



15th Open Forum
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FÉDÉRATION INTERNATIONALE DES CONSEILS
EN PROPRIÉTÉ INTELLECTUELLE
INTERNATIONAL FEDERATION OF
INTELLECTUAL PROPERTY ATTORNEYS
INTERNATIONALE FÖDERATION
VON PATENTANWÄLTEN



Post-Grant Trials in the United States under the AIA

November 7, 2014

Presented by
C. Gregory Gramenopoulos

FINNEGAN

Introduction

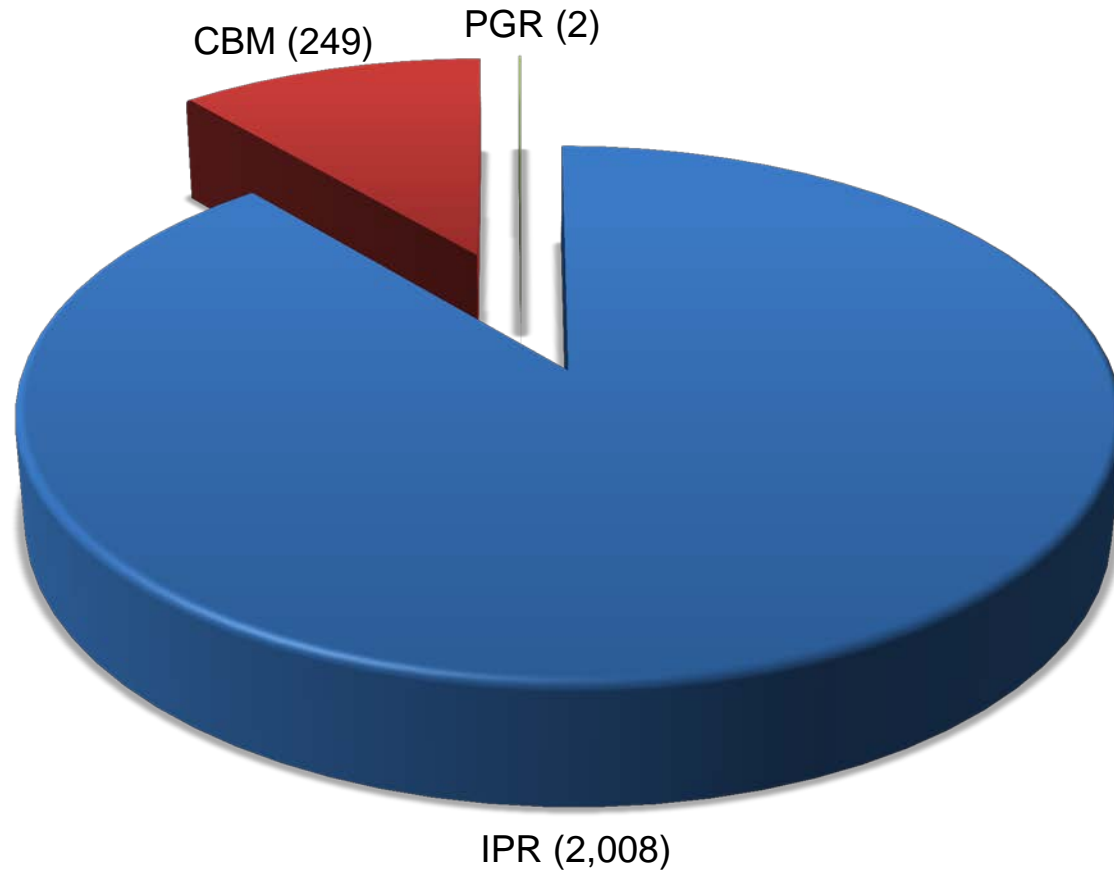
- **Post-Grant Trials under the AIA**
 - Overview of IPRs and PGRs/CBMs
 - U.S. Post-Grant Statistics
- **AIA in Practice: Lessons Learned**
 - Proceedings before the PTAB
 - Discovery
 - Claim Amendments
 - Stays
- **Effective Strategies**
 - Petitioner
 - Patent Owner

Overview of AIA Post-Grant Trials

- ***Inter Partes Review* (IPR)**
 - Available for all patents, regardless of filing date (9+ months if FITF)
 - Petitioner has not filed invalidity action
 - Petition filed within one year after service of infringement complaint
 - Limited grounds of unpatentability (printed prior art; §§ 102 & 103)
- **Post Grant Review (PGR)**
 - Only available for FITF patents (filed after March 16, 2013)
 - Petitioner has not filed invalidity action
 - Petition filed within nine months of patent issuance
 - Broad grounds of unpatentability (§§ 101, 102, 103, 112)
- **Covered Business Method (CBM)**
 - All “covered business method” patents; available for 8 years
 - Petitioner must be sued or charged with infringement
 - Limited estoppel (grounds actually raised)

