Away

- File with urgency – same as it always was
- Good record keeping still important, but disclosure history now more important than proof of conception and reduction
- Keep the March 16, 2013 date in mind, consider filing prior to
- Disclosure to establish your own priority and create prior art for others – maybe
- Disclosure not clearly defined by AIA
- Monitor patents and published applications for derivation concerns

# Patent Post-Grant Proceedings

- "Post-grant review proceedings" as defined in AIA Sec. 6 includes:
  - Post-grant review (New)
  - Inter partes review (New)
  - Citation of Prior Art and Written Statements (New)
- Other post-grant proceedings:
  - Ex parte reexamination (substantively unchanged, but cost increasing from \$2,250 to \$17,750 (proposed))
  - Supplemental examination (New)
  - Reissue ('lack of deceptive intent' no longer required)



# Summary

<b>Proceeding</b>	<b>Threshold</b>	<b>Basis</b>	<b>Estoppel</b>
<b>Post-Grant Review</b>	<b>More likely than not that at least one claim is unpatentable</b>	<b>Any ground (incl. product as prior art, prior use or sale)</b>	<b>Raised or <u>reasonably</u> could have raised</b>
<i>Current Inter Partes Reexam (to be phased out)</i>	<i>Reasonable likelihood petitioner will prevail on at least one claim (was SNQ prior to 9/16/2011)</i>	<i>Patents/printed publications only</i>	<i>Could have raised (but <i>not</i> for ITC)</i>
<b><i>Inter Partes Review</i></b>	<b>Reasonable likelihood petitioner will prevail on at least one claim</b>	<b>Patents/printed publications only</b>	<b>Raised or <u>reasonably</u> could have raised (<i>incl.</i> ITC)</b>
<b><i>Ex Parte Reexamination</i></b>	<b>SNQ</b>	<b>Patents/printed publications only</b>	<b>N/A</b>
<b>Supplemental Examination</b>	<b>SNQ</b>	<b>Any information</b>	<b>N/A</b>

# Pre-issuance Submission

- Any person may submit patents and printed publications for review before the earlier of:
  - date of allowance; or
  - later of:
    - six months after the patent application publishes, or
    - first rejection of any claim
- Effective one year after date of enactment



# Post-Grant Review

- A third party may petition the USPTO to institute post-grant review of a patent
  - Petition must name real party in interest
- Petitioner may request cancellation claims as unpatentable on virtually any ground:
  - *E.g.*, prior art, written description, enablement, utility, or patentable subject matter
- Heard by Patent Trial and Appeal Board

# Post-Grant Review

- Petition must be filed within nine months of patent grant
  - Or within nine months of reissue, if claims were broadened
- Review standard:
  - Petition, taken alone, would make it more likely than not that at least one claim is unpatentable; or
  - Petition raises novel or unsettled legal question that would be important to other patents or applications

# Post-Grant Review

- Effective one year after date of enactment
- Applies only to patents subject to first-to-file rules

# Post-Grant Review

- AIA Sec. 6, §§321-329, "effective" September 16, 2012, but . . .
  - Only applicable to patents having priority date on or after March 16, 2013 (AIA § 3(n)(1))
    - → Not *practically* usable until at least late 2014 or 2015
      - Exception: Covered business method patents -- any priority date, but only if have been charged with infringement Third parties only
  - Real-party in interest cannot remain anonymous
  - Time limit to request PGR: 9 months after issuance of patent
  - Duration: PTO final determination within 1 year after instituting PGR (+ up to 6-months extension for good cause)

# Post-Grant Review

- Grounds of invalidity
  - Any ground of invalidity (not just patents or publications)
    - 101, 102/103, 112 (except for best mode), double patenting, etc.
      - Yes for product as prior art, prior use or sale
  - A novel or unsettled legal question that is important to other patents or patent applications
    - Opportunity to creatively raise issues

# Post-Grant Review

- Threshold: *More likely than not* that at least one of the challenged claims is unpatentable
  - Higher threshold than former SNQ threshold and new inter partes standard (reasonable likelihood petitioner will prevail)
    - but no "new" question of patentability is required
  
- Expected USPTO filing fee:  $\geq$  \$40,000 (anecdotal)
  - Compare: Filing fee for EPO Opposition is about \$1,000



# Post-Grant Review

- PGR barred if:
  - (1) petitioner already filed a civil action challenging validity of the same patent
    - unless validity challenge was filed as counterclaim
  - (2) petition requests cancellation of a claim in a reissue patent that is identical to or narrower than a claim in the original patent and the deadline has passed for PGR of the original patent
- Impact on civil actions
  - Automatic stay of DJ action filed on/after the *filing* of petition for PGR (not granted!)
    - Lifted if patent owner sues for infringement or so requests
  - Preliminary injunction
    - If a civil action alleging infringement is filed within 3 months after issuance of the patent, court may not stay consideration of patent owner's motion for preliminary injunction on the basis that a petition for PGR has been filed or PGR has been instituted

# Post-Grant Review

- Estoppel (in absence of settlement):
  - Petitioner (or its privy) cannot re-assert any ground that petitioner raised or reasonably could have raised in PGR in:
    - Another PTO proceeding (e.g., subsequent inter partes review)
    - District Court
    - ITC (unlike inter partes reexam)
  - "Reasonably could have raised" v. "Could have raised" for Inter Partes Reexam:
    - slightly narrower scope of estoppel
  - Estoppel attaches upon final written decision by PTAB
    - Sooner than in inter partes reexam ("all appeals exhausted")
- Intervening rights apply (like reissue and current reexam)

