



PATENT OWNER'S GUIDE TO

POST- GRANT REVIEW

YOU HAVE QUESTIONS.
WE HAVE THE ANSWERS.

A petition for Post-Grant Review has been filed against our patent – what is happening and what should we do?

WHAT IS A POST-GRANT REVIEW (“PGR”)?

A PGR is one of the post-grant proceedings created by the America Invents Act (“AIA”) and is a mechanism to challenge the validity of an issued U.S. patent. PGRs took effect on September 16, 2012. **PGRs apply only to patents having at least one claim with a priority date on or after March 16, 2013 (First Inventor to File Patents).**

A PGR is an *inter partes* dispute handled by the Patent Trial and Appeal Board (“PTAB” or “the Board”), formerly the Board of Patent Appeals and Interferences, of the U.S. Patent and Trademark Office (“USPTO”). A PGR is much like a trial on paper, and very similar to the Motions Phase of an interference.

A PGR may be based upon any ground of invalidity except best mode. See 37 C.F.R. § 42.204(b). Patent eligible subject matter (35 U.S.C. § 101), anticipation (35 U.S.C. § 102), obviousness (35 U.S.C. § 103), written description, enablement, and indefiniteness (35 U.S.C. § 112) challenges can be made via a PGR. See 35 U.S.C. §§ 282(b)(2), 282(b)(3).

At the conclusion of a PGR, the PTAB will issue a Final Written Decision that addresses all issues necessary to resolve the proceeding.

WITHIN 21 DAYS

You need to get your house in order and recognize that the clock is already ticking. First, when was the Petition served? **Within 21 days of service of the Petition you need to file your Mandatory Notices.**

The Mandatory Notices are: the real party-in-interest, related matters, lead and back-up counsel, and service information. See 37 C.F.R. § 42.8. You must also file a Power of Attorney, unless designated counsel is already of record. See 37 C.F.R. § 42.10(b).

WHERE DO I START? HOW LONG WILL THIS TAKE?

You need to choose counsel and you need to choose quickly. If necessary, you can file the Mandatory Notices within 21 days listing counsel you have in place, and file Revised Mandatory Notices with new counsel once you have identified PGR counsel. That said, the sooner you have PGR counsel in place, the better.

Why? Because these are *fast* proceedings.

PGRs are designed so that the Final Written Decision is issued within one year of institution, but that deadline may be extended by up to six months for good cause. See 37 C.F.R. § 42.200(c).

From the time you are served with the Petition the total time for the PGR will be about eighteen months, and possibly as long as two years.

WE'RE ALREADY LITIGATING THIS PATENT. SHOULD I USE LITIGATION COUNSEL AS PGR COUNSEL?

Maybe. **You are going to need to designate lead and back-up counsel for the PGR.** See 37 C.F.R. § 42.10(a). **Lead counsel must be registered to practice before the PTO.** 37 C.F.R. § 42.10(c). If your litigation counsel is a registered patent attorney, he can be lead counsel. If your litigation counsel is not a registered patent attorney, the PTAB may recognize him pro hac vice upon a showing of good cause, made by way of an authorized Motion. See 37 C.F.R. §§ 42.10(c), 42.20. Also, be sure to review any Protective Order governing the existing litigation to ensure litigation counsel is permitted to participate in the PGR. PGRs are unique proceedings and the guidance of a seasoned PTAB practitioner, especially one with interference experience, will be helpful.

WHAT HAPPENS FIRST? WHAT IS THE WHOLE TIMELINE?

You've already witnessed the first part, *i.e.*, the filing and service of the Petition. Keep in mind it is just that, a Petition – a request by the Petitioner to permit them to attack one or more claims of your patent on one or more bases. The PTAB may or may not institute a review (called a “trial”).

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What next? If the Petitioner satisfied the clerical aspects for the PGR, the PTAB will issue a Notice of Filing Date Accorded To Petition and Time for Filing Patent Owner Preliminary Response. 37 C.F.R. § 42.206(a). That Notice requires the Patent Owner to file its Preliminary Response, should it wish to do so/it is voluntary, within three months of that Notice. See 37 C.F.R. § 42.207. Note, if you are sure you do not wish to file a Preliminary Response, you can alert the PTAB that you are waiving the opportunity, thereby accelerating the pace of the proceeding. See 37 C.F.R. § 42.207(b).

