BCLT Back to School: The New Patent Law Explained (Post-Grant Procedures)

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Agenda

- Overview of AIA Post-Grant Approach – More Lenses on Patents After Issuance

- Section 6 – Post-Grant Review Proceedings
  - Post-grant review
  - Inter partes review

- Section 7 – Patent Trial and Appeal Board

- Section 12 – Supplemental Examination

- Section 18 – Transitional Program for Covered Business Method Patents
Leahy-Smith America Invents Act

- Key Post-Grant Issues
  - PTO more involved; courts not so much
  - Ex parte procedures kept
  - Inter partes procedures now split:
    - New “post-grant review” proceeding
    - New inter partes “review” (reexamination)
  - “Patent Trial and Appeal Board” (was BPAI)
  - New supplemental examination
  - Different examiners for different procedures
Post-Grant Review

- New proceeding
- Applies to patents issued from applications having an effective filing date of March 16, 2013 and later
- Similar to opposition proceedings in Europe
- Conducted before Patent Trial and Appeal Board (PTAB)
- Allows a third party to contest validity of issued patent
  - Limited window – 9M from issuance
  - Any grounds of invalidity may be asserted
Post-Grant Review

- Petition must demonstrate likelihood that at least one of the challenged claims is unpatentable or raise “a novel or unsettled legal question that is important to other patents or patent applications”

- Burden of proof on petitioner – “preponderance of the evidence”

- Cannot appeal PTO’s decision regarding whether to grant PGR
PGR – Patent Owner Amendments

- 35 USC 326(d)/316(d)
  - Patent Owner has two months to file preliminary response
  - Allowed 1 motion to amend by
    - cancellation of any challenged claim
    - for each challenged claim, can propose substitute claims

- Subsequent motions may be entered upon joint request of the parties or for good cause.
  - Substitute claims cannot expand scope or introduce new matter
PGR – Notable Details

- PTO can consolidate multiple PGR proceedings

- May be terminated upon joint request of petitioner and patent holder, unless PTO has already decided the merits of the proceeding

- Cannot institute PGR if petitioner has already filed a district court action challenging validity (DJ)

- If civil action alleging infringement filed within 3 months of patent grant, court cannot use PGR petition as basis to stay consideration of PI motion
Inter Partes Review

- Replaces current inter partes reexamination procedure
  - Effective September 16, 2012 and applies to all patents regardless of filing date

- Heightened standard for authorization
  - “substantial new question of patentability” replaced by requirement that “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition” (§314 (a))

- Can only be filed after PGR window has closed
Inter Partes Review

- Patent can be contested based on lack of novelty or non-obviousness evidenced by submitted patents or printed publications
- Limited to published patents documents and printed publications
  - vs. PGR allowance of invalidity claims on any ground
- Burden of proof on petitioner
- Ex parte reexam unchanged
PGR Regulations

- Sec. 316/326 – Director shall make rules to govern PGR proceedings
  - Providing that file of proceeding is made available to the public except when intent to seal
  - Establishing standards for sufficient grounds for instituting review
  - Setting forth standards for discovery of relevant evidence
  - Prescribing sanctions for abuse of discovery
  - Providing for protective orders
  - Establishing standards for patent owner to amend patent
  - Providing either party with right to oral hearing
PGR Timeline

- 9M window to file PGR petition
  - Patentee given period for preliminary response
  - Decision whether to institute PGR within 3M of preliminary response

- Conclusion within 1 year with possible 6M extension for good cause

- Inter partes review can be filed only after expiration of period for PGR

- PTO can limit number of inter partes reviews filed in first four years after enactment
Section 7 – Patent Trial and Appeal Board

- Replaces current Board of Patent Appeals and Patent Interferences (BPAI)

- Responsibilities include:
  - reviewing adverse decisions of examiners on written appeal of applicant
  - reviewing appeals of reexaminations
  - conducting derivation proceedings
  - conducting inter partes and post-grant reviews

