

# FINNEGAN

Finnegan, Henderson, Farabow, Garrett & Dunner, LLP

## **Post-Grant Proceedings in the USPTO**

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# Post-Grant Proceedings

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- 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)

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## 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”
- Petitioner must be “sued or charged” with infringement
- 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)

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- 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
  - Examples
    - Method and apparatus for determining a price of a product
    - Method and system for determining a cost of insurance
    - Website for finding and hiring temporary workers

# 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)

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- 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

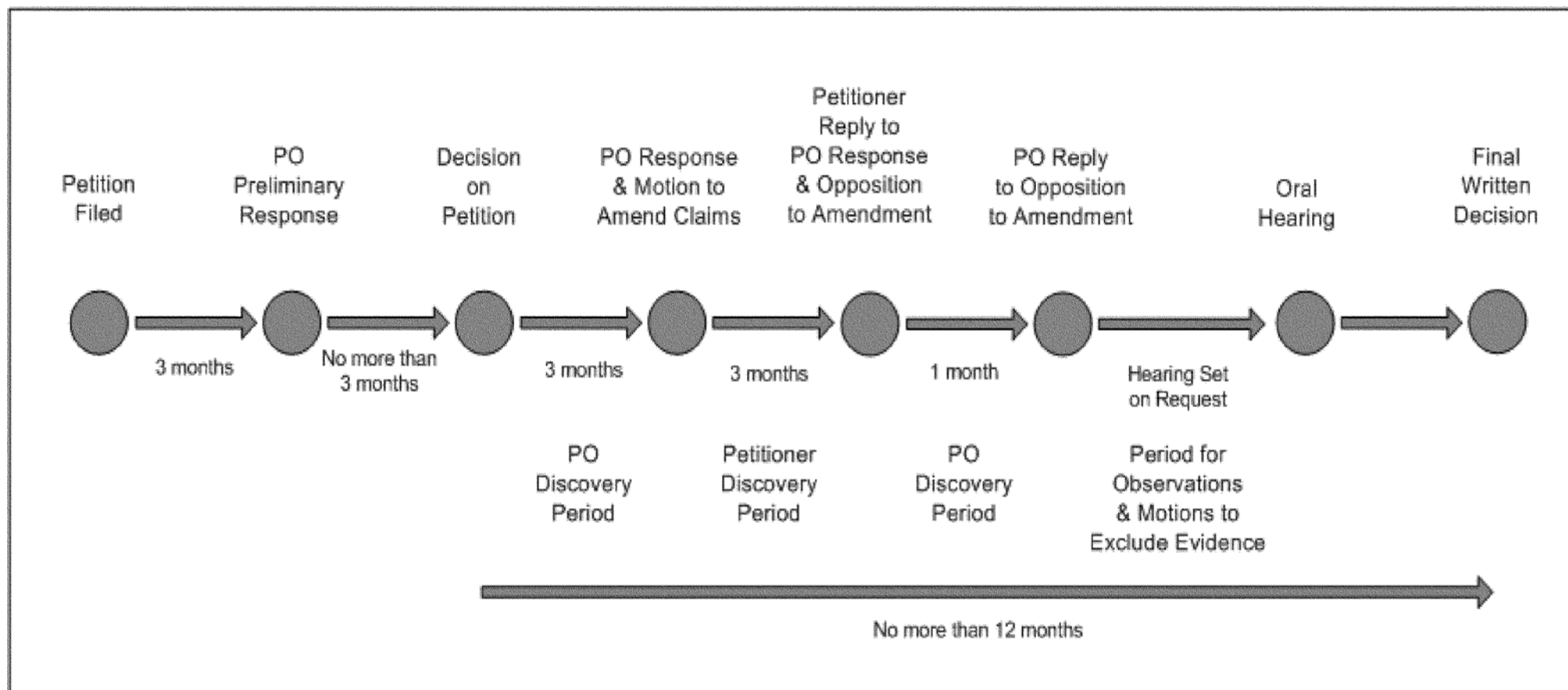
# Patent Trials at PTAB (incl. PGR, IPR, CBM)

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- PTO fees
  - IPR: \$9,000 petition + \$14,000 institution
  - PGR/CBM: \$12,000 petition + \$18,000 institution
  - Plus extra claims fees
- Page limits
  - IPR: petition/response 60 pages
  - PGR/CBM: petition/response 80 pages