Within three months of when the Patent Owner's Preliminary Response was filed or was due, whichever is first, the PTAB will indicate whether it is going to institute a trial. See 77 Fed. Reg. 48756, 48757 (Aug. 14, 2012). If the PTAB institutes trial, the PTAB will institute as to all claims challenged in the

petition. *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348 (2018). Under current practice, the PTAB will take an all-or-nothing approach to institution. That is, if the PTAB decides to institute trial, the PTAB will institute on all challenged claims and all grounds of challenge presented in the petition.

If instituted, you, as the Patent Owner, then have three months to conduct discovery and file the Patent Owner Response and, if requested, a Motion to Amend Claims.

Petitioner then has three months to conduct its discovery and file its Reply to the Patent Owner Response and its Opposition to any Motion to Amend.

If applicable, you then have one month to conduct additional discovery and file your Reply to the Petitioner's Opposition to the Motion to Amend.

Over approximately the next six weeks a series of deadlines will be set. These will be for filing motions to exclude evidence, for filing observations, and for requesting oral argument.

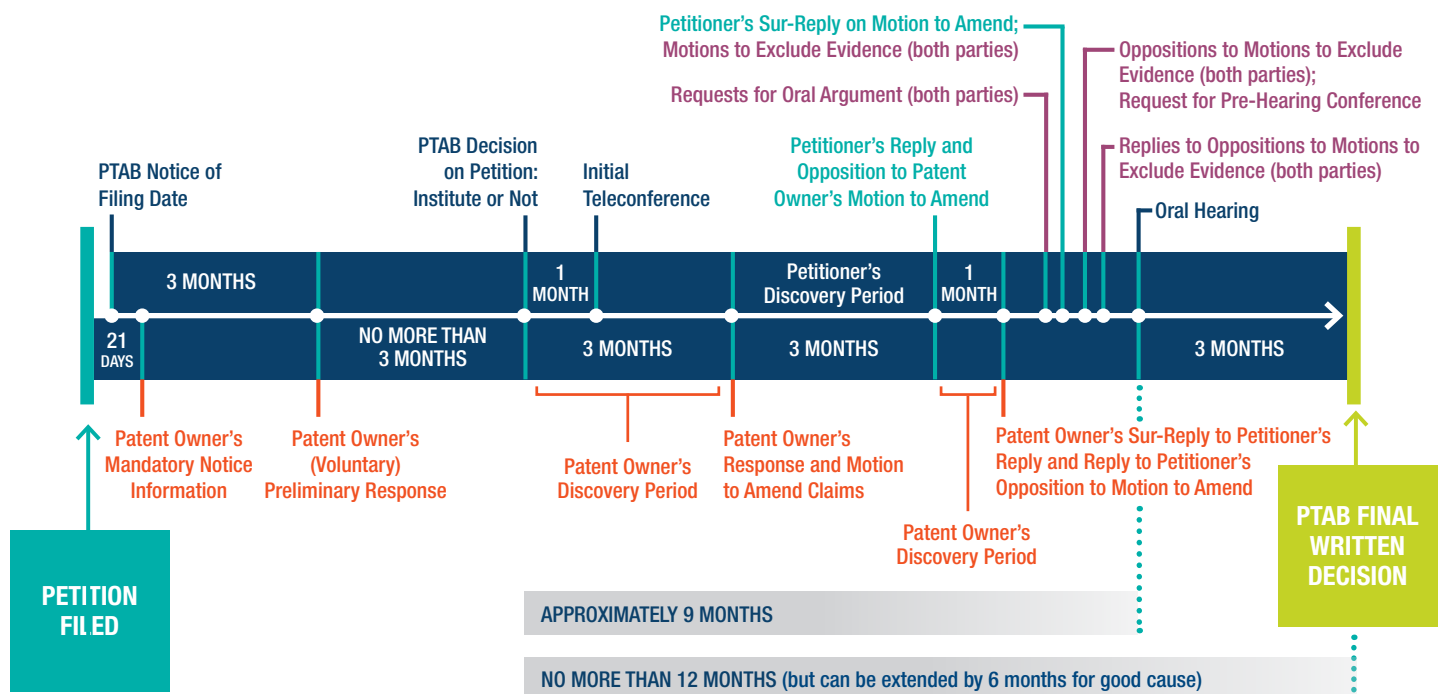
At approximately nine months after the PGR was instituted, the oral hearing will occur. Within about three months of that hearing, the PTAB will issue its Final Written Decision.