U.S. Post-Grant Statistics

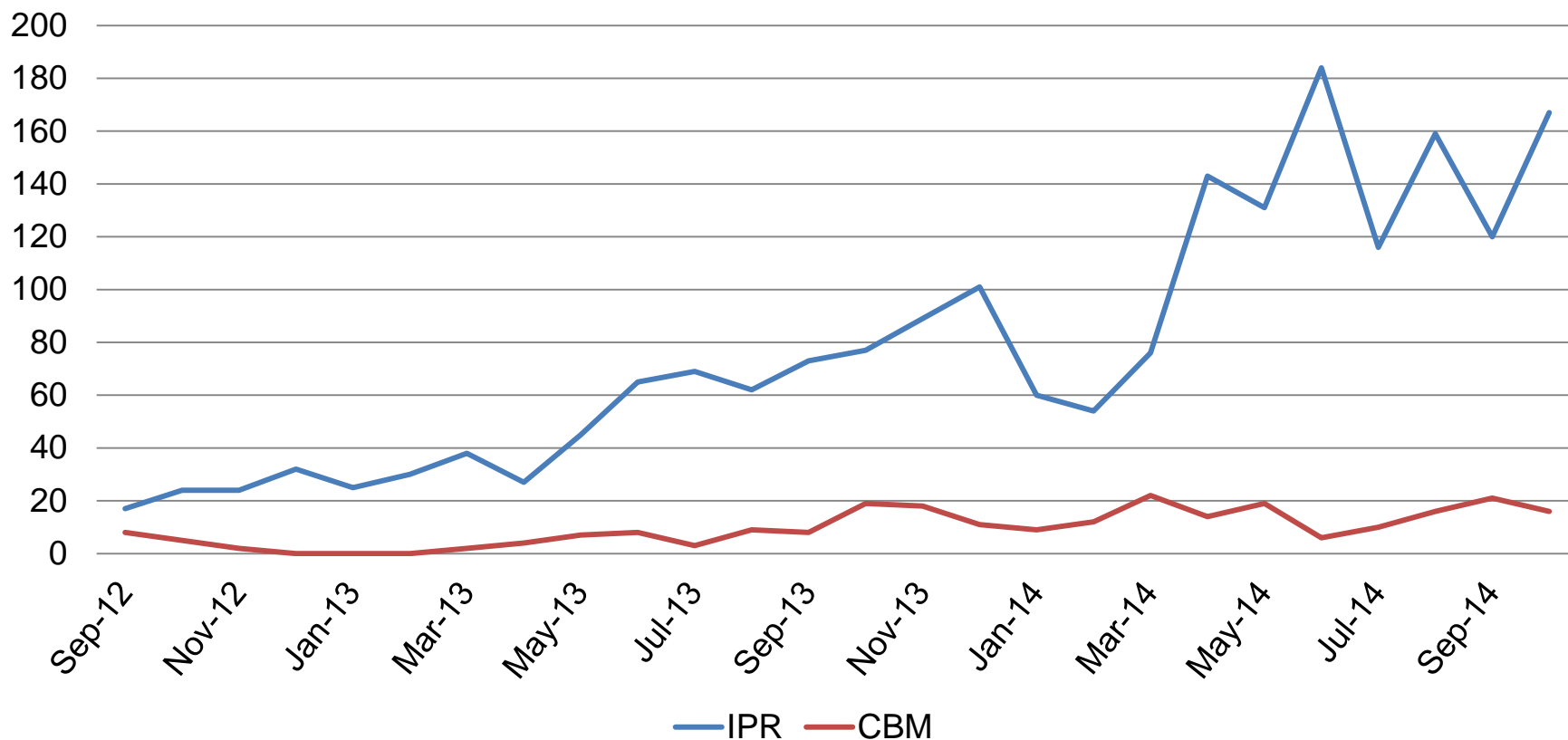
- Petitions Filed



USPTO Data
30 Oct. 2014

U.S. Post-Grant Statistics

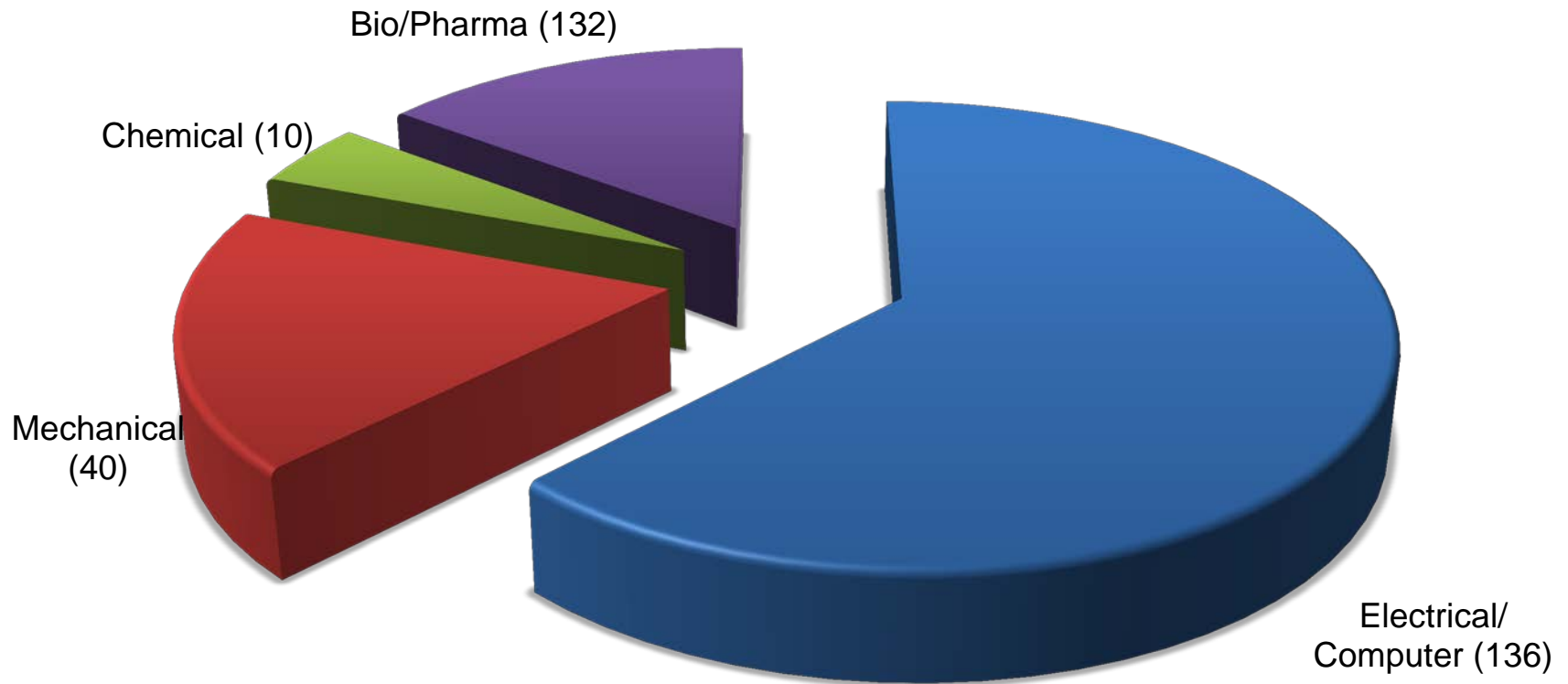
■ Petitions Filed Per Month



USPTO Data
30 Oct. 2014

U.S. Post-Grant Statistics

- Technology Breakdown

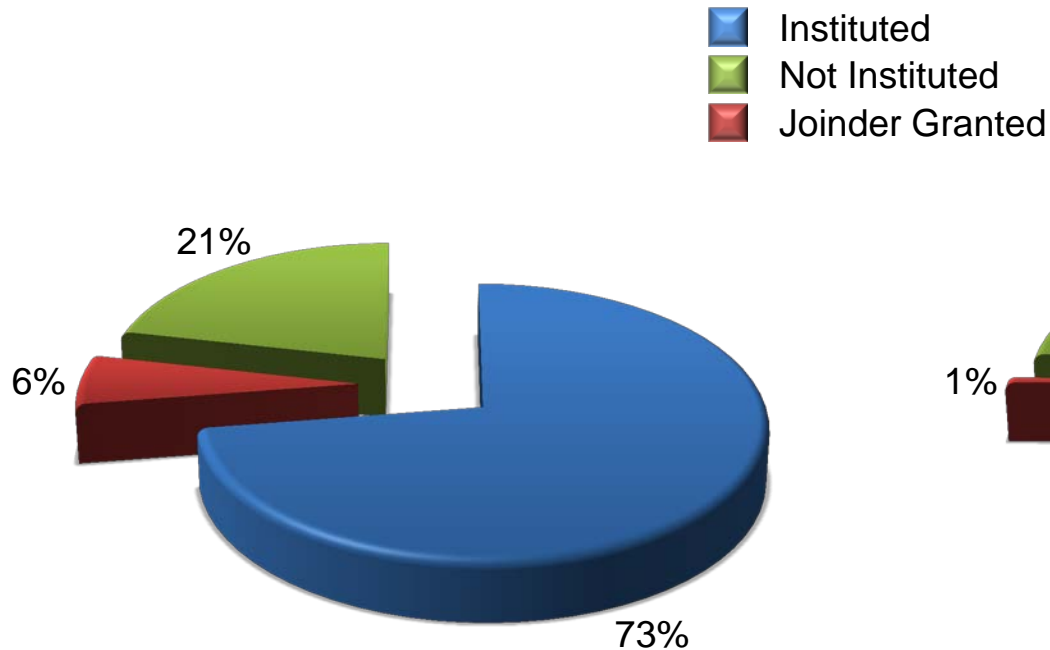