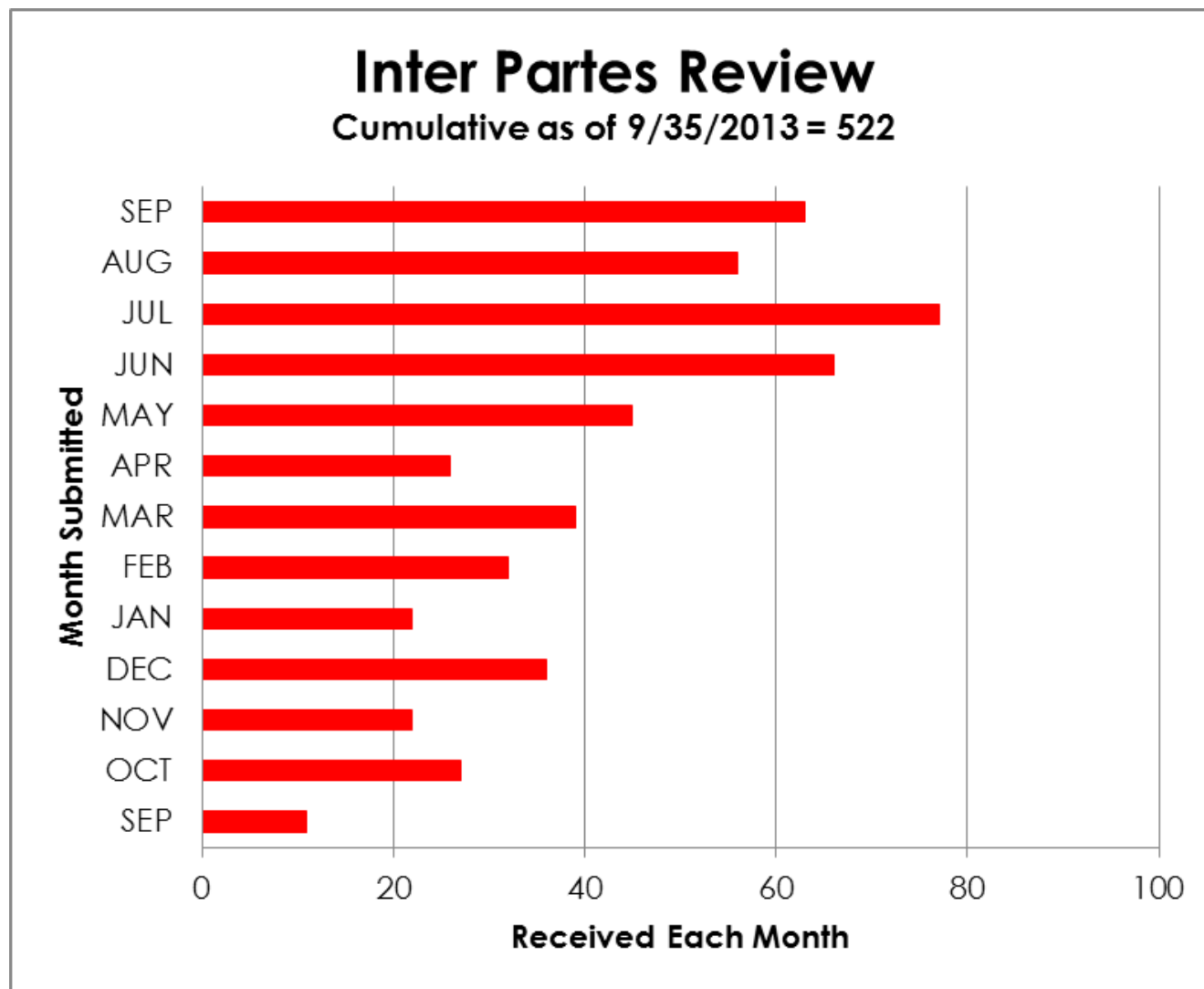
1. Rules of practice for trials before PTAB
  - “Umbrella rules” for trial practice before the Board including IPR, PGR, CBM, and derivations (37 C.F.R. §§ 42.1-42.74)
  - “Umbrella rules” that govern all proceedings
2. Changes to implement IPR/PGR/CBM
  - IPR (37 C.F.R. §§ 42.100-42.123)
  - PGR (37 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

