

Panelists

Terry Rea, Former Acting Dir. of USPTO, Partner at Crowell & Moring LLP

- Judge Stanek Rea brings a wealth of domestic and international experience and skills to her practice, both legal and political.
- Judge Stanek Rea's practice concentrates on IP policies and strategies, patent enforcement and post-grant administrative proceedings, trade secrets policy and enforcement, and digital/Internet related copyright issues.

Panelists

Hon. Peter Chen, PTAB

- Judge Peter Chen was appointed as an Administrative Patent Judge in August 2013. He is registered to practice before the USPTO (currently inactive) and is a co-inventor on two US patents. He has practiced patent and intellectual property litigation for over 30 years.
- Judge Chen served as a partner with Wilson Sonsini Goodrich & Rosati's intellectual property group before moving in-house with various technology companies. Judge Chen returned to private practice as a patent litigation partner at McDermott Will & Emery LLP and, most recently before joining the PTAB, was a patent litigation partner at Latham & Watkins LLP.

IPR and CBM Petitions Filed

Fiscal Year	Total Petitions	IPR	CBM
2012	25	17	8
2013	563	514	48
2014	1,493	1,310	177
2015 (to date)	333	303	29
Cumulative	2,415	2,144	262

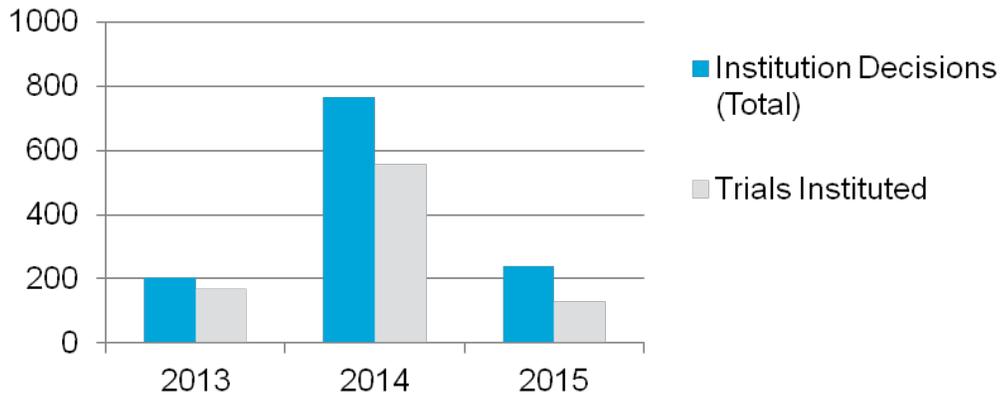
Source: http://www.uspto.gov/ip/boards/bpai/stats/aia_statistics_120414.pdf

Technology Breakdown (FY 2015)

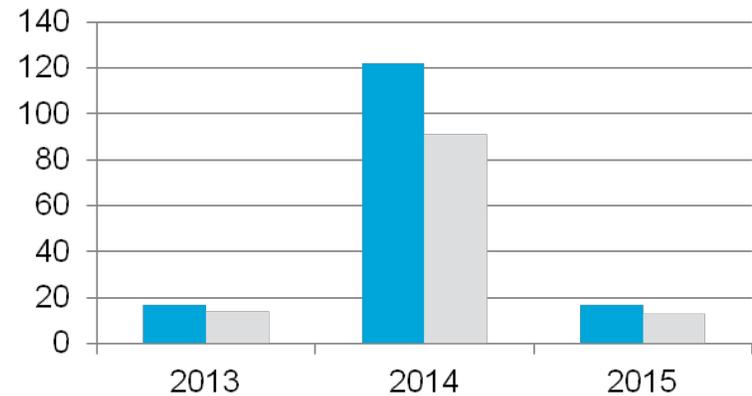
Technology Field	No. of Petitions	Percentage
Electrical/Computer (TCs 2100, 2400, 2600, 2800)	221	66.4%
Mechanical/Business Methods (TCs 3600, 3700)	65	19.5%
Bio/Pharmaceutical (TC 1600)	31	9.3%
Chemical (TC 1700)	15	4.5%
Design (TC 2900)	1	0.3%

