

A Practical Guide to *Inter Partes* Review

Strategic Considerations During Merits Briefing



Webinar Guidelines

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Presenters



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Inter Partes Review – Merits Briefing

- Topics in Today's Webinar
 - Patent Owner's Preliminary Response
 - Decision on Institution
 - Discovery & Depositions
 - Patent Owner's Response
 - Motions to Amend
 - Petitioner's Reply

Patent Owner's Preliminary Response

- Response to petition limited in scope
 - “to set[] forth reasons why no *inter partes* review should be instituted under 35 U.S.C. § 314.” (37 CFR § 4.107(a))
- Due – three months after notice of filing date accorded
- Whether to file
 - PO file Preliminary Responses in 75% of IPRs
 - Strategic Considerations
 - Define Objectives

Patent Owner's Preliminary Response

- Can institution be prevented?
 - Few IPRs are denied in entirety
 - Critically evaluate positions taken by Petitioner
- Circumstances which may suggest that a petition could be denied in entirety
 - Statutory Bar
 - Failure to identify real parties in interest
 - Alleged prior art is not in fact prior art
 - Material elements missing from cited references

Patent Owner's Preliminary Response

- Circumstances which may suggest that a petition could be denied in entirety (Cont.)
 - Failure to provide reasons for obviousness combination
 - Inadequate expert declaration
- Even if not denied entirely, can Grounds be narrowed?
 - Failure of references to meet limitation(s) of the claims
 - Claim construction to remove references

Patent Owner's Preliminary Response

- Claim Construction
 - Has the Petitioner advocated a construction which can be challenged?
 - Are the claim constructions tied to the Grounds in such a way that an alternative construction would remove the Grounds?
- Consider other claim limitations (even if Petition has not advocated their construction)
 - Are there claim terms which, if construed in a particular way, would remove certain Grounds?
 - Consider full range of issues – infringement, 112 issues, and validity issues

Patent Owner's Preliminary Response

- Experts
 - Get your expert(s) involved
 - Cannot file a declaration
- Citing to existing declarations and testimony
 - Sometimes issue has been raised before in prior litigation or PTO proceeding
 - Can use pre-existing testimony to rebut petition
 - Ensure that the testimony is worth including – the Board will likely comment on it

Patent Owner's Preliminary Response

- Final thoughts on Preliminary Response
 - Important to think things through carefully, not reflexively
 - Consider real party in interest and one year from service requirement
 - Don't have to put in all your arguments
 - If a position would require expert testimony to be persuasive, consider reserving it for the later Response
 - The Board considers the positions in the Decision on Institution



Decision on Institution

- Next event in procedure
- Three months after filing