# Post-Grant Review

- More litigation-like than prosecution
  - Discovery available (e.g., depose witnesses) → expensive!
  - Protective order and sanctions
- Evidentiary standard: preponderance
- Settlement possible by joint request
  - unlike current inter partes reexam
  - No estoppel to petitioner if settled

# Post-Grant Review Similarities to Inter Partes Review

- Petition/Preliminary Response Period.
- Filing of declaratory judgment acts as bar to PGR (counterclaim OK).
- Automatic stay provisions for subsequent civil action against patent by petitioner.
- Heard by PTAB.
- Amendment procedure.
- Settlement.
- Final determination time period.
- Appeal.
- Intervening rights.

# Transitional Post-Grant Review for Business Method Patents

- Special program creates eight-year period during which a person charged with infringement of a business method patent may file a petition for post-grant review
  - Applies to any business method patent, regardless of its filing date
- Effective one year after date of enactment

# *Inter Partes* Review

- Challenges to validity based on patents or printed publications only
- Replaces *inter partes* reexamination
- Review standard
  - There is a reasonable likelihood that petitioner would prevail with respect to at least one claim
- Heard by Patent Trial and Appeal Board (not examiner)



# Transitional Inter Partes *Reexam*

- Not available after September 15, 2012
- Limited to patents issued on applications filed on or after 11/29/99 (like old inter partes reexam)
- Only major change: Higher threshold: Reasonable likelihood that petitioner will prevail on at least one claim (no longer need SNQ)
  - An "old" question or issue can be raised
    - New opportunity for challenging patents
- Estoppel applicable to subsequent civil action only (not ITC)
  - Any ground "raised or could have raised"

# New Inter Partes *Review*

- AIA §§ 311-319, effective Sept. 16, 2012
- Who can request?
  - Third party only: "a person who is not a owner of a patent"
  - Real party in interest must be identified
- Applicable to all patents as of Sept. 16, 2012
  - Regardless of filing date, priority date or issue date
  - Compare to Inter Partes Reexam: only patents issued on applications *filed* on or after 11/29/1999
  - Compare to PGR: only patents with a *priority date* on or after 3/16/2013
  - Bad news for some patent owners

# *Inter Partes* Review

- Post-grant review and litigation affect availability of *inter partes* review
  - May not be filed before the deadline to file a post-grant review petition or during a post-grant review proceeding
  - Not available if petitioner previously filed a lawsuit challenging the validity of the patent
  - Not available if the petition is filed more than 12 months after the petitioner is sued for infringement of the patent

# *Inter Partes* Review

- Effective one year after date of enactment
- In the interim, standard for instituting *inter partes* reexamination is changed to new, *inter partes* review standard
- Applies to all existing patents, subject to timing restrictions

# Inter Partes Review

- More litigation-like proceeding
  - Discovery available (e.g., can depose witnesses)
  - Protective order and sanctions
- Evidentiary standard: preponderance of the evidence
- Settlement possible by joint request:
  - Unlike inter partes reexam
  - No estoppel to petitioner if settled

# Inter Partes *Proceedings*

- File *now* rather than wait for new IPR proceedings to become effective on 9/16/2012?
  - After 9/16/2012, new IPR may be *unavailable* to some parties for some patents, due to new IPR's DJ bar and 1-year infringement claim bar
  - Estoppel under current rules does *not* include *ITC*, whereas estoppel under new IPR *will*.



# Post-Grant and *Inter Partes* Review

- USPTO required to make final determination within one year, with six-month extension for good cause
- Estoppels bar any defense that was or reasonably could have been raised during review
- No review may be filed if petitioner files an action challenging patent validity
- Any declaratory judgment action challenging validity filed after the petition is automatically stayed, unless patentee moves to lift the stay or files its own action

# Post-Grant Submission

- Any person may submit to USPTO at any time patents or printed publications believed relevant to patentability of any patent claim
- Optional statement of relevance
- Becomes part of official public file if it explains how the prior art is applicable to at least one patent claim
- Optional request for confidentiality
- Does not trigger any proceeding

# Supplemental Examination

- New procedure for patentees
- Patentees may request examination to consider, reconsider, or correct information relevant to patentability
- USPTO must conduct examination within three months to determine whether substantial new question of patentability is raised
- If so, reexamination is ordered
- Newly disclosed information may not be used as a basis for asserting inequitable conduct

# Supplemental Examination

- Protection from inequitable conduct claim does not apply:
  - To allegations pleaded with particularity in litigation before examination request is filed
  - If patentee files patent infringement suit before supplemental examination is concluded
- Effective one year after date of enactment
- Can be applied retroactively to existing patents

# Comparison

Proceeding	Threshold	Basis	Estoppel
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<i>Inter Partes</i> Review	Reasonable likelihood petitioner will prevail on at least one claim	Patents/printed publications only	Raised or <u>reasonably</u> could have raised ( <i>incl.</i> ITC)
<i>Ex Parte</i> Reexamination	SNQ	Patents/printed publications only	N/A
Supplemental Examination	SNQ	Any information	N/A

# Thank You

- Eugene C. Rzucidlo

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U.S. PATENT AND TRADEMARK OFFICE

**The End**

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