WHAT DO I LOOK FOR IN THE PETITION? WHAT DO I DO FIRST? SHOULD I BE CONCERNED?

You should take the Petition seriously.

Again, you need to get counsel and you need to get counsel quickly. Once in place, they will likely address the following issues:

Are there reasons why the Petition is defective? If the Petitioner or real party-in-interest previously filed a civil action





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challenging the validity of the claim, that party may not bring an PGR. See 37 C.F.R. § 42.201(a). Was the Petition filed more than nine months after the date of the grant of the patent or the date of issuance of a reissue patent? See 37 C.F.R. § 42.202(a). Was the Petition filed against a claim in a reissue patent that is identical to or narrower in scope than a claim in the original patent? If so, was the Petition filed more than nine months after the date of the grant of the original patent? See 37 C.F.R. § 42.202(a). Is the Petitioner or Petitioner's real party-in-interest or privy estopped from challenging the claims on the grounds identified in the Petition? See 37 C.F.R. § 42.201(b). If so, the Petition is defective, you can bring that to the PTAB's attention, and the proceeding should not be instituted.

The Petition may also be defective on clerical grounds, but such grounds are not likely to invalidate the Petition. For example, the Petition may exceed the 18,700 word limit, may not use the mandatory 14-point Times New Roman font, may not be double-spaced (although claim charts may be single-spaced), may include argument in the claim charts, etc. Generally, the PTAB notes these issues and accords a filing date, but requires the Petitioner to try again. *Keep in mind, your three-month clock for the Patent Owner Preliminary Response keeps ticking, even if Petitioner is given a do-over.*

Does the Petition address claim construction in a reasonable way?

For PGRs filed on or after November 13, 2018, the Board will use the federal court claim construction standard that is used to construe a claim in a civil action under 35 U.S.C. § 282(b). See 37 C.F.R. §§ 42.200(b), 42.204(b)(3); see also *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). For older PGRs, the "broadest reasonable construction" is used. See 83 Fed. Reg. 51340, 51344 (October 11, 2018).

If the Petition is substantively defective and/or fails to address claim construction when it should have or advances absurd

constructions, filing a Patent Owner Preliminary Response may be advisable. **You will have to weigh whether filing a Patent Owner Preliminary Response addressing the alleged grounds is wise.** You may decide to not "show your hand" at such an early stage, at least because doing so affords Petitioner additional time to study your case. Alternatively, you may decide to proceed with a Preliminary Response so that you get some sense from the PTAB whether they consider your arguments meritorious.

The Preliminary Response may rely upon new testimonial evidence beyond that already of record. See 37 C.F.R.

§ 42.207(a). However, submission of new testimonial evidence that creates a genuine issue of material fact will be viewed in the light most favorable to the Petitioner, so you should offer arguments that do not simply controvert the Petition and its evidence. Also, **you cannot file any amendments as part of the Preliminary Response.** See 37 C.F.R. § 42.207(d). However, **you may file a statutory disclaimer disclaiming one or more claims in the patent and no PGR will be instituted on a disclaimed claim.** See 37 C.F.R. § 42.207(e).

WHILE IN THE DOLDRUMS, PREPARE


Whether you filed a Patent Owner Preliminary Response or waived the option to do so (be it actively or passively), you now have about three months of "inactivity" while the PTAB decides whether to institute a trial. **Do not consider this a time of inactivity. Prepare.** While it is true that the PTAB may elect to not institute a trial, decisions to date suggest otherwise.

