



Impact of the America Invents Act on US and International Litigation Strategy

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USPTO Validity Reviews Under AIA

- Supplemental Examination
- *Ex Parte* Reexamination
- *Inter Partes* Review (IPR)
- Post-Grant Review (PGR)
- Transitional Covered Business Method Review Proceedings (CBMR)
- Derivation Proceedings

USPTO Validity Reviews Under AIA

Statutes and Regulations

- Derivation Proceedings
 - 35 U.S.C. §135
 - 37 C.F.R. §§42.400-42.412
- Supplemental Examination
 - 35 U.S.C. §257
 - 37 C.F.R. §§1.20-1.937
- Post-Grant Review
 - 35 U.S.C. §§321-329
 - 37 C.F.R. §§42.200-42.224
- *Inter Partes* Review
 - 35 U.S.C. §§311-319
 - 37 C.F.R. §§42.100-42.213
- (Transitional) Covered Business Method Patent Proceedings
 - 35 U.S.C. §§321-329
 - 37 C.F.R. §§42.300-42.304

USPTO Contentious Proceedings Under AIA

Overview of Procedures

	Post-Grant Review (35 U.S.C. §§ 321-329)	<i>Inter Partes</i> Review (new 35 U.S.C. §§ 311-319)	Derivation Proceeding (35 U.S.C. § 135)
Timing:	<p><9 months after issuance or broadening reissue of the patent</p> <p>May not be instituted or maintained after the petitioner or real party in interest has filed a civil action (e.g., declaratory judgment) challenging the validity of a patent claim.</p>	<p>The later of:</p> <p>(i) >9 months after issuance or reissuance of the patent; or</p> <p>(ii) If post-grant review is initiated, the date of termination of such review.</p> <p>May not be instituted or maintained after the petitioner or real party in interest has filed a civil action challenging the validity of a patent claim</p> <p>May not be instituted more than one year after service of complaint for infringement of patent</p>	<p>Within the one year period beginning on the date of first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention.</p> <p>PTAB may defer action on a petition for a derivation proceeding until 3 months from issuance of a patent that includes the claimed invention and that is the subject of the petition. May also defer proceeding until termination of a proceeding under Chapter 30, 31 or 32 involving the patent of the earlier application</p>

USPTO Contentious Proceedings Under AIA

Overview of Procedures

	Post-Grant Review (35 U.S.C. §§ 321-329)	<i>Inter Partes</i> Review (new 35 U.S.C. §§ 311-319)	Derivation Proceeding (35 U.S.C. § 135)
Standard to institute:	<p>Petition must demonstrate that, if the petition is not rebutted, it is more likely than not that at least one challenged claim is unpatentable.</p> <p>(Determination is made after reviews of petition and any “Preliminary Response” submitted by patent owner.)</p> <p>Alternatively, the petition must raise a novel or unsettled legal question important to other patents or applications.</p> <p>Petitioner must be third party.</p>	<p>Reasonable likelihood that petitioner will prevail with respect to at least 1 of the challenged claims.</p> <p>(Determination is made after reviews of petition and any “Preliminary Response” submitted by patent owner.)</p> <p>Petitioner must be third party.</p>	<p>Petition shall set forth with particularity the basis for finding that inventor named in an earlier application derived the claimed invention from inventor named in the petitioner’s application and, without authorization, filed the earlier application claiming such an invention.</p>