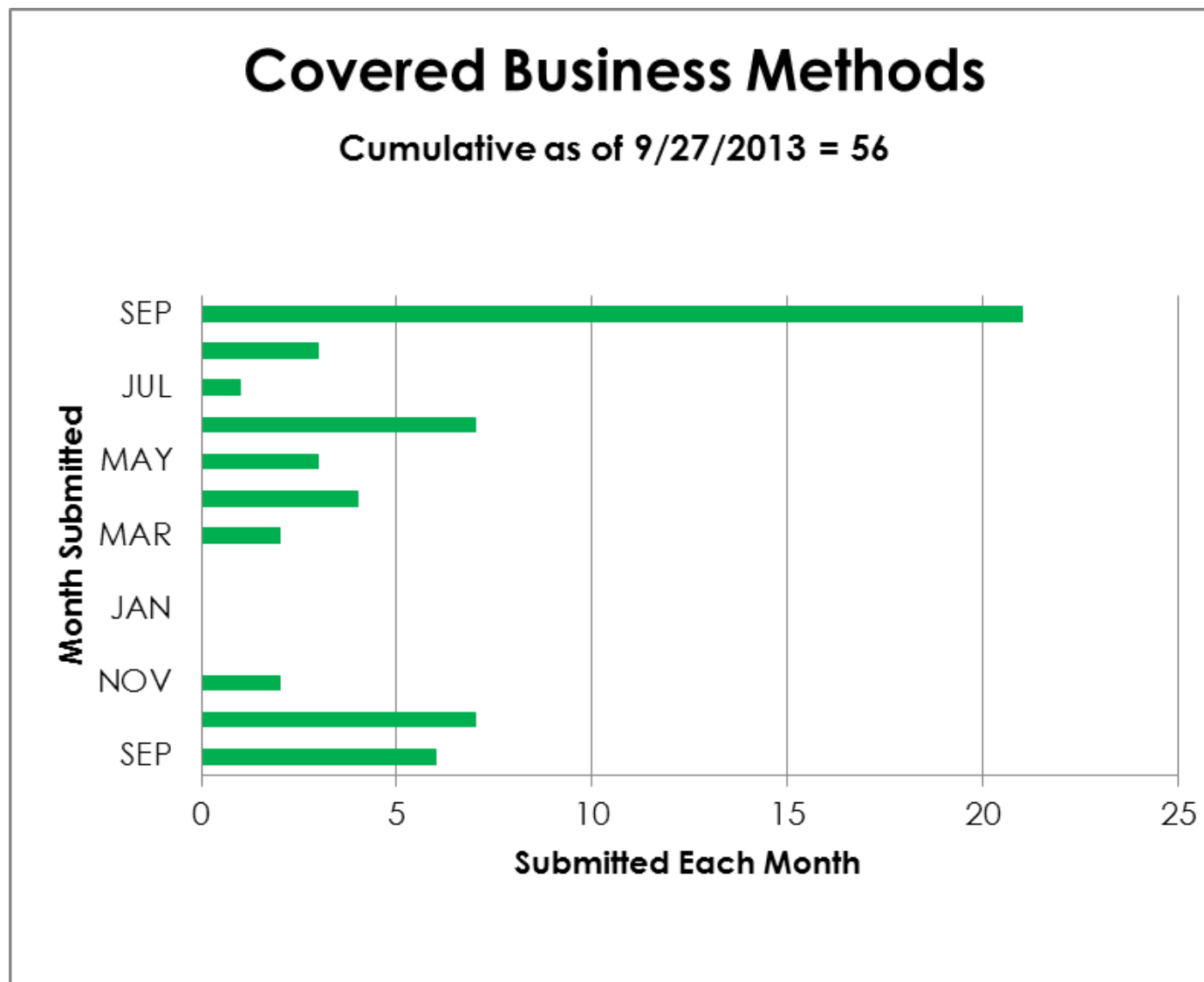


Source: Trial Practice Guide

# PTO Statistics



Source: [http://www.uspto.gov/aia\\_implementation/statistics.jsp](http://www.uspto.gov/aia_implementation/statistics.jsp)



Source: [http://www.uspto.gov/aia\\_implementation/statistics.jsp](http://www.uspto.gov/aia_implementation/statistics.jsp)

# Early Lessons Learned

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- 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

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- District courts have granted stays based on IPR and CBM
  - Even before PTAB trial institution
- Challenges in joining a petition
  - When multiple defendants sued on same patent
  - Could affect settlement leverage
- Claim construction
  - PTAB has rejected constructions proposed by both parties
  - PTAB has rejected district court claim constructions

# Comparison: Slide 1 of 2

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

# Comparison: Slide 2 of 2

	<b>Ex Parte Reexam</b>	<b>Post-Grant Review</b>	<b>PGR Covered Business Methods</b>	<b>Inter Partes Review</b>
<b>Estoppel</b>	None	Issues raised or could have been raised	PTO: raised or could have raised Dist Ct.: raised	Issues raised or could have been raised
<b>Before whom</b>	CRU	PTAB	PTAB	PTAB
<b>Discovery/evidence</b>	Declaration	Declaration and discovery	Declaration and discovery	Declaration and discovery
<b>Appeal</b>	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 Office 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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