What should we be doing during this time? Lots. You need to find one or more experts. You need an expert who

is not only excellent when it comes to the technology, you need someone who can handle being deposed and the preparation that precedes it. You need an expert who is hopefully independent and able to give you the hours you need to truly learn the case and its issues. If there is concurrent litigation

you need to work with counsel to decide whether to use the same or different experts.

You need to map out your case. Keep in mind what you said during prosecution and, potentially, what you've said around the world [when prosecuting family and related patents]. **If there is concurrent litigation, your PGR and litigation counsel (should they be different) need to be in frequent contact.** You need to make sure your positions are thoroughly thought-out and consistent. **You need to decide whether you need to amend.** In a PGR, you can cancel any challenged claim and/or propose a reasonable number of substitute claims (there is a presumption that only one claim will be needed to replace a given challenged claim). See 37 C.F.R. § 42.221(a)(3). You need to confer with the PTAB before filing a Motion to Amend and unless otherwise instructed, the deadline for filing that Motion is the time for filing the Patent Owner Response. *Id.* **Also, you need to decide whether you want to object to any of Petitioner's evidence.** In PGRs, the Federal Rules of Evidence generally apply and this is an area where many parties fall down. See 37 C.F.R. § 42.62. Much like in interferences, you can serve and file objections to Petitioner's evidence and you must do so within ten business days of the institution of the trial. See 37 C.F.R. § 42.64(b)(1). Petitioner will then have another chance, within ten business days of service of the objections, to get it right, should they agree they've made a misstep. See 37 C.F.R. § 42.64(b)(2). Here, the distinction between weight and admissibility is very important. For example, Petitioner's expert may be awful and their Declaration a mess. In that case you may want to forego objections and instead simply argue the expert's testimony should be afforded little or no weight. Otherwise, Petitioner will have a chance to improve that Declaration. You will need to weigh the pros and cons of objecting to a given piece of evidence with your PGR counsel. Keep in mind, though, that if you do not object you waive the right to file a Motion to Exclude later in the proceeding. See 37 C.F.R. § 42.64(c).



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THE PTAB INSTITUTED A TRIAL. NOW WHAT?

The threshold for institution is whether the Petition demonstrated that it is more likely than not that at least one of the challenged claims is unpatentable. See 37 C.F.R. § 42.208(c). Be aware that you can, within fourteen days, request rehearing on whether a trial should have been instituted. See 37 C.F.R. § 42.71(c), (d). That said, a “request for rehearing does not toll times for taking action.” See 37 C.F.R. § 42.71(d).

In either the Decision to Institute or in the concurrently-issued Scheduling Order, you will learn when the first teleconference with your Administrative Patent Judge (“APJ”) and opposing counsel will be, if such a teleconference is mandated by the APJ. It will likely be about two to four weeks after the Decision to Institute issued. While the date and time for that first call can be moved, you should do your best to be available/try to not request that it be rescheduled.

Be prepared for that first call. During the call the APJ will want to discuss the tentative schedule and see whether there are any issues. This means you will have to have charted-out when objections to evidence (if appropriate) will be served and potentially cured, which in turn governs when you can depose Petitioner’s experts. Consider, especially if there are several related Petitions, whether the default seven hours of cross-examination per Declaration is enough or too much. See 37 C.F.R. § 42.53(c). If Petitioner has several witnesses, you get to choose the order in which the witnesses are deposed. See 37 C.F.R. § 42.53(d)(2). You should be aware of the status of any related litigation. You should also have a good idea by this time whether you are going to amend your claims and should keep open that option during the call.

After that first call, you are off to the races. You will need to conduct your discovery and work with your experts to prepare their Declarations. Those Declarations will support the Patent Owner Response, which is considered an Opposition to any ground of unpatentability that was not already denied by the PTAB. See 37 C.F.R. § 42.220(a). The Patent Owner Response is limited to 18,700 words using 14-point Times New Roman font. See 37 C.F.R. §§ 42.6, 42.24(b)(2), 42.220(a). The deadline for filing the Patent Owner Response will be set forth in the Scheduling Order. Otherwise, the deadline is three months from institution. See 37 C.F.R. § 42.220(b).