USPTO Data (FY 2015)
30 Oct. 2014

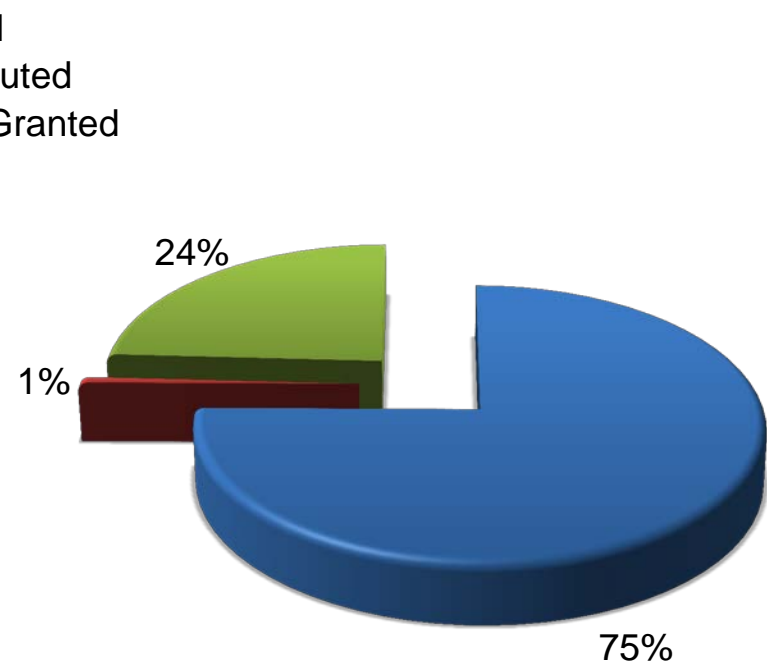
U.S. Post-Grant Statistics

■ Institution Decisions

IPR



CBM

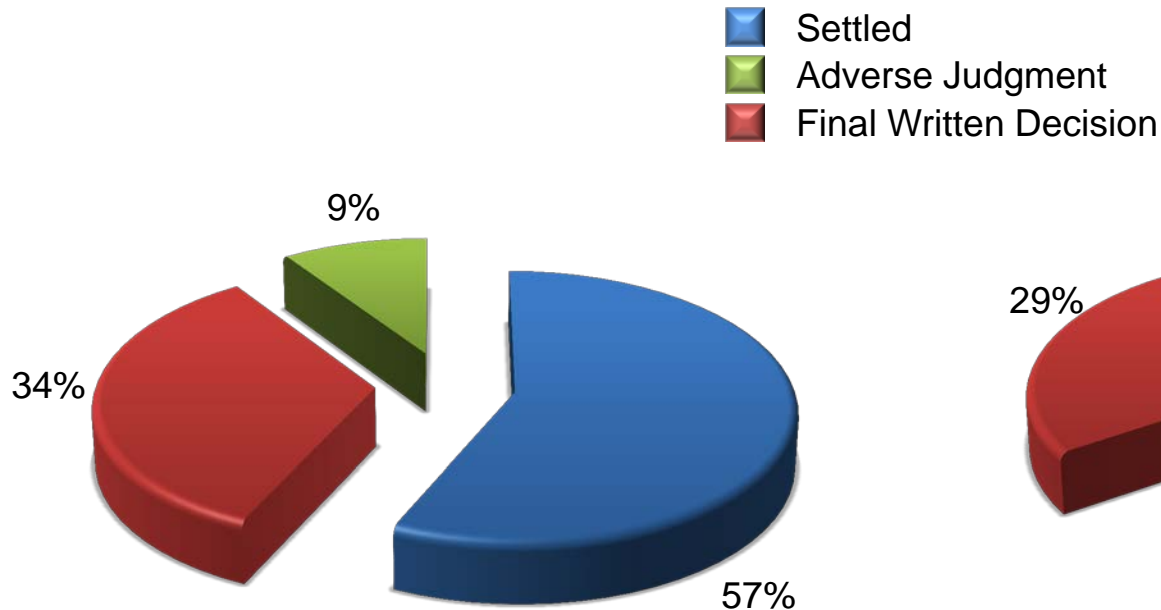


USPTO Data
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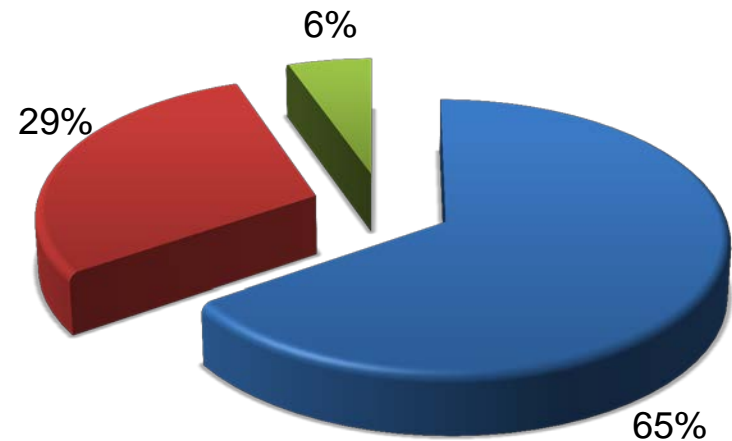
U.S. Post-Grant Statistics

