

# Post-Grant Reviews Before The USPTO

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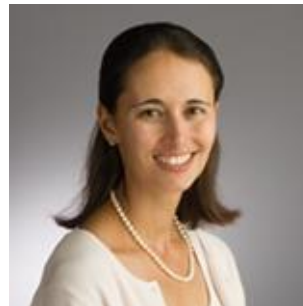
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# Agenda

- Post-Grant Review (PGR)
  - Legislative Intent Behind PGR
  - Similarities and Differences From *Inter Partes* Review (IPR)
  - PGR Statistics To Date
- Strategic Considerations For Post-Grant Reviews
  - Estoppel
  - Parallel Litigation
  - Prosecution Considerations
  - Industry-Specific Concerns



# **POST GRANT REVIEW:** Legislative History



## Post-Grant Review (PGR)

- **Conceived of as a “quick and cost-effective alternative[] to litigation”**
  - Broad grounds for challenge are available
  - Originally proposed as a life of patent procedure
  - Modified to be available only early in life due to worry that serial challenges might occur

“[PGR] will allow invalid patents that were mistakenly issued by the PTO to be fixed early in their life, before they disrupt an entire industry or result in expensive litigation.”

Sen. Sessions, 157 Cong. Rec. S1326



# Post-Grant Review (PGR)

- **PGR was envisioned as the primary avenue for post-grant challenges to patents**
  - **2001-2004: PGR was envisioned as a life-of-patent challenge on broad grounds**
  - **2004: APLA draft bill includes a PGR provision limited to first 9 months**
  - **2004-2007: backlash against life-of-patent PGR begins**
  - **2007: USPTO expresses concerns about ability to manage a life-of-patent proceeding**
  - **2007: House bill amended, limiting PGR to 1 year after issue**
  - **2009: Senate bill amended similarly**
  - **2010: IPR procedure added to provide a narrower life-of-patent challenge**



## Post-Grant Review (PGR)

“The bill would create a “first window” post-grant opposition proceeding open for 9 months after the grant of a patent. This would allow the Patent and Trademark Office to weed out patents that should not have been issued in the first place. This new post-grant review process--which was recommended in a 2004 report issued by the National Academy of Sciences--would enable early challenges to patents, but also protect the rights of inventors and patent owners against endless litigation.”

Sen. Grassley, 157 Cong. Rec. S952





## Post-Grant Review (PGR)

“In addition, the bill would improve the current *inter partes* administrative process for challenging the validity of a patent. It would establish an adversarial *inter partes* review, with a higher threshold for initiating a proceeding and procedural safeguards to prevent a challenger from using the process to harass patent owners. It also would include a strengthened estoppel standard to prevent petitioners from raising in a subsequent challenge the same patent issues that were raised or reasonably could have been raised in a prior challenge. The bill would significantly reduce the ability to use post-grant procedures for abusive serial challenges to patents.”

Sen. Grassley, 157 Cong. Rec. S952



# **POST GRANT REVIEW:** Overview/Statistics



# Post-Grant Review (PGR)

- **Similarities to *Inter Partes* Review (IPR)**
  - Same timeline
  - Claim construction
  - Amendments
  - Estoppel



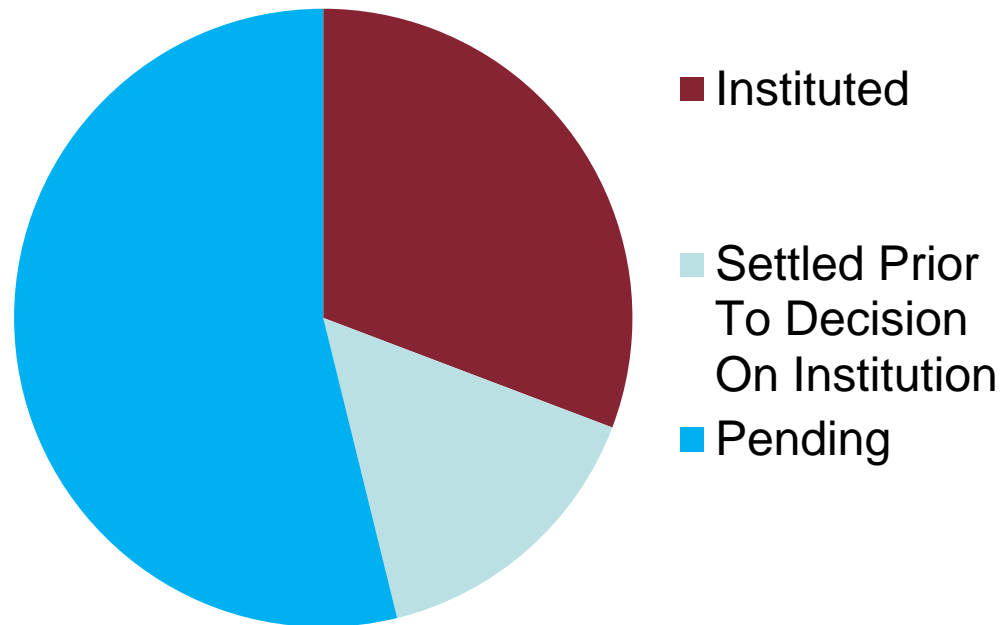
# Post-Grant Review (PGR)

- **Differences from IPR**
  - Threshold for institution
  - 9 month post-grant window to file
  - Only available for first-to-file patents
  - Prior art not limited to patents and printed publications
  - Challenges also permissible under § § 101 and 112
  - Additional space in each petition: 80 pages instead of 60