After the Patent Owner Response is filed, the Petitioner will have the chance to depose your experts and file a Reply. Petitioner may also oppose your Motion to Amend, if you filed one. After that, you have the chance to file a Reply regarding the Motion to Amend. Then, Observations and Motions to Exclude will be filed and you may request an Oral Argument.

You will likely want to request an Oral Argument. See 37 C.F.R. § 42.70. This may be the only time you have to interact with the three APJs who will decide the case. The PTAB will alert you and Petitioner of how much time you have for argument. Demonstratives may be used, but be aware that you need to serve those demonstratives at least seven days before the oral argument and must file them by no later than the time of the oral argument. *Id.* Despite having a wonderful script to read from, the APJs will likely pepper your PGR counsel with questions very early in the argument. **It is essential that PGR counsel is thoroughly prepared for the oral argument**, and doing so is very time consuming.

WE’VE HAD THE ORAL HEARING. WE HAVE COLD FEET. CAN WE GET OUT OF THIS?

Yes, but doing so may not stop the bus. “The parties may agree to settle any issue in a proceeding, but the Board is not a party to the settlement and may independently determine any question of jurisdiction, **patentability**, or Office practice.” 37 C.F.R. § 42.74(a) (emphasis added). The take-home message from this, and recent cases where the PTAB has invalidated patent claims despite a settlement, is that **settlement should be considered early and finalized as early as possible in the proceeding.**

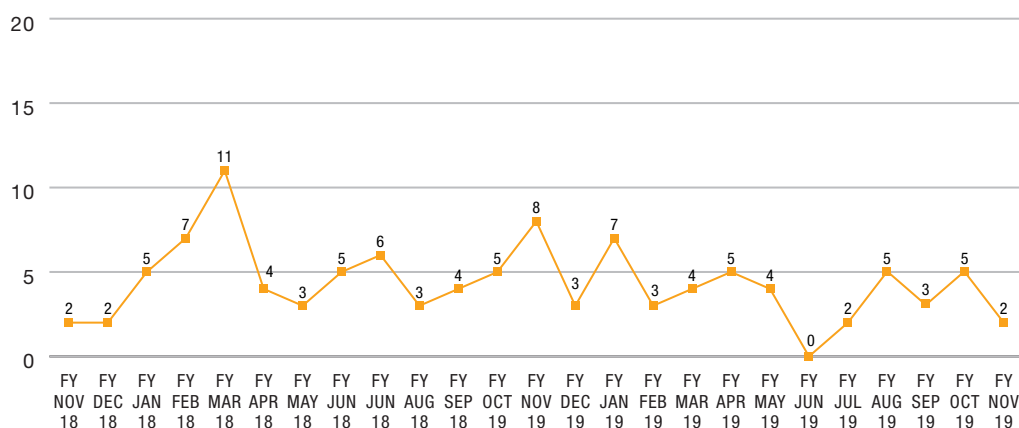
Any settlement agreement should be reduced to writing and a copy should be given to the PTAB before the trial is terminated. See 37 C.F.R. § 42.74(b). You can request that the settlement be kept separate and treated as business confidential information. See 37 C.F.R. § 42.74(c). But, the settlement may be made available to a Government agency who files a written request or to any other person, if, in addition to the written request, they provide the required fee and make the showing of good cause. *Id.*

I KEEP HEARING ABOUT ESTOPPEL. WHAT IS ALL THE FUSS ABOUT?

Estoppel is an important issue in PGRs and, unfortunately, an issue about which little is certain. A judgment in a PGR, “except in the case of a termination, disposes of all issues **that were, or by motion reasonably could have been, raised and decided.**” 37 C.F.R. § 42.73(a) (emphasis added). Also, a Patent Owner is precluded from taking action inconsistent with an adverse judgment, including obtaining in any patent a claim that is not patentably distinct from a finally refused or canceled claim. See 37 C.F.R. § 42.73(d)(3). Thus, it is important to explore all theories and present them in a PGR, otherwise you risk losing the right to do so at a later date.