■ Final Dispositions

IPR



CBM

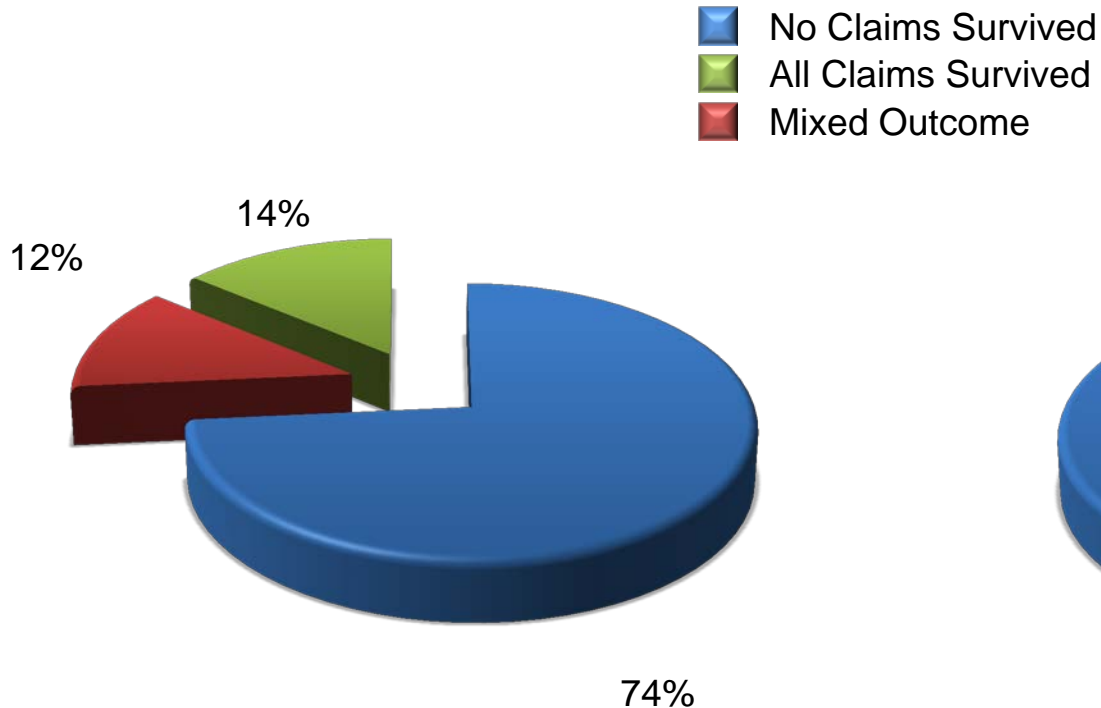


USPTO Data
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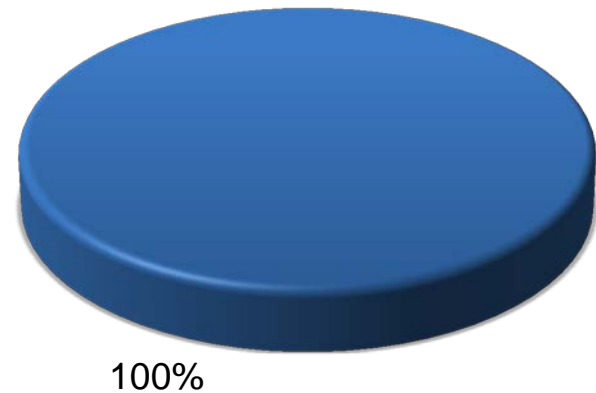
U.S. Post-Grant Statistics