USPTO Contentious Proceedings Under AIA

Overview of Procedures

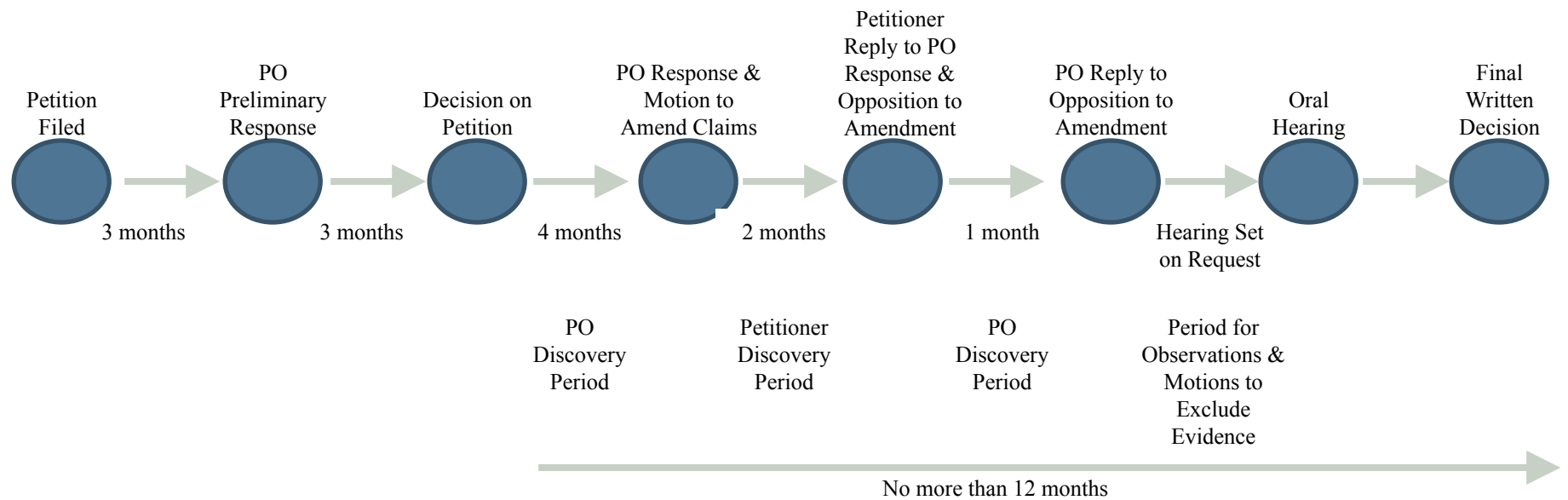
	Post-Grant Review (35 U.S.C. §§ 321-329)	<i>Inter Partes</i> Review (new 35 U.S.C. §§ 311-319)	Derivation Proceeding (35 U.S.C. § 135)
Challenge based on:	<p>Any ground for invalidity, e.g., prior publications, public uses, sales, and offers for sale, inadequate written description or lack of enablement, § 101 issues.</p> <p>Challenges for failure to comply with the best mode requirement are not permitted.</p> <p>(Petition may be rejected if same or substantially same prior art/arguments previously presented to USPTO).</p>	<p>Patents and printed publications.</p> <p>(Petition may be rejected if same or substantially same prior art/arguments previously presented to USPTO).</p>	<p>Substantial evidence that forms the basis for finding that an earlier applicant derived the claimed invention from the petitioner and, without authorization, filed an application claiming such invention.</p>

USPTO Contentious Proceedings Under AIA

Overview of Procedures

	Post-Grant Review (35 U.S.C. §§ 321-329)	<i>Inter Partes</i> Review (new 35 U.S.C. §§ 311-319)	Derivation Proceeding (35 U.S.C. § 135)
Impact on other proceedings	<p>A final written decision estops petitioner from later requesting or maintaining another PTO proceeding with respect to a patent claim on any ground the petitioner raised or reasonably could have raised during the post-grant review.</p> <p>A final written decision estops petitioner from raising in a later District Court or ITC action any invalidity ground it raised or reasonably could have raised in the post-grant review. A counterclaim for invalidity does not preclude post-grant review.</p> <p>Court may not stay a preliminary injunction motion based on a PGR (or IPR) request if the infringement action is filed within three months of a patent's issuance.</p> <p>Estoppel may be avoided by settlement.</p>	<p>A final written decision estops petitioner from later requesting or maintaining another PTO proceeding with respect to a patent claim on any ground the petitioner raised or reasonably could have raised during the <i>inter partes</i> review.</p> <p>A final written decision estops petitioner from raising in a later District Court or ITC action any invalidity ground it raised or reasonably could have raised in the <i>inter partes</i> review. A counterclaim for invalidity does not preclude <i>inter partes</i> review.</p> <p>Estoppel may be avoided by settlement.</p>	<p>Final decision, if adverse to claims of a patent, and no appeal is taken, shall constitute cancellation of those claims.</p> <p>Civil action arising from derivations proceeding still available.</p>

USPTO Contentious Review Proceedings Under AIA Representative Timeline For PGR / IPR



USPTO Contentious Review Proceedings Under AIA Standards For Instituting Review

- Post-Grant Review
 - “**more likely than not** that at least 1 of the claims challenged in the petition is unpatentable” (better than 50%)
 - 35 U.S.C. §324(a)
- *Inter Partes* Review
 - “**reasonable likelihood that the petitioner would prevail** with respect to at least 1 of the claims challenged”
 - 35 U.S.C. §314(a)
- *Inter partes* review standard “lower” than post-grant review standard.

