Patent Office Trials (IPRs, CBMs, PGRs)

The America Invents Act (AIA) created three new proceedings for reviewing a patent after issuance in the US Patent and Trademark Office (USPTO): the inter partes review, the covered business method review, and the post-grant review. All of these proceedings provide an opportunity to challenge the validity of issued patents at the USPTO. These three new proceedings became available in September 2012.

DLA Piper's patent lawyers regularly represent clients across industries in these AIA proceedings, which the Patent Office refers to as trials. We are currently involved in (or are preparing for) **more than 70** proceedings, giving us the experience to help guide you through the nuances. DLA Piper was also one of the first firms to conduct an inter partes review hearing (which we won). Since that time our lawyers have conducted numerous post-issuance trials and have been involved in many of the cutting edge decisions that are shaping this new area of patent practice.

DLA Piper offers clients a combination of factors that distinguishes us from other firms, including:

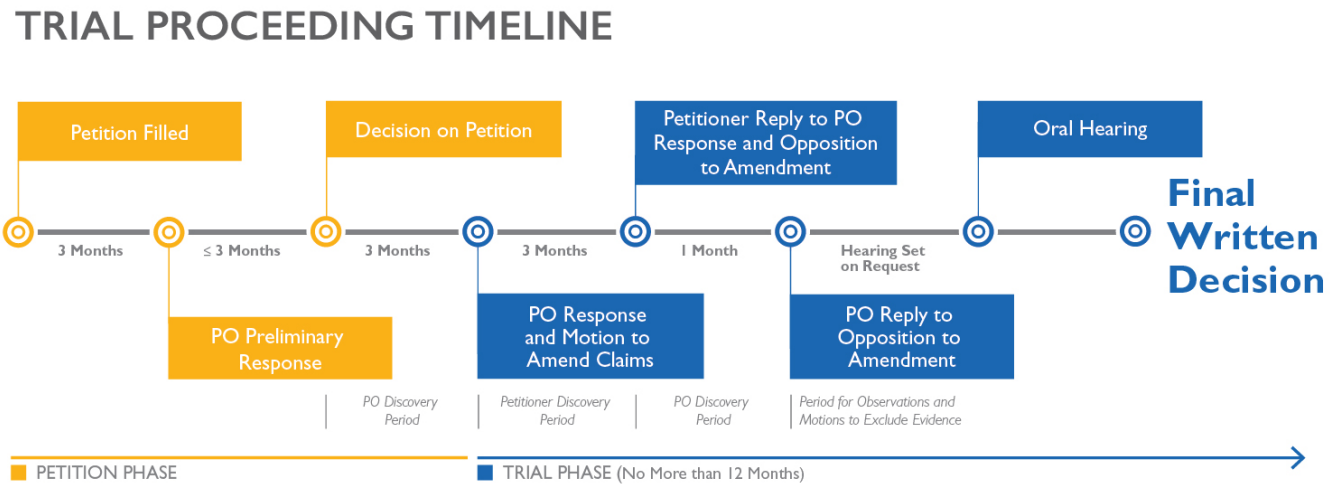
- **Extensive experience with post-issuance review proceedings.** Unlike many less experienced firms, we monitor all decisions in these proceedings, we are thoroughly familiar with the rules and procedures governing these proceedings, and we are fluent in all aspects of the process because we handle these regularly for clients.
- **Knowledgeable patent litigation and patent prosecution practices.** Because we handle both patent litigation and patent prosecution, we have become well-versed in developing and implementing post-grant review strategies to complement litigation strategies, and vice versa. Additionally, we have assisted clients in strategic development, prosecution and litigation for a wide range of patent claims. We understand the unique challenges each of these claim types faces and we have generated successful outcomes in each of these areas.
- **Technical depth and knowledge.** We have the technical experience and familiarity with complex technologies that enables us to quickly understand your particular technology. Our litigators are highly experienced at handling complex technical issues as well as complex legal issues. Simply put, we have a deep technical bench strength in virtually any technology, as well as the ability to simplify complex issues when at trial.

- Patent Litigation
- Patent Prosecution and Strategic Patent Counseling
- Propriedade Intelectual e Tecnologia

- Tecnologia
- Ciências da Vida
- Energia
- Serviços Financeiros

Inter partes review

Inter partes review, or IPR, was intended as a replacement for the inter partes reexamination process. One of the principal complaints concerning inter partes reexaminations was that they could take a long time (five years was not uncommon in hotly contested reexaminations) before reaching final resolution, which made district courts reluctant to grant stays during the pendency of an inter partes reexamination. In contrast to inter partes reexamination, IPR is a much faster process. As shown in the detailed timeline below, the IPR process lasts a maximum of 18 months from submission of the petition through a final written decision.



Another important aspect of an IPR is cost. Discovery in an IPR is very limited as compared to district court litigation, and written submissions are tightly controlled. These aspects and others make the cost of conducting an IPR far less than a district court proceeding to establish invalidity. One concern with the filing of an IPR petition is that the petitioner is estopped from making all arguments that were raised or could have been raised in the IPR.

