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Inter Partes Review

Introduction:

The America Invents Acts (AIA) transformed inter partes reexamination from an examination proceeding to a short trial on the merits now known as Inter Partes Review. The process is short in that in most cases it will be completed within eighteen months from filing a Petition. The short time period, however, should not be equated with a simpler proceeding. It is, rather, a detailed proceeding before Administrative Judges within United States Patent and Trademark Office complete with discovery under the Federal Rules of Evidence and a detailed motion and opposition practice.

The proceeding begins with filing a Petition challenging the validity of an issued patent under, and only under, 35 U.S.C. §§ 102 and 103 based upon publically available prior art patents or printed publications. 37 C.F.R. § 42.104(b)(2). In order for Inter Partes Review to be instituted, the Petition must demonstrate there is reasonable likelihood that at least one of the challenged claims of the patent is unpatentable. 37 C.F.R. § 42.108(c).

Cost:

The fee for Inter Partes Review is based upon the number of challenged claims. For the first twenty challenged claims the fee is \$27,200.00, and additional \$600.00 for each challenged claim in excess of twenty. 37 C.F.R. § 42.15(a).

Petition:

The proceeding begins with filing a petition challenging the validity of an issued patent under, and only under, 35 U.S.C. §§ 102 and 103 based upon publically available prior art patents or printed publications. 37 C.F.R. § 42.104(b)(2). In order for Inter Partes Review to be instituted the Petition must demonstrate there is reasonable likelihood that at least one of the challenged claims of the Patent is unpatentable. 37 C.F.R. § 42.108(c).

Time for Filing:

The issue date of the patent challenged, civil actions regarding the patent, and other reviews collectively determine when the Petition must be filed.

With regards to the issue date of the patent, the Petition for Inter Partes Review must be filed nine months after the patent has issued. 37 C.F.R. § 42.102(a)(1).

With regards to civil actions, the Petition must be within one year of being served a complaint alleging infringement of the patent at issue (37 C.F.R. § 42.101(b)) or before filing a civil action challenging the validity of a claim of the patent at issue (37 C.F.R. § 42.101(a)). This limited period to file a petition necessitates the vulnerability of a patent to Inter Partes Review be evaluated almost immediately in the litigation process and considered during pre-litigation planning. In many cases a patent will be more vulnerable to Inter Partes validity challenges as the standard for proving invalidity is a preponderance of the evidence (37 C.F.R § 42.1(d)), which is significantly lower than the clear and convincing evidence utilized by the courts. Additionally, the USPTO construes claims using the broadest reasonable interpretation. 37 C.F.R. § 42.100(b).

With regards to other reviews, if a Post-Grant Review has been instituted, the Petition cannot be filed before the date of termination of that review. 37 C.F.R. § 42.102(a)(2)

Estoppel

In addition to filing the Petition in the right window of opportunity, the Petitioner and their privies cannot be estopped from challenging the claims on the grounds identified in the Petition. 37 C.F.R. § 42.101(c). It is important to note the USPTO's responses to comments 60, 66 and 95 accompanying the rules suggest the USPTO will be applying estoppel rather conservatively with regards to privies and grounds of the challenge. Accordingly, a claim surviving a first Inter Partes Review may be subsequently challenged by the same requester on different grounds raising new questions of patentability. *See Response to Comment 95*. Furthermore, there will be no estoppel with respect to claims not subject to an Inter Partes Review instituted. *See Response to Comment 60*. Additionally, a decision not to institute a review does not create estoppel for the grounds presented in the Petition. *See Response to Comment 66*. The USPTO thus appears willing to give multiple bites at the apple. If, however, a civil action has been commenced, it will not be possible to file the second Petition for Inter Partes Review more than one year being served a complaint alleging infringement; making presenting a strong initial challenge all the more important.