USPTO Contentious Review Proceedings Under AIA *Inter Partes* Review - Estoppel

- If lose PTAB final determination, may not request or maintain USPTO proceedings on basis that Petitioner raised or reasonably could have raised as ground of unpatentability as to that claim.
- If lose PTAB final determination, in civil action or US ITC estopped against invalidity defense on ground that was raised or reasonably could have been raised in IPR.
- Possibility: scope of estoppel might be affected by amount of discovery allowed.

USPTO Contentious Review Proceedings Under AIA *Inter Partes* Review-Litigation Strategy and Impact

- An IPR cannot be instituted if, prior to the date of the petition, the Petitioner has filed a civil action (*e.g.*, a declaratory judgment case) challenging the validity of a claim on the patent (35 U.S.C. §315).
- If the Petitioner files a civil action on or after the date of the petition, the civil action will be stayed (35 U.S.C. §315).
- For purposes of determining whether a party can file a petition, a counterclaim challenging the validity of a claim is **not** considered a civil action (35 U.S.C. §315).
- Similarly, an affirmative defense alleging invalidity is **not** considered a civil action.
- Must file petition within one (1) year of service of suit for patent infringement.

USPTO Contentious Review Proceedings Under AIA Post Grant Review

- Most aspects of PGR and IPR are substantially the same
 - Petition – the requirements for a petition are essentially the same.
 - Preliminary Patent Owner Response – requirements are essentially the same.
 - Patent Owner Response (after institution) – requirements are essentially the same.
 - Amendments – requirements are essentially the same.

USPTO Contentious Review Proceedings Under AIA

Post Grant Review-Declaratory Judgment of Invalidity Actions

- Challenger may file for PGR within 9 months of issuance, **but not** if already brought a DJ action challenging validity of patent with effective filing date on/after March 16, 2013.
- If patent owner sued for infringement, accused infringer counterclaimed for judgment of invalidity (or raising invalidity as affirmative defense), may still file for PGR within 9 months of issuance
- If accused infringer petitions for PGR, and then files DJ challenging validity, the DJ will automatically be stayed, until
 - Patent owner moves to lift stay;
 - Patent owner sues or counterclaims for infringement; **or**
 - Petitioner moves to dismiss DJ action.

USPTO Contentious Review Proceedings Under AIA Post Grant Review - Estoppel

- If Petitioner loses in final PTAB determination in PGR, petitioner cannot request or maintain PTO proceeding on ground raised or reasonably could have been raised during PGR
- If Petitioner loses final PTAB determination in PGR, cannot assert in civil action or US ITC invalidity defense on ground raised or reasonably could have been raised in PGR
- Possibility: scope of estoppel might be affected by amount of discovery allowed

USPTO Contentious Review Proceedings Under AIA IPR/PGR Settlement (35 USC §327)

- May be terminated upon joint request
 - Unless PTO has decided merits before request for termination is filed
- Settlement Agreement
 - must be in writing
 - must be filed before termination
 - may be kept confidential upon request
- No estoppel if terminated

AIA Application to USITC Section 337 Investigations

- 35 USC § 299 (joinder) does not apply to Section 337 Investigations
 - multiple respondents not only possible but (may be) necessary if seeking limited exclusion order. *Kyocera v. USITC (Fed. Cir. 2008)*
- Estoppel arising from IPR/PGR participation applies to Section 337 investigations; CBMR does not cause ITC estoppel
- Prohibition against IPR/PGR if civil action already filed, automatic stay of later filed civil action pending resolution of IPR/PGR, does **not** apply to Section 337 investigations.

General Rules for USPTO – AIA Review Procedures Trial/Discovery

- PTAB will conduct the proceeding so as to reduce the burdens
 - Conference calls with a judge handling the case to decide issues quickly and efficiently and to avoid the burdens associated with filing requests for relief. §42.20(b).
 - Instituting a trial on a claim-by-claim, ground-by-ground basis. §42.108(b).
- Testimony and document production is permitted
 - AIA authorizes the Office to set standards and procedures for the taking of discovery. *See, e.g.*, 35 U.S.C. 316(a)(5), 326(a)(5).
 - The rules allow for three types of discovery: mandatory initial disclosures, routine discovery and additional discovery. §42.51(a)-(c).