IPRs are initiated by filing a petition and paying a fee. Anyone other than the patent owner can file a petition for an IPR, provided that such person and their privies were not served with a complaint more than one year prior. Like inter partes reexaminations, validity challenges including anticipation (§ 102) and obviousness (§ 103) can only be brought in IPRs on the basis of other patents or printed publications.

Covered business method review

The transitional program for covered business method (CBM) patents is another avenue to seek PTAB review of a possibly invalid patent. CBM review focuses on "covered business method" patents, defined by the AIA as "a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions." For first-inventor-to-file patents, CBM review is available only after the nine-month period to file the post-grant review has expired. A petition will be granted if the petitioner can show that it is more likely than not that at least one claim is patentable.

CBM review differs from IPRs and post-grant reviews (discussed below) in three key respects:

- The petitioner, the petitioner's real party in-interest, or a privy must have been sued or charged with infringement before that party may file a CBM petition.
- If the CBM review results in a final written decision, the petitioner and the petitioner's real-party-in-interest is estopped from asserting, in a district court litigation, invalidity on only "any ground that the petitioner raised" during the CBM review, as opposed to the broader "raised or reasonable could have raised" language for IPRs and post-grant reviews. This allows a petitioner to assert different invalidity defenses in different forums (e.g., an indefiniteness (§ 112) or ineligible subject matter (§ 101) invalidity defense may be raised in a CBM review, and a prior-art based anticipation (§ 102) defense in a district court).
- If a party files a CBM petition, moves for a stay of a co-pending district court litigation, and that stay is denied, the party may take an immediate interlocutory appeal of the stay decision to the US Court of Appeals for the Federal Circuit.

The AIA included a sunset provision whereby the Transition Program will conclude on September 16, 2020, at which point the PTAB will no longer accept CBM petitions.

Post-grant review

Post-grant review (PGR) was established by the AIA to challenge patents immediately after they are issued under the new first-inventor-to-file rules. A PGR petition may be filed by any person who is not the owner of the patent and must be filed within nine months after the date of the grant of the patent or of the issuance of a reissue patent. Like IPRs, PGRs are designed to reach a final written decision within 12 months of the petition's grant.

While PGR is similar to IPR in many regards (*ie*, who may file, estoppel, and timing), there are three key differences as shown in the chart below.

- A PGR petition will be granted if it is "more likely than not" that at least one of the challenged claims is unpatentable or if the petition "raises a novel or unsettled legal question that is important to other patents or patent applications."
- A PGR petitioner can raise not only anticipation (§ 102) and obviousness (§ 103) challenges based on patents and printed publications, but also subject matter (§ 101), indefiniteness (§ 112), and double-patenting challenges.
- Only "new" patents with a priority date after March 15, 2013 are eligible for PGR.

To date, PGRs have not been as popular as IPRs or CBMs. This is likely because PGRs are only available on "new" patents and because of the nine-month window to file from issuance of the patent. Nonetheless, PGRs are a strong and viable option for challenging a newly issued patent and should be considered when available.

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MAJOR DIFFERENCES BETWEEN IPR, CBM, AND PGR

POST-GRANT PROCEEDING	*Inter Partes* Review (IPR)	Covered Business Method (CBM)	Post-Grant Review (PGR)
Petitioner	• Person who is not the patent owner, has not previously filed a civil action challenging the validity of a claim of the patent, and has not been served with a complaint alleging infringement of the patent more than 1 year prior (exception for joinder) • Must identify all real parties in interest	• Must be sued or charged with infringement • Financial product or service • Excludes technological inventions • Must identify all real parties in interest	• Person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent • Must identify all real parties in interest
Estoppel	• Raised or reasonably could have raised • Applied to subsequent USPTO/district court/ITC action	• Office—raised or reasonably could have raised • Court-raised	• Raised or reasonably could have raised • Applied to subsequent USPTO/district court/ITC action
Standard	• Reasonable likelihood	• Same as PGR	• More likely than not OR • Novel or unsettled legal question important to other patents / applications
Basis	• 102 and 103 based on patents and printed publications	• Same as PGR (some 102 differences)	• 101, 102, 103, 112, double patenting but not best mode
Available	• For first-inventor-to-file, from the later of: (i) 9 months after patent grant or reissue; or (ii) the date of termination of any post grant review of the patent. • For first-to-invent, available after grant or reissue (technical amendment)	• Available 9/16/12 (for first-inventor-to-file only after PGR not available or completed)	• From patent grant to 9 months after patent grant or reissue
Applicable	• Patent issued under first-to-invent or first-inventor-to-file	• Patents issued under first-to-invent and first-inventor-to-file	• Patent issued under first-inventor-to-file
Timing	• Must be completed within 12 months from institution, with 6 months good cause exception possible	• Must be completed within 12 months from institution, with 6 months good cause exception possible	• Must be completed within 12 months from institution, with 6 months good cause exception possible

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