■ Adjudications of Validity

IPR



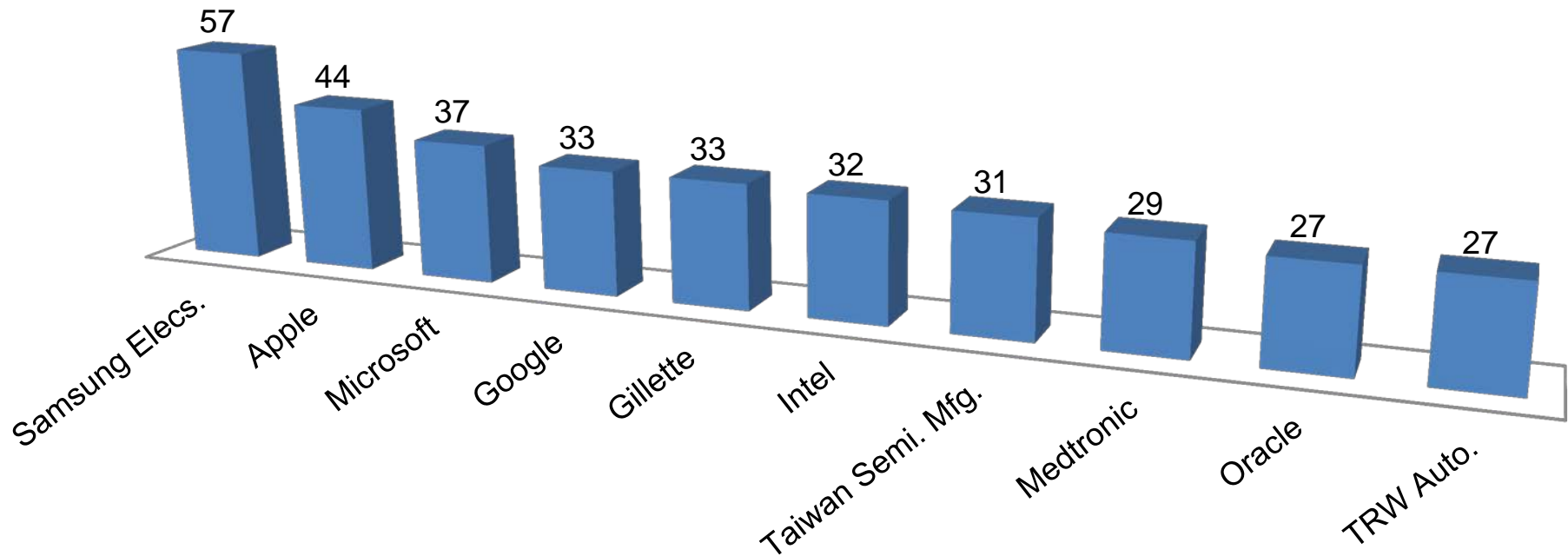
CBM



Finnegan Data
1 Nov. 2014

U.S. Post-Grant Statistics

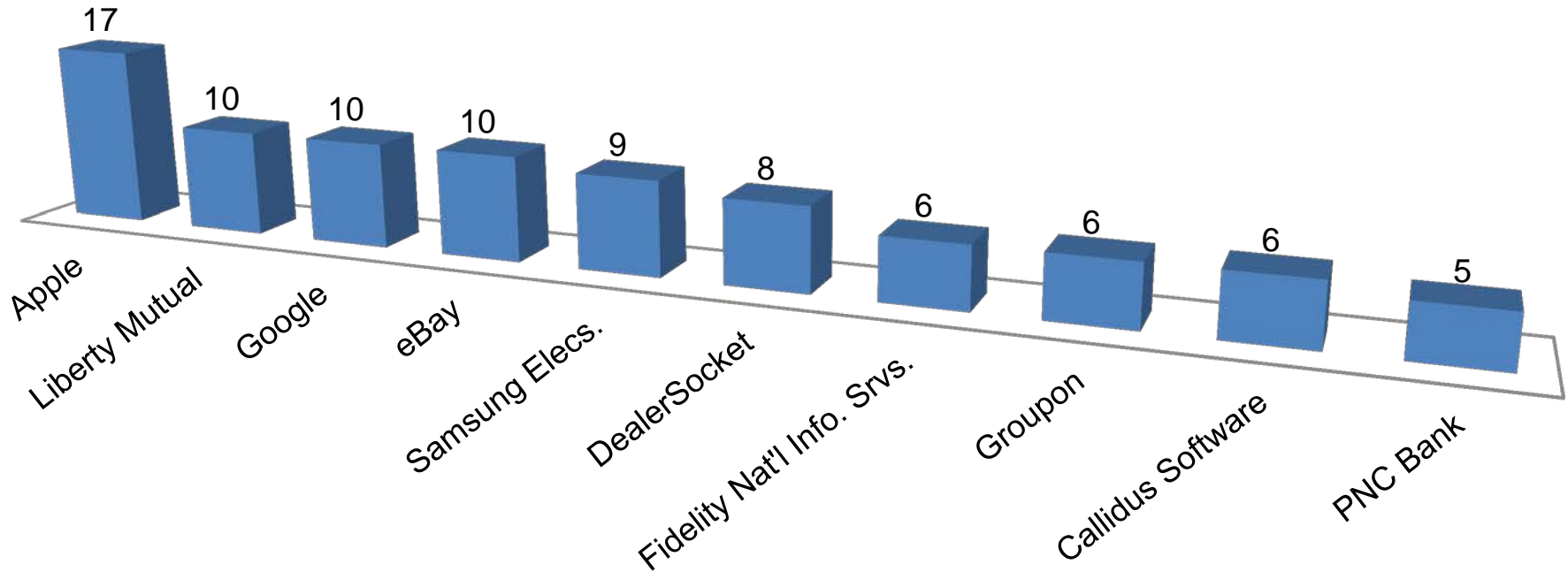
- Most Frequent IPR Petitioners



Finnegan Data
23 Oct. 2014

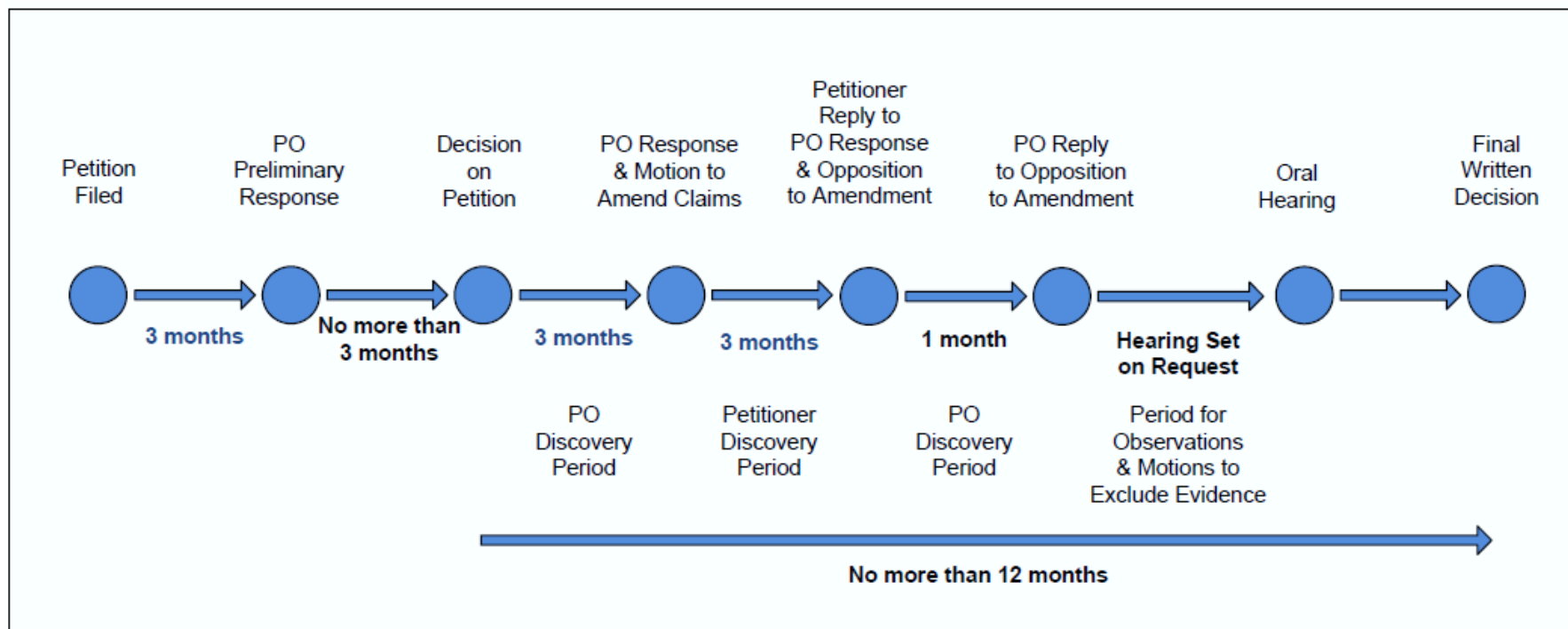
U.S. Post-Grant Statistics

- Most Frequent CBM Petitioners



Finnegan Data
23 Oct. 2014

AIA: Trial Proceedings



Source: Trial Practice Guide

Lessons Learned: Expect the Unexpected

- Board willing to make new rules
 - Resolve issues/disputes prior to institution
- Board teleconferences with parties
 - Must be prepared to argue substantive positions
 - May be asked to make admission (yes or no)
 - May include expanded panel
- Board's permission needed before nearly every action