USPTO DATA AS OF NOVEMBER 30, 2019

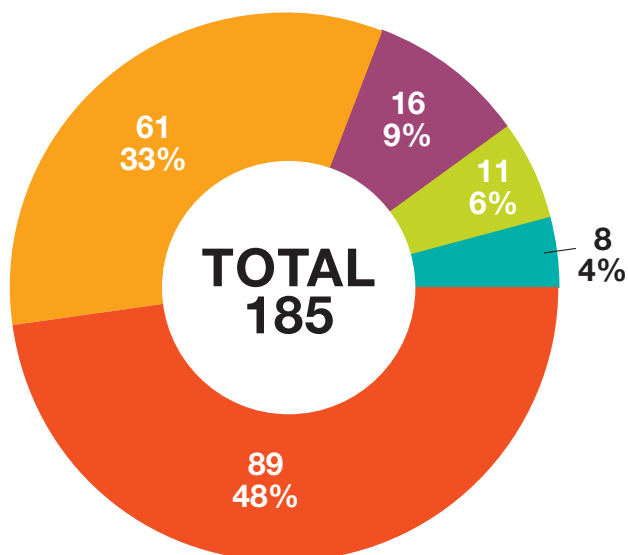
Number of PGR Petitions Filed by Month



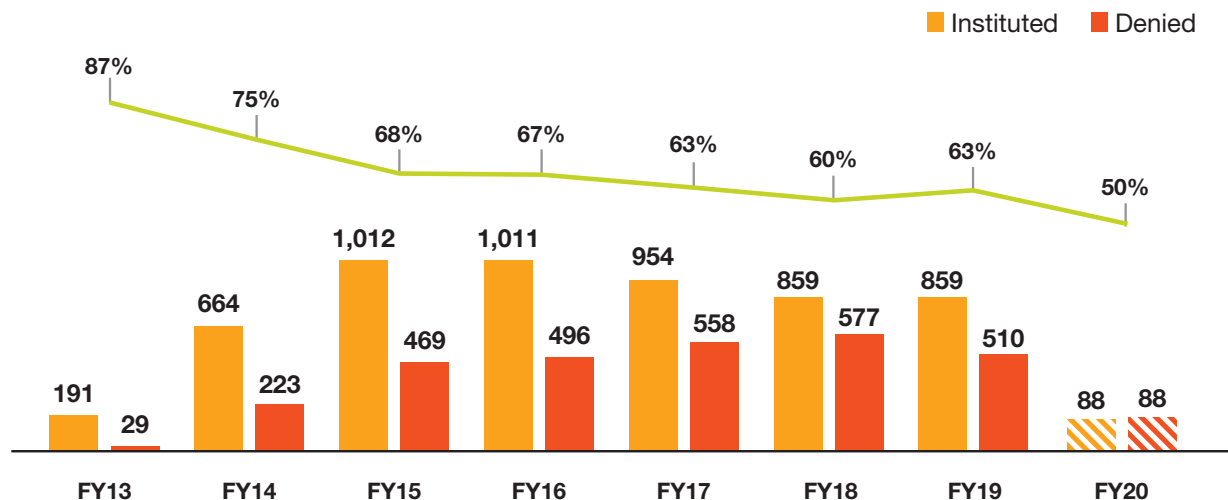
- Number of PGR Petitions Filed = 189
(2% of all AIA Petitions)

Technology Breakdown of Fiscal Year 2019 AIA Petitions:

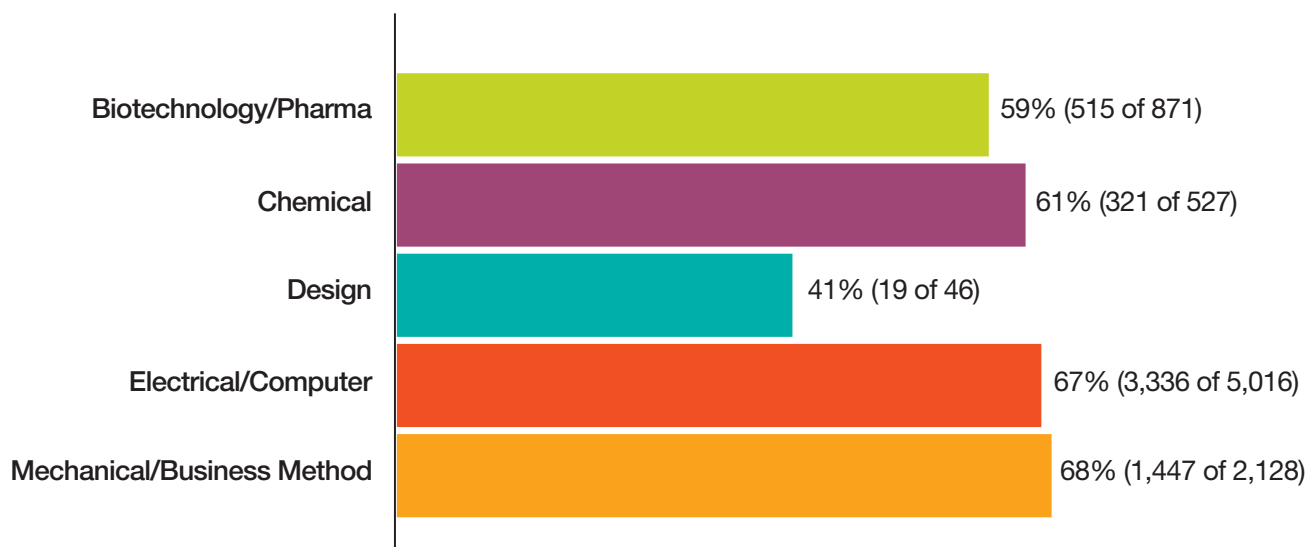
- Electrical/Computer - TCs 2100, 2400, 2600, 2800
- Mechanical/Business Method - TCs 3600, 3700
- Bio/Pharma - TC 1600
- Chemical - TC 1700
- Design - TC 2900