General Rules for USPTO – AIA Review Procedures

Discovery (cont'd)

- **Mandatory initial disclosures**
 - Rule 42.51(a) provides:
 - (1) With agreement. Parties may agree to mandatory discovery requiring the initial disclosures set forth in the Office Patent Trial Practice Guide.
 - (i) The parties must submit any agreement reached on initial disclosures by no later than the filing of the patent owner preliminary response or the expiration of the time period for filing such a response. The initial disclosures of the parties shall be filed as exhibits.
 - (ii) Upon the institution of a trial, parties may automatically take discovery of the information identified in the initial disclosures.
 - (2) Without agreement. Where the parties fail to agree to the mandatory discovery set forth in paragraph (a) (1), a party may seek such discovery by motion.
 - Two options available
 - Option I seeks basic information similar to the initial disclosures under Rule 26 of the Federal Rules of Civil Procedure, i.e., identification of persons likely to have discoverable information and documents/things that may be used to support a claim or defense, unless solely used for impeachment. Office Patent Trial Practice Guide at I.F.4.
 - Option II, calls for significantly more detailed information, and is targeted to petitions seeking cancellation of one or more claims “in whole or in part on the basis of the existence of an alleged prior non-published public disclosure” or “in whole or in part on the basis of alleged obviousness.” Id.
 - Timing: due before trial instituted, three (3) months after filing date of petition. Routine/Additional Discovery take place later.

General Rules for USPTO – AIA Review Procedures Discovery (cont'd)

- **Routine discovery** – makes basic information readily available at the outset of the proceeding. §42.51(b).
- Routine discovery includes:
 - documents cited,
 - cross-examination for submitted testimony, and
 - providing information inconsistent with positions advanced during the proceeding. §42.51(b).

General Rules for USPTO – AIA Review Procedures

Discovery (cont'd)

- **Additional discovery** – a party must request any discovery beyond routine discovery.
- A party seeking additional discovery in IPR and derivation must demonstrate that the additional discovery is in the **interests of justice**. *See, e.g.*, 35 U.S.C. 316(a)(5) for IPR; §42.51(c).
- A party seeking additional discovery in **PGR and CBMR** will be subject to the lower **good cause** standard. *See, e.g.*, 35 U.S.C. 326(a)(5) for PGR; §42.224.
- Live testimony – the Board may authorize, where critical, to assess credibility. For example, a judge may attend a deposition in appropriate instances. §42.53(a).

General Rules for USPTO – AIA Review Procedures

Estoppel

- **Petitioner Estoppels After Final Written Decision**
 - A petitioner in an IPR/PGR/CBMR may not request or maintain a proceeding before the Office with respect to any claim on any ground raised or reasonably could have been raised. 35 U.S.C. 315(e)(1), 325(e)(1); §42.73(d)(1).
 - A petitioner in an IPR/PGR/CBMR may not assert in district court or the ITC that a claim is invalid on any ground petitioner actually raised, and in IPR/PGR, any ground that reasonably could have been raised. 35 U.S.C. 315(e)(2), 325(e)(2); §18(a)(1)(D) of AIA.
- Estoppel is claim-by-claim, does not apply to patent as a whole.

35 USC §299(A)(B) [?] Joinder

“JOINDER OF ACCUSED INFRINGERS [?] [P]arties that are accused infringers may be joined in one action as defendants or counterclaim defendants **only** if:

- 1) Any right to relief is asserted against the parties jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences **relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process; and**
- 2) Questions of fact common to all defendants or counterclaim defendants will arise in the action.”

“ALLEGATIONS INSUFFICIENT FOR JOINDER [?] For purposes of this subsection, accused infringers **may not be joined** action or trial as defendants or counterclaim defendants **based solely on allegations that they each have infringed the patent or patents in suit.**”

35 USC §§ 299(A), (B) – Joinder (cont'd)

Effective regarding all actions commenced on or after September 16, 2011.

Potential Mechanisms for Avoidance of Effects

- 1) Use the USITC
- 2) Use MDL (multi-district litigation) procedures 28 U.S.C. § 1407; *cf.* 35 U.S.C. § 299(A)(2).
- 3) Consolidation under Fed .R. Civ. P. 42(a) for pre-trial proceedings, including *Markman*
 - Standard: a common question of law or fact; *cf.* 35 U.S.C. § 299 (A)(2)
- 4) Transfer under 28 U.S.C. § 1404.

Consolidation has been widely used to date.