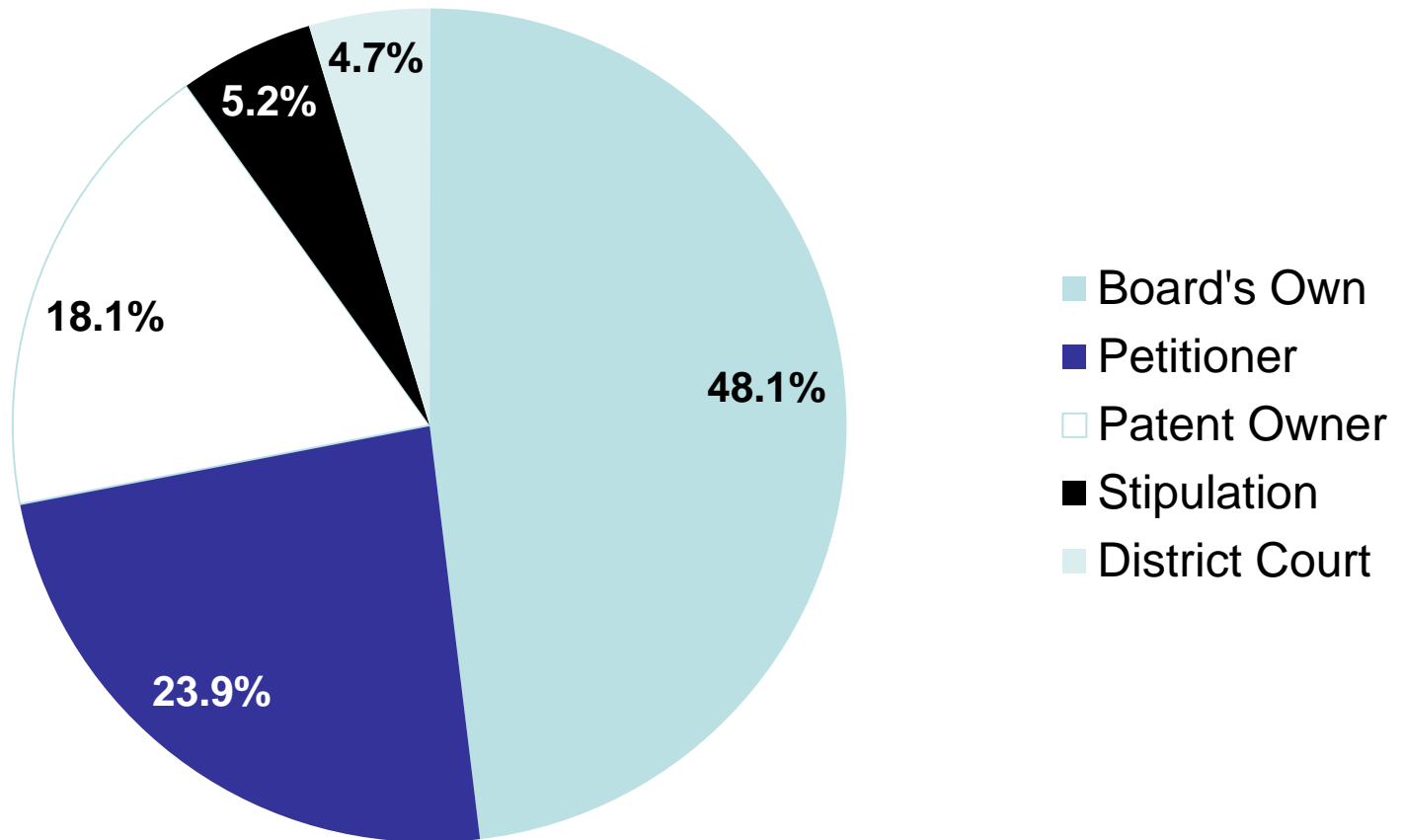
Lessons Learned: Board Limiting Issues

- Board is significantly limiting issues
- Not adopting all grounds raised by petitioners
 - Performing claim-by-claim, reference-by-reference analysis
 - Identifying subset of claims and/or prior art in adopting grounds
 - Not adopting grounds exactly as proposed by petitioners
 - Issuing order denying “all non-specifically identified grounds of unpatentability”

Lessons Learned: Claim Construction

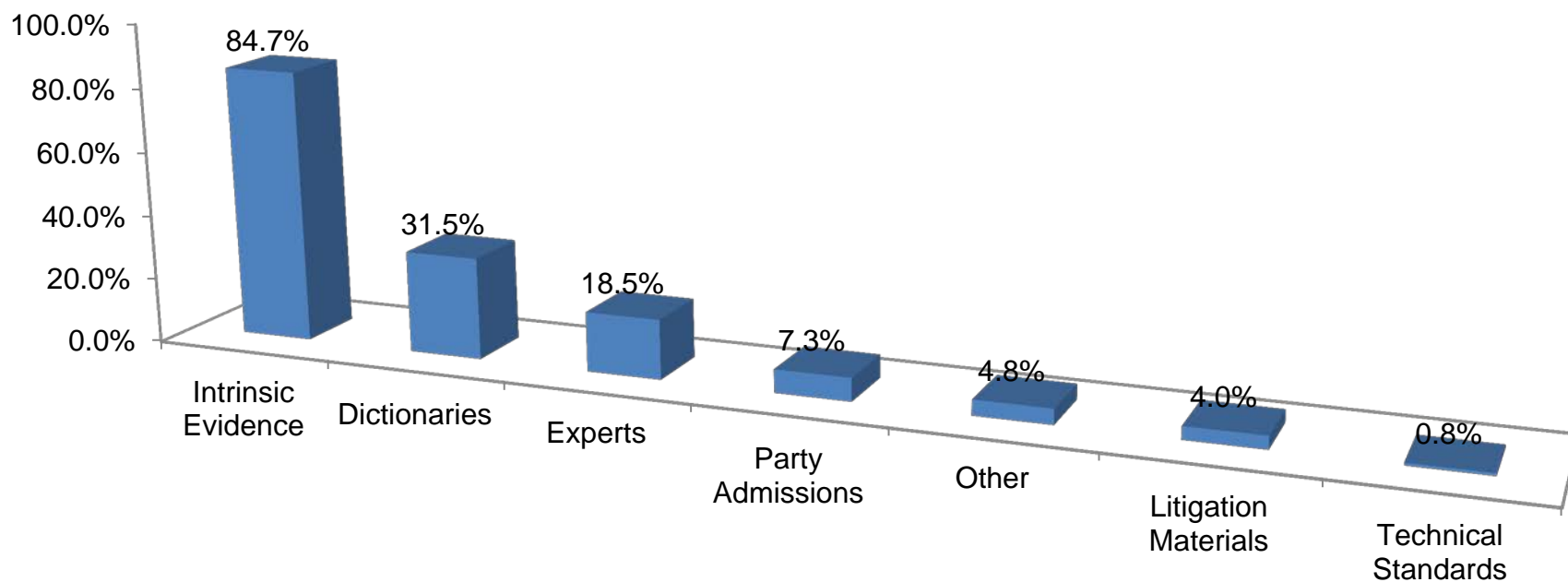
- Board likes to decide petitions based on claim construction
 - Board may adopt petitioner's claim construction if patent owner did not challenge it
 - Board may also construe terms on its own
 - Regardless of whether parties proposed constructions
 - Board may cite its own evidence (e.g., dictionaries)

Whose Construction Prevailed?



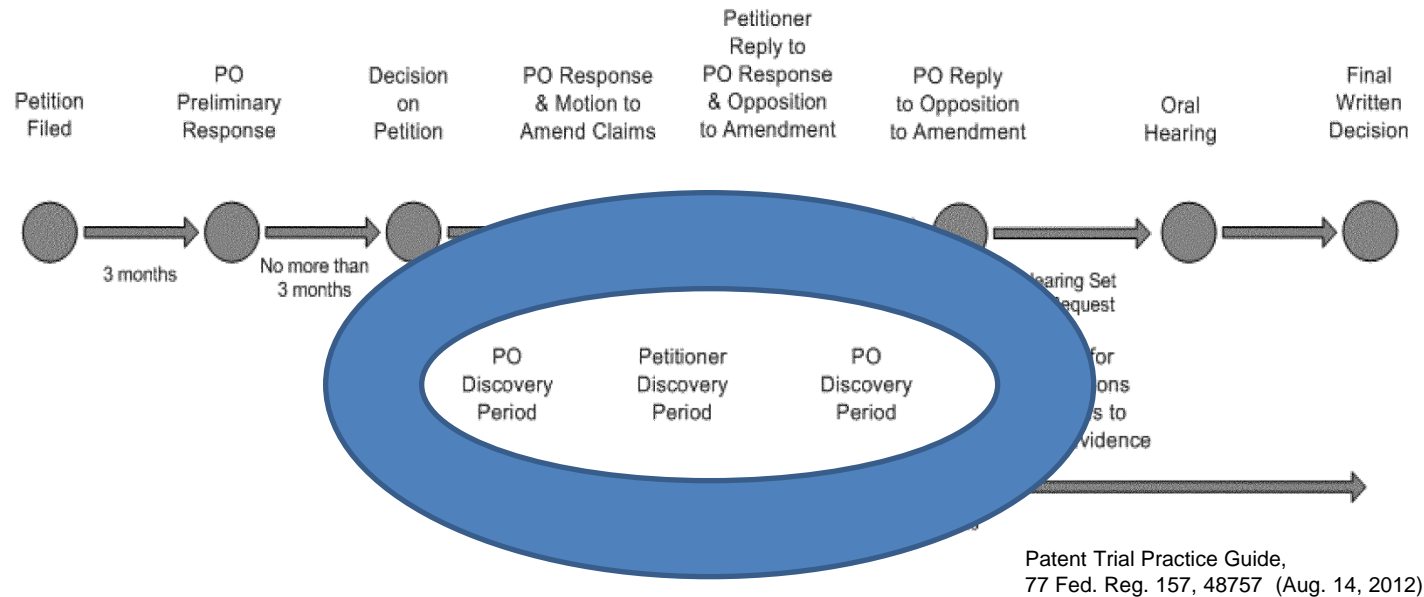
Claim Construction Basis

Claim Construction Evidence Used in Final Written Decision



Finnegan Data
1 Nov. 2014

Lessons Learned: Limited Discovery



■ Discovery limited in time and scope

- Primarily depositions of declarants
- Very limited document production
- Other discovery by motion or agreement