Content of the Petition

The petition is limited 60 pages, including claims charts, (37 C.F.R. § 42.24(a)(i)) and must include the following:

1. Grounds for Standing: A certification that the patent at issue is available for Inter Partes Review and that the Petitioner is not barred or estopped from seeking relief on the grounds identified; 37 C.F.R. § 42.104(a)
2. Identification of Challenge: A statement of the precise relief requested for each challenged claim identifying:
 - a. The claim challenged (37 C.F.R. § 42.104(b)(1));
 - b. The specific statutory grounds under 35 U.S.C. §§ 102 or 103 on which challenges to the claims are based and the patents or printed publications relied upon (37 C.F.R. § 42.104(b)(2));
 - c. A claim construction for the challenged claims (37 C.F.R. § 42.104(b)(3)) which may be a statement identifying a proposed construction and where supported in the disclosure or, alternatively, a simple statement the claim terms are to be given their broadest reasonable interpretation, as understood by one of ordinary skill in the art and consistent with the disclosure;
 - d. An explanation how the construed claims are unpatentable under the statutory grounds identified specifying where each element of the challenged claims is found in the prior art relied upon (37 C.F.R. § 42.104(b)(4)); and
 - e. The exhibit number of evidence supporting the challenges and the relevance of the evidence to the challenges raised (37 C.F.R. § 42.104(b)(5)).
3. Real Party-In-Interest: A statement identifying each real party-in-interest; 37 C.F.R. § 42.8(b)(1).

4. Related Matters: A statement identifying any other judicial or administrative matter that would affect, or be affected by, a decision in the proceeding; 37 C.F.R. § 42.8(b)(2).
5. Lead and Back-Up Counsel: A statement identifying the lead and back-up counsel if any; 37 C.F.R. § 42.8(b)(3) and
6. Service Information: A statement identifying a service address. 37 C.F.R. § 42.8(b)(4)

Additional Items to be Filed with Petition

In addition to submitting a complete Petition, to be accorded a filing date the required fee and a certificate of service for the petition and evidence relied upon must be submitted with the Petition. 37 C.F.R. § 42.106.

Patent Owner's reliminary Response:

The Patent Owner may file a Preliminary Response within three months after the date of a notice indicating the Petition has been granted a filing date. 37 C.F.R. § 107(b).

As with the Petition, the Preliminary Response is limited to 60 pages. 37 C.F.R. § 42.24(b)(1).

Additionally, the USPTO will only consider arguments indicating why no Inter Partes Review should be instituted. 37 C.F.R. § 42.107(a). Such arguments may include:

1. The Petitioner is barred from pursuing a review;
2. The references supporting the challenges are not eligible prior art;
3. The prior art asserted in support of the challenges lack a material limitation;

4. The prior art asserted in support of the challenges teaches away; or
5. The Petitioner's claim construction is unreasonable.

Decision to Institute Inter Partes Reexamination:

Three months after the Preliminary Response by the Patent Owner the USPTO will issue a decision to Institute Inter Partes Review. The decision is not a final decision and as such does not trigger estoppel. *See Response to Comment 66*. It is also not appealable. It can, however, be challenged by filing a request for rehearing before the Board. 37 C.F.R. § 42.71(d).

Conference Call (One Month after Instituted):

One month after the Inter Partes Reviews is Instituted a Conference Call will be held by the Board and the parties to set out discovery, discuss the motions the parties intend to file, and set out a Scheduling Order. The USPTO envisions that most Inter Partes Reviews will use the Scheduling Order presented here.

Patent Owner Discovery Phase (Ending at Three Months after Instituted):

The Patent Owner will be giving three months to conduct discovery during which time the Patent Owner may dispose the Petitioner's declarants, examine inconsistent information provided by the Petitioner, and examine exhibits relied upon by the Petitioner or their Declarants.

Patent Owner Response (Three Months after Instituted)

At the end of the Patent Owner's Discovery Phase, the Patent Owner Response is due. The Patent Owner Response is limited to 60 pages (37 C.F.R. § 42.24(b)(1)) and provides an opportunity to address any ground for unpatentability not already denied (37 C.F.R. § 42.120(a)). The response should identify all of the involved claims and state the basis for that belief.