- Parties can appeal decisions to U.S. Court of Appeals
Section 12 – Supplemental Examination

- Only available to patent owner
  - Allows owner to file a request for reexamination of an issued patent in order to cure any subsequently found defects

- Affirmative measure – not reactionary
  - Cannot institute proceedings if patent owner has already been charged with withholding art

- Can initiate proceeding to inoculate patent against possible charges of inequitable conduct
Supplemental Examination

- If substantial new question of patentability is raised by additional art, Examiner may order reexamination of the patent
  - Submitted information not limited to published patent documents and printed publications

- Patent shall not be held unenforceable based on the information considered or corrected
  - Exception – material fraud
Post-grant review proceeding for review of validity of covered business method patents
  - Effective September 16, 2012 and applies to any business method patent regardless of issue date

- Limited window – 8 years

- Addresses invalidity based on prior art only, not subject matter eligibility

- Can only be used if petitioner has been sued for infringement
Covered Business Method Patents

- Covered business method patents do not include those for "technological inventions".

- Does this indicate that Congress thinks non-technological inventions are still patent-eligible?
  - "Nothing in this section shall be construed as amending or interpreting categories of patent-eligible subject matter...."

- Could these satisfy the Machine or Transformation Test?

- Will the Supreme Court address this in *Mayo*?
## Interplay with Litigation

<table>
<thead>
<tr>
<th>Limitations with respect to litigation</th>
<th>Post Grant Review (New)</th>
<th>Inter Partes Review (New)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limitations</td>
<td>Bar if after DJ</td>
<td>Bar if after DJ or &gt;1 Yr after suit for infringement</td>
</tr>
<tr>
<td>Stay</td>
<td>Case automatically stayed if filed (not just counterclaims) on/after PGR filed until patent owner moves to lift or files infringement action (or if petitioner moves to dismiss action); regarding infringement actions, a court cannot base a stay of PI &lt;3M post grant on the PGR</td>
<td>Same as to automatic stay</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Compare with inter partes reexam (stays discretionary)</td>
</tr>
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<td>Estoppel</td>
<td>In both PTO and courts as to petitioner; “raised or reasonably could have raised” (RORCHR)</td>
<td>In both PTO and courts as to petitioner (RORCHR). Compare with two-way estoppel in inter partes reexam (no “reasonably”); no estoppel based on litigation facts (old 317(b)) but new citation procedure (301) may be helpful</td>
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## Overview of Procedures

<table>
<thead>
<tr>
<th>Who</th>
<th>3rd party</th>
<th>3rd party</th>
<th>3rd party</th>
<th>Patent owner or 3rd party</th>
<th>Patent owner</th>
<th>3rd party def’t</th>
</tr>
</thead>
<tbody>
<tr>
<td>What</td>
<td>Preponderance on any grounds</td>
<td>Reas. likelihood to prevail on pubs.</td>
<td>Was SNQ on pubs; now same as IPR.</td>
<td>Publications unless via suppl. ex. request</td>
<td>SNQ on any grounds</td>
<td>Same as PGR</td>
</tr>
<tr>
<td>When</td>
<td>9M post-grant (2015?)</td>
<td>After PGR (eff. 9/12) and &lt;1 yr post suit</td>
<td>Anytime (sunsrets 9/12)</td>
<td>Anytime (eff. 9/12)</td>
<td>Before accused of with- holding</td>
<td>8-year transition period</td>
</tr>
<tr>
<td>Where</td>
<td>PTAB</td>
<td>PTAB</td>
<td>Central Reexam Unit</td>
<td>No more de novo trial in D. DC.</td>
<td>Director, then like ex parte</td>
<td>Same as PGR</td>
</tr>
<tr>
<td>Why</td>
<td>Like a mini-DJ on validity</td>
<td>Invalidate/Intervening Rights</td>
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<td>Inoculate or amend</td>
<td>Extends PGR for BMPs</td>
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