6-7 Months

Lessons Learned: Limited Discovery

- “Routine Discovery” — § 42.51(b)(1)
 - Exhibits cited in papers
 - Cross-examination of declarants
 - Information inconsistent with positions advanced

- “Additional Discovery” — § 42.51(b)(2)
 - In “the interests of justice” (IPR)
 - For “good cause” (PGR / CBM) (see § 42.224)

Five Factors for “Additional Discovery”

Case IPR 2012-00001
Patent 6,778,074

limited exceptions. 35 U.S.C. § 316(a)(11); *see also* 37 C.F.R. § 42.100(c). What constitutes permissible discovery must be considered with that constraint in mind.

The statutory standard is “necessary in the interest of justice.” 35 U.S.C. § 316(a)(5). We have previously advised Cuozzo, in an order authorizing the filing of a motion for additional discovery, that the following factors are important (Paper 20, 2-3):

1. **More Than A Possibility And Mere Allegation** -- The mere possibility of finding something useful, and mere allegation that something useful will be found, are insufficient to demonstrate that the requested discovery is necessary in the interest of justice. The party requesting discovery should already be in possession of evidence tending to show beyond speculation that in fact something useful will be uncovered.
2. **Litigation Positions And Underlying Basis** -- Asking for the other party's litigation positions and the underlying basis for those positions is not necessary in the interest of justice. The Board has established rules for the presentation of arguments and evidence. There is a proper time and place for each party to make its presentation. A party may not attempt to alter the Board's trial procedures under the pretext of discovery.
3. **Ability To Generate Equivalent Information By Other Means** -- Information a party can reasonably figure out or assemble without a discovery request would not be in the interest of justice to have produced by the other party. In that connection, the Board would want to know the ability of the requesting party to generate the requested information without need of discovery.
4. **Easily Understandable Instructions** -- The questions should be easily understandable. For example, ten pages of complex instructions for answering questions is *prima facie* unclear. Such

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instructions are counter-productive and tend to undermine the responder's ability to answer efficiently, accurately, and confidently.

5. **Requests Not Overly Burdensome To Answer** -- The requests must not be overly burdensome to answer, given the expedited nature of *Inter Partes* Review. The burden includes financial burden, burden on human resources, and burden on meeting the time schedule of *Inter Partes* Review. Requests should be sensible and responsibly tailored according to a genuine need.

- (1) Request is based on more than “the mere possibility of finding something useful”
- (2) Request does not seek “the litigation positions and underlying basis”
- (3) Information is not reasonably available through other means
- (4) Request is “easily understandable”
- (5) Answering request is “not overly burdensome”

Garmin v. Cuozzo, IPR2012-00001, Paper No. 26, at 6-7 (Mar. 5, 2013)

Lessons Learned: Discovery Motions

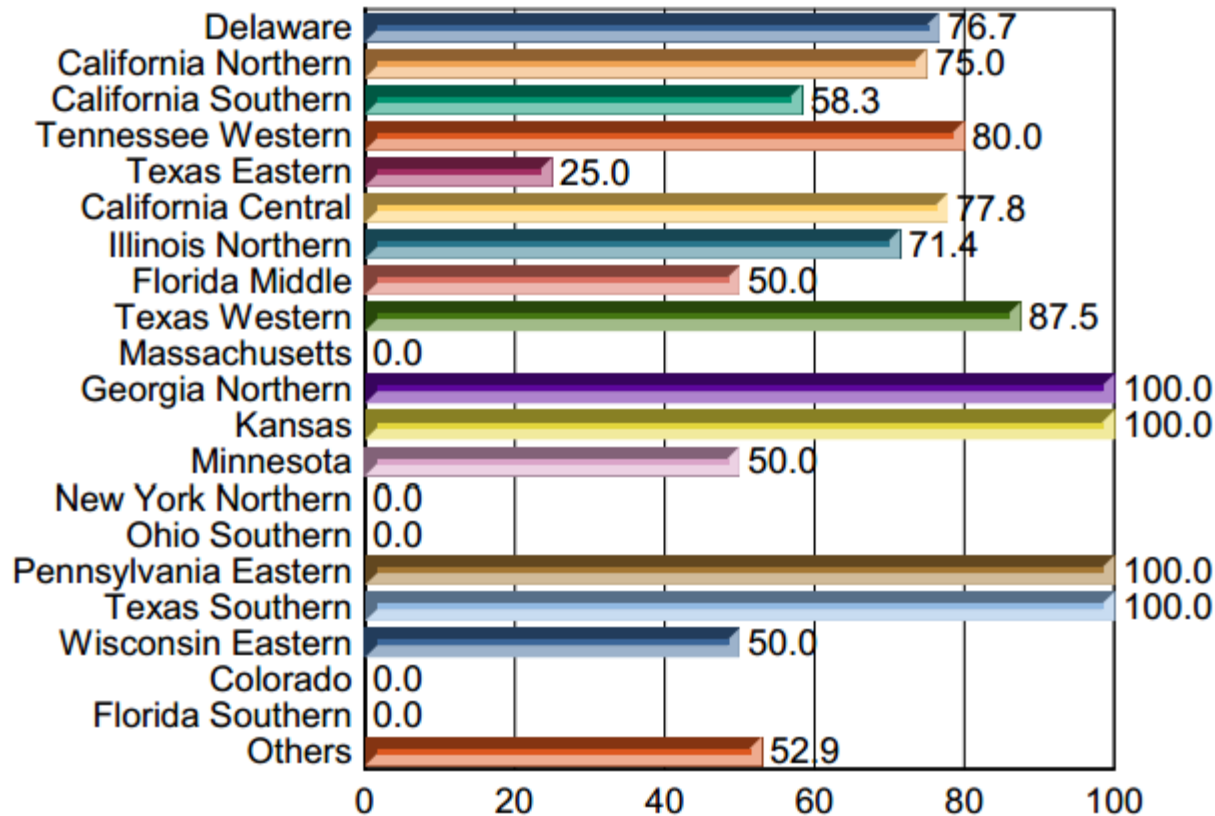
- *Innolux Corp. v. Semiconductor Energy Lab.*
 - IPR2013-00028 / -00030 (May 21, 2013) **DENIED**
- *Garmin v. Cuozzo*
 - IPR2012-00001 (May 21, 2013) **DENIED**
- *Synopsys v. Mentor*
 - IPR2012-00042 (Apr. 22, 2013) **DENIED**
- *Apple Inc. v. Achates Reference*
 - IPR2013-00080 / -00081 (Apr. 3, 2013) **DENIED**
- *Microsoft v. Proxycon*
 - IPR2012-00026 / IPR2013-00100 (May 8, 2013) **GRANTED**
- *Bloomberg v. Markets Alert*
 - CBM2013-00005 (May 29, 2013) **GRANTED IN PART**
- *Illumina v. Colson*
 - IPR2012-00001 (May 21, 2013) **DENIED**
- *Corning Incorp. v. Corning*
 - IPR2013-00043 / -00044 (June 21, 2013) **GRANTED IN PART**
- *Smith & Nephew v. Conquest*
 - IPR2013-001-2 (May 21, 2013) **DENIED**
- *Google v. Jong*
 - IPR2013-00191 (Sep. 20, 2013) **DENIED**
- *SAP Am. v. Versata Development*
 - CBM2012-00001 (May 21, 2013) **GRANTED**