## Post-Grant Review (PGR)

- **13 Post-Grant Review Petitions Filed (as of 10/31/2015)**





## Post-Grant Review (PGR)

- **13 Post-Grant Review Petitions Filed (as of 10/31/2015)**
  - **11 of 13 include challenges under 102/103**
  - **6 of 13 include challenges under 112**
    - **5 include indefiniteness**
    - **5 include enablement**
    - **3 include written description**
  - **6 of 13 include challenges under 101**
  - **No one petition challenges a patent under all three**



# **POST GRANT REVIEW (PGR) :** Strategic Considerations - Estoppel



# Post-Grant Review (PGR)

## ***Estoppel Provisions (35 U.S.C. 325)***

- Attaches only after final written decision
- Applies to actions before the USPTO and in civil actions
- Estopped from raising grounds which were “raised or reasonably could have been raised”
  - PGR allows challenges based on § 101 and § 112 and on non-patent/printed publication art
  - Estoppel will apply to those defenses if not raised





# Post-Grant Review (PGR)

## ***Estoppel Provisions (35 U.S.C. 325)***

- Attaches only after final written decision
- Applies to actions before the USPTO and in civil actions
- Estopped from raising grounds which were “raised or reasonably could have been raised”

“... prior art which a skilled searcher conducting a diligent search reasonably could have been expected to discover.”

157 Cong. Rec. S1375



# Post-Grant Review (PGR)

## *Estoppel Provisions (35 U.S.C. 325)*

- Estopped from raising grounds which were “raised or reasonably could have been raised **during [the] post grant review**”

“An inter partes review does not begin until the Office decides to institute review ... Therefore, grounds raised during the preliminary proceeding, but not made part of the instituted trial, are not raised ‘during’ an inter partes review and cannot be the basis for estoppel under 35 U.S.C. § 315(e)(1).”

*Apotex v. Wyeth*, IPR2015-00873 at 9



# Post-Grant Review (PGR)

## *Estoppel Considerations*

- Grounds denied as redundant may still be available to try to a jury if PGR fails
  - Not estopped per the USPTO
  - District courts have not ruled on whether a ground denied as redundant is estopped in district court
- Institution decision and final written decision may be admissible evidence
  - Final outcomes of proceedings generally admissible
  - More difficult case with respect to redundant grounds
  - A redundant ground may not be strong invalidity evidence



# **POST GRANT REVIEW (PGR) :** Strategic Considerations – Parallel Proceedings



# Post-Grant Review (PGR)

## *Implications of Parallel Litigation*

- Stays in parallel litigation
  - No stays have been requested in parallel litigation at this time
  - PGR-based stays likely to be treated similarly to IPR and CBM based stays
  
- IPR/CBM Stays
  - 364 orders on IPR stays, 206 granted or partially granted (57%)
  - 71 orders on CBM stays, 44 granted or partially granted (62%)
  - Courts more likely to grant a stay after institution (71% granted), compared to if no decision on institution has been made (49% granted)



# Post-Grant Review (PGR)

## *Implications of Parallel Litigation*

- Counter-claims and declaratory judgment actions (35 USC 325(a))
  - DJ actions filed prior to PGR filing bar institution
  - DJ actions filed after PGR filing are automatically stayed
  - Counter-claims do not trigger the bar or stay provisions
- Preliminary injunctions (35 USC 325(b))
  - If patent owner sues for infringement within 3 months of patent grant, the court may not stay patent owner's motion for preliminary injunction against infringement in view of the PGR



# Post-Grant Review (PGR)

## ***Implications of Parallel Litigation***

- Claim construction considerations
  - BRI standard at PTAB vs. *Philips* standard in District Court
  
- Outcome considerations
  - Estoppel
  - Even if not estopped, unfavorable determination likely to be admissible at trial



# Post-Grant Review (PGR)

## *Parallel Reissue Applications*

- Provide an avenue to amend other than motion to amend
- Because PGR must be within 9 months from grant, reissue will be within the 2 year broadening reissue window and claims do not have to be strictly narrowed
  - However, rules bar requesting PGR of an identical or narrower claim unless the petition is filed within 9 months of grant of original patent
- Considerations for Patent Owner
  - Intervening rights may cut off damages
  - Petitioner could file PGR targeting reissued patent





# Post-Grant Review (PGR)

## *Parallel PTO Proceedings*

- Two approaches for reissue:
  - Concede all claims in the PGR as invalid and file a reissue application
  - Allow PGR to continue and prosecute reissue in parallel
    - If co-pending PGR terminates in final written decision, any claims not patentably distinct from those found invalid in the PGR are estopped
    - PTO can stay reissue proceeding on petition request until termination of the PGR



# **POST GRANT REVIEW (PGR) :** Strategic Considerations – Prosecution Concerns



# Post-Grant Review (PGR)

## *Implications for Prosecution Practices*

- Building a portfolio of related patents more important
  - More patents/claims increases cost and difficulty of a challenger knocking out all relevant claims
- Consider supplemental examination for any grounds denied as redundant, or for grounds in a settled IPR
  - Provides additional argument in front of a jury that the ground does not invalidate
  - Some risk to patent scope as a result – may be forced to narrow



# Post-Grant Review (PGR)

## *Implications for Prosecution Practices*

- Consider building prosecution history that supports a desirable claim construction
  - Can reduce risk of PGR of the patent
  - Limits assertion opportunities



# **POST GRANT REVIEW (PGR) :** Strategic Considerations – Industry-Specific Concerns



# Post-Grant Review (PGR)

## *Implications for Specific Industries*

- Considerations
  - Typical number of patents associated with a product
  - Value of a single patent
  - Number of patents prosecuted by competitors
  - Typical time between patent issuance and productization (or standardization)
  - Competitive benefit of eliminating a patent
- Examples
  - Pharmaceuticals
  - Cellular



# Questions?



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