Motion to Amend (Three Months after Instituted)

The Motion to Amend affords the Patent Owner the only guaranteed opportunity to amend the claims. 37 C.F.R. § 42.121(a). Before filing the Motion to Amend, the Patent Owner must confer with the Board via a conference call. 37 C.F.R. § 42.121(a).

In addition to amending the claims to overcome the prior art asserted in the Petition, the Patent Owner may present one substitute claim for each challenged claim and in their Response to the Petition present arguments in the alternative as to why the substitute claims are patentable over the art cited in the Petition. 37 C.F.R. § 42.121(a)(3).

The Motion to Amend must include a claim listing, clearly show the changes made to the claims and set forth the support in the original disclosure of the patent at issue or corresponding priority document for the claims as amended. 37 C.F.R. § 42.121(b):

Petitioner Discovery Phase (Ending at Six Months after Instituted):

The Petitioner will be giving three months to conduct discovery during which time the Petitioner may depose the Patent Owner's declarants, examine inconsistent information provided by the Patent Owner, and examine exhibits relied upon by the Patent Owner or their Declarants.

Petitioner's Reply to Patent Owner's Response (Six Months after Instituted)

The Petitioner's Reply is limited to 15 pages (37 C.F.R. § 42.24(c)(1)) and may only respond to arguments raised in the Patent Owner's Response (37 C.F.R. § 42.23(b)).

Petitioner's Opposition to Motion to Amend (Six Months after Instituted)

The Motion to Amend may be challenged for: (1) failing to respond to a ground of unpatentability involved in the Instituted Review; (2) broadening the scope of the claims; or (3) introducing new subject matter not supported by the original disclosure. 37 C.F.R. § 42.121(a)(2).

Patent Owner's Reply to Petitioner's Opposition to Motion to Amend (Seven Months after Instituted)

The Patent Owner's Reply to Petitioner's Opposition may only respond to arguments raised in the Opposition. 37 C.F.R. § 42.23(b).

Petitioner's Motion for Observation Regarding Cross-Examination of Witness (Seven Months and Three Weeks after Instituted)

In the event cross-examination occurs after a Petitioner has filed their last substantive paper on an issue and the Petitioner believes the testimony should be called to the Board's attention, the Petitioner may file a concise statement of the relevance of the testimony to an

identified argument or portion of an exhibit. The entire observation should not exceed one short paragraph.

The Patent Owner's Response to the Observation is due two weeks later.

Motions to Exclude Evidence (Seven Months and Three Weeks after Instituted)

Motions to exclude are governed by 37 C.F.R. § 42.64. It is important to remember motions to exclude are filed to preserve objections to evidence and thus require that an objection to the evidence be timely made at the point the evidence is offered. 37 C.F.R. § 42.64(a) and (c).

The corresponding Oppositions are due two weeks later and the Replies to the Oppositions one week after that.

Request for Oral Arguments (Seven Months and Three Weeks after Instituted)

The request must be filed as a separate paper and must specify the issues to be argued. 37 C.F.R. § 42.70(a).

Oral Argument (To Be Determined)

Oral arguments will be presented to a panel of at least three members of the Board. Generally the Petitioner will present their case first. The Patent Owner will then present a response. The Petitioner will then be afforded an opportunity for rebuttal.

Final Decision (Twelve Months after Instituted)

The Board will issue its Final Decision within twelve months after the Inter Partes Review has been instituted. A party dissatisfied with the decision may file a Request for Rehearing within thirty days after the Final Decision (37 C.F.R. § 42.71(d)(2)) and an Appeal to the Court of Appeals for the Federal Circuit under 35 U.S.C. § 141 within sixty-three days of the Final Decision (37 C.F.R. § 90.3(a)).