IPR and CBM Institution and Disposal

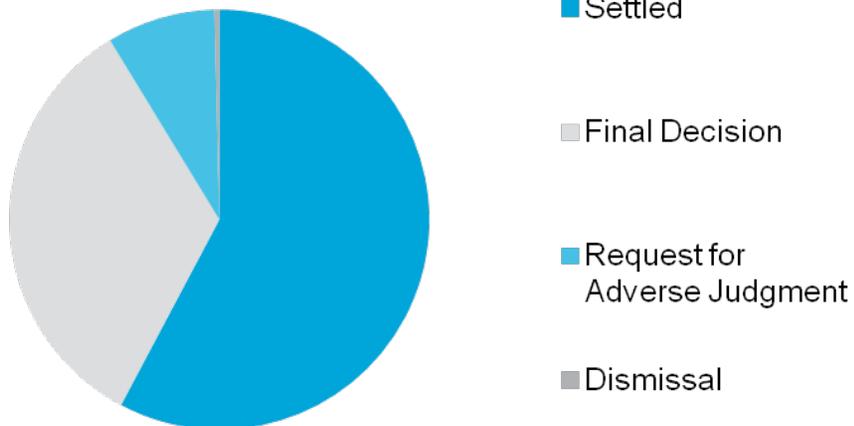
IPR Institution Decisions



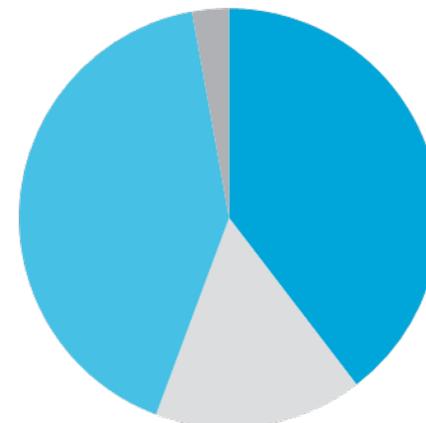
CBM Institution Decisions



IPR Disposal



CBM Disposal



Panelists

Matthew Kreeger, Partner at Morrison & Foerster LLP

- Matt Kreeger is a partner in Morrison & Foerster's Litigation and Intellectual Property Groups and is co-chair of the firm's PTO Trial Practice Group. Mr. Kreeger specializes in helping clients find efficient, creative, business-oriented solutions to high stakes intellectual property disputes.
- Mr. Kreeger has more than ten years of experience as a consultant in software design and development. He has programmed in C, C++, Pascal, and assembly language, and has developed data analysis and instrument control programs for chemical instrumentation companies.

Panelists

Renée Lawson, VP & Deputy General Counsel at Zynga Inc.

- Ms. Lawson is Associate General Counsel at Zynga Inc. and is a partner in Morgan Lewis's Litigation Practice and West Coast leader of the eData team. Ms. Lawson's practice focuses on commercial litigation, trials and counseling, with an emphasis on intellectual property.

- Ms. Lawson has represented both plaintiffs and defendants, and her clients have included some of Silicon Valley's largest technology companies, as well as individuals and smaller companies.

Panelists

Bijal Vakil, Partner at White & Case LLP

- Mr. Vakil serves as a partner in White & Case's intellectual property group. His practice focuses on intellectual property litigation, strategic counseling, and technology licensing.
- Mr. Vakil has represented clients in intellectual property cases in numerous district courts, the International Trade Commission and before the Federal Circuit. Mr. Vakil handles significant matters for entities of all sizes ranging from Fortune 500 companies to Silicon Valley start-ups.

Developments within the IPR and CBM Processes

How to Construe Claims

□ Standards

- PTAB—“broadest reasonable construction in light of the specification of the patent in which it appears.”
 - 37 C.F.R. § 42.100(b), 200(b), 300(b) (2012).
- District Court—“the meaning that [a] term would have to a person of ordinary skill in the art in question at the time of the invention.”
 - *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc).

How to Construe Claims

- Can these different standards be reconciled as making the same inquiry?
 - “The broadest reasonable interpretation of a claim term may be the same as or broader than the construction of a term under the *Phillips* standard. But it cannot be narrower.”¹
 - Does the selected forum have a material effect on the probability of receiving a finding of invalidity?