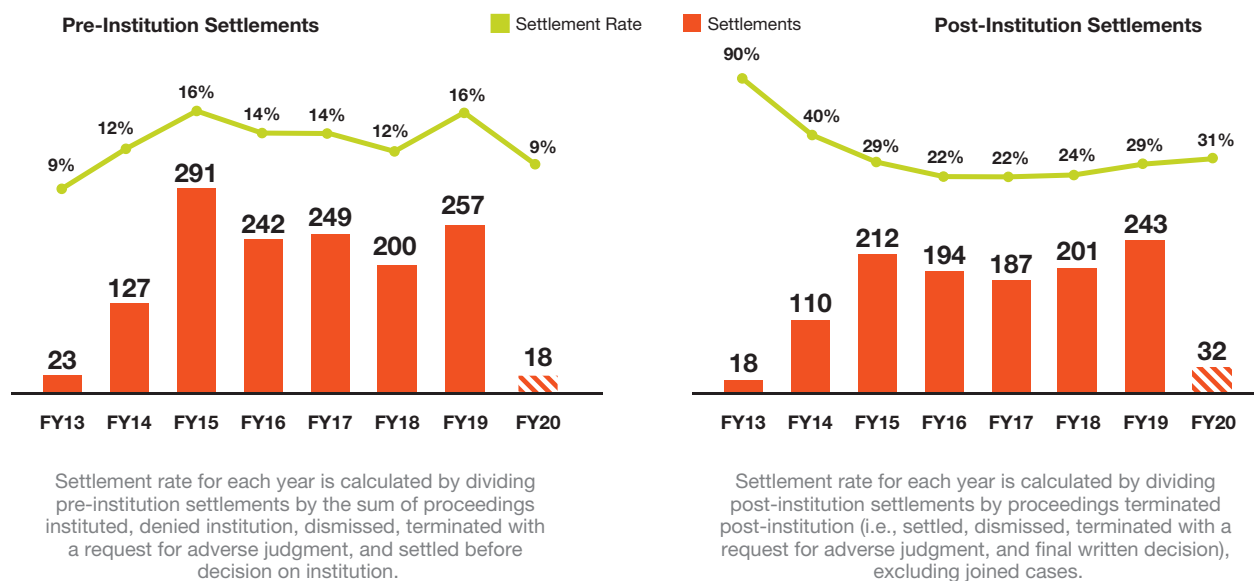
Institution Rates



Percent of AIA Petitions Instituted by Technology

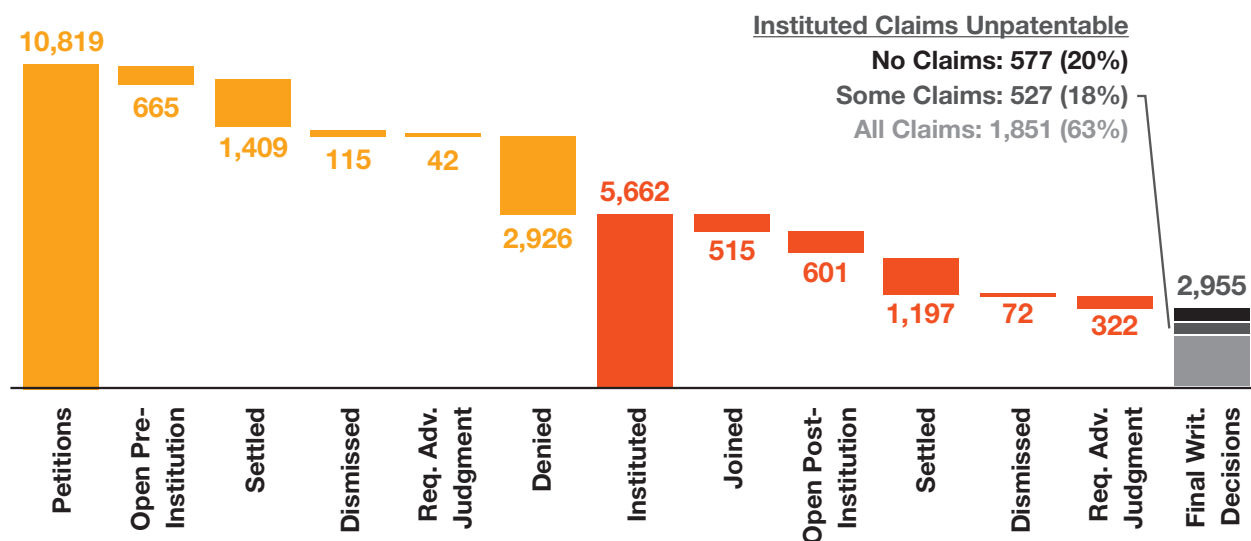


Settlement Statistics for AIA Trials



Status of Petitions

(All Time: 9/16/12 to 11/30/19)



These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.

We're Here to Help

Having handled hundreds of interferences and *inter partes* matters before the PTAB, our Patent Office Litigation team is uniquely positioned to assist you with the AIA trial proceeding. We have handled over one hundred and five AIA trial proceedings, assisting both patent owners and petitioners. We welcome the opportunity to work with you.



**LYNN J.
ALSTADT**



**ADAM R.
BANES**



**TRAVIS W.
BLISS, PH.D.**



**TRAVIS D.
BOONE**



**SHAWN B.
CAGE**



**BRYAN
CANNON**



**ANDREW
CHESLOCK**



**KIMBERLY E.
COGHILL**



**MICHAEL L.
DEVER**



**PETER T.
DEVORE**



**ERIN M.
DUNSTON**



**MATTHEW L.
FEDOWITZ**



**RALPH G.
FISCHER**



**PHILIP L.
HIRSCHHORN**



**PATRICK C.
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**JIM A.
LABARRE**



**ROGER H.
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**CHARLES F.
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Helpful Links

Board Trial Rules and Practice Guide

<https://www.uspto.gov/patents-application-process/appealing-patent-decisions/resources/board-trial-rules-and-practice>

Representative Orders, Decisions, and Notices

<https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/precedential-informative-decisions>

To Access the PTAB

<https://www.uspto.gov/patents-application-process/patenttrialandappealboard>

PTAB's End-to-End System (For access to Documents Filed in AIA Trials)

<https://ptab.uspto.gov/#/login>

For AIA

http://www.uspto.gov/aia_implementation/

For Most Recent 37 C.F.R., M.P.E.P., etc

<http://www.uspto.gov/patents/law/index.jsp>

www.Buchanan-IP.com/PTAB