Lessons Learned: Claim Amendments

- Patentee must confer with the Board before filing a motion to amend the claims
- Motion to Amend requirements
 - Only get a reasonable number of substitute claims; one-to-one correspondence
 - Must identify the patentable distinction
 - Provide technical facts and reasoning
 - Provide construction for any new claim terms
 - Address closest prior art known and patentability generally

Lessons Learned: Concurrent Litigation

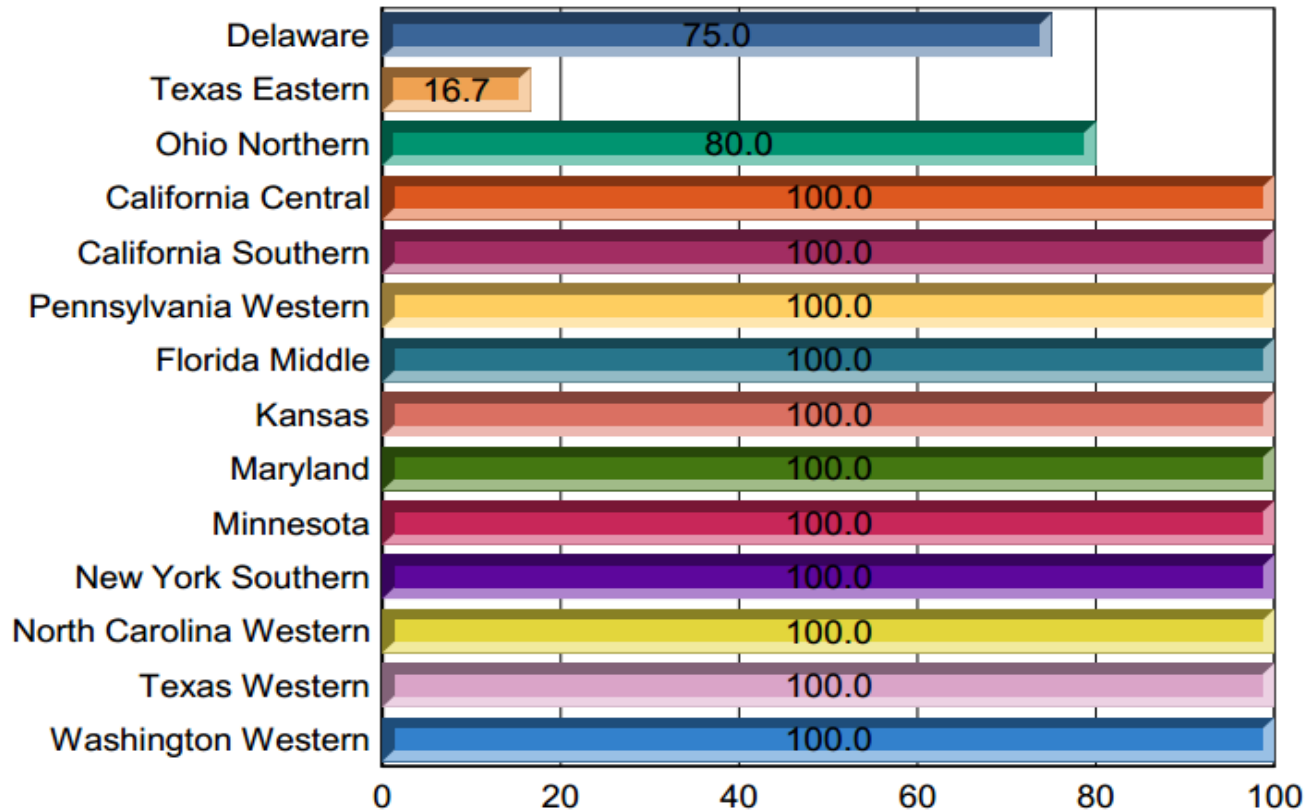
- Consider possibility of staying litigation
 - Win rates for stays pending IPR



LegalMetric Data
August 2012 – March 2014

Lessons Learned: Concurrent Litigation

- Consider possibility of staying litigation
 - Win rates for stays pending CBM



LegalMetric Data
December 2012 – February 2014

Lessons Learned: Oral Hearing and Final Written Decision

- Oral Hearing
 - The parties may (and generally do) request oral arguments
 - No live testimony, unless requested by the Board
- Final Written Decision
 - The Board normally issues a Final Written Decision 1-3 months later
 - Issuing the Final Written Decision creates estoppel for issues raised or reasonably could have been raised

Effective Strategies – Petitioner

- Prepare and submit petition early
- Close the gaps
 - Submit expert declarations with underlying facts/data (and possibly inherency/testing)
 - Consider authenticating/proving references are prior art **prior** to filing
 - Construe claims and link to relevant disclosure of references
 - Anticipate arguments patent owner may make in preliminary response

Effective Strategies – Petitioner

- Raise best grounds and explain fully
 - Few well-reasoned grounds of rejection better than numerous grounds lacking sufficient detail
 - For obviousness, expressly set forth differences between prior art and claims
 - Simplify and narrow issues (each reference should have a unique purpose)
 - Avoid excessive and redundant grounds

Effective Strategies – Patent Owner

- If a petition has been filed against you:
 - Retain counsel and experts quickly
 - Develop claim constructions and validity positions
 - Try to identify “knockout” claim constructions
 - Infringement positions consistent with validity positions
 - Be aware of potentially narrow claim interpretations, which will affect scope of infringement
 - Begin testing and work on rebuttal declarations
 - Consider filing preliminary response
 - Explain why PGR/CBM or IPR should not be instituted
 - Challenge claim constructions and asserted grounds
 - Point out clear legal errors and/or standing issues

Effective Strategies – Patent Owner

- Consider theme up front
- Introduce facts into the record to support theme:
 - Expert declarations
 - Factual declarations
 - Discussion of prior art references
- Balance theme development with discovery repercussions
 - Witnesses submitting affidavits or declarations can be deposed
 - Other discovery allowed based on the interest of justice

Questions?

C. Gregory Gramenopoulos leads the firm's electrical and computer technology practice group. He is experienced in all aspects of U.S. patent law and applies a unique global perspective to advise clients on filing and enforcement strategies. He has successfully represented clients in U.S. district court and multi-national patent infringement suits, as well as in post-grant trial proceedings.



C. Gregory Gramenopoulos
Finnegan, Henderson,
Farabow, Garrett & Dunner, LLP
901 New York Avenue, NW
Washington, DC 20001-4413
Tel +1 202 408 4263
Fax +1 202 408 4400
gramenoc@finnegan.com

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