1. *Facebook v. Pragmatus*, 2014 WL 4454956, *4 (Fed. Cir. Sep. 11, 2014) (non-precedential)

Interplay of IPRs and Post-Grant Reviews

- Difference in estoppel
 - IPR prior art limited to patents and printed publications
 - Post-grant review can be based on any grounds that are available for an invalidity defense in litigation

- Effect on litigation strategy
 - Post-grant review only available in nine-month window after issuance
 - IPR must be filed within one year of receiving a district court complaint

USPTO's Business Model

- Fees charged by USPTO/PTAB
 - Prosecution: application and maintenance
 - Patent maintenance: \$1,600 (3.5 years), \$3,600 (7.5 years), \$7,400 (11.5 years)
 - Invalidation: application, post-institution
 - IPR: \$9k+ application fee, \$14k+ institution fee

- Is it appropriate for an agency to profit from granting a property right and from subsequently depriving the right?
 - Would this work for other property rights? (e.g., a deed)

Effect of the Supreme Court's *Alice* Decision

- Has *Alice* resulted in an appreciable uptick in § 101 challenges to software patents?
 - Are software patent owners more susceptible to the leverage imposed by the threat of a CBM?
- Can we expect to see a trend of PTAB decisions finding software patents invalid?
 - Are software patents growing toward being considered as an attempt to claim abstract ideas as proscribed by *Alice*?

Contingency-based IPR/CBM Attorneys

- Tiered fee schedule for IPR/CBM attorneys
 - E.g., 50% if instituted, 300 – 400% if claims are invalidated
- Is this the desired effect of the AIA's patent reformation?
 - Was the PTAB meant to combat a perceived problem of contingency-based NPE law firms?
 - Has anything changed?

IPR/CBM Trends

- Effect on settlement discussions
 - Artificial trends—often IPR/CBMs will be drafted and shown to patent owners who settle before the petition is filed
- Stays in parallel district court proceedings
 - Why do some judges grant stays pending IPR/CBM while others do not?
 - Statistics for popular patent infringement jurisdictions

Questions to Guide Attorney Practice and Ethics

Proper Lead Attorney

- What type of attorney is best suited for PTAB proceedings?
 - Is having a patent litigator as lead counsel in a client's best interest? A patent prosecutor?
- Does this inquiry change depending on whether the client is a patent owner or a petitioner?

Scope of “Privity”

- Estoppel and timing deadlines extend to both petitioner and its privies
 - Defined as a “highly fact dependent question” that will be handled on a “case-by-case basis”¹
- Is this an example of form trumping substance?
 - E.g., email correspondence about an “expert report” when meeting is actually to talk about a potential IPR/CBM

1. Practice Guide for Proposed Trial Rules, 77 Fed. Reg. 6868, 6870 (February 9, 2012) (citing *Taylor v. Sturgell*, 553 U.S. 880, 895 (2008)).

Multiple Appeals to the Federal Circuit

- 2 appellate routes:
 - Appeal a PTAB finding of claim(s) invalidity; and
 - Appeal district court finding of infringement/invalidity for claims that survive IPR/CBM
- How should the Federal Circuit handle multiple appeals concerning the same patent?
- Is there any advantage in being first to reach the Federal Circuit?

Does an IPR/CBM Truly Adjudicate Invalidity Challenges?

- How does amendment/invalidity affect an underlying district court case?
 - Doctrine of intervening rights? Is there res judicata if judgment is entered?
 - Different damages period for claims that are amended?

Does an IPR/CBM Truly Adjudicate Invalidity Challenges?

- Does a PTAB finding of invalidity have any effect on a district court case which has found the patent valid and infringed?
 - *Versata v. SAP*: district court refused to alter its ruling after judgment has been entered
 - *Fresenius USA v. Baxter Int'l., Inc.*: reexam finding of invalidity overturned court's finding since judgment had not been entered
- Are the page limitations unduly constrictive?
 - How successful are patent owners in defending their patents?

Post-verdict IPR/CBM Strategy

- Rise of so-called “PTAB Troll” strategy
 - Patent owner achieves a significant trial victory in district court
 - Trial verdict is not yet final while on appeal
 - File IPR/CBM on prior art that was unsuccessfully argued at trial
 - Adds risk that IPR/CBM could come out differently and jeopardize pending district court verdict—patent owner settles to avoid risk
- What, if any, ethical concerns are implicated by this practice?
- What is the best way for a patent owner to respond?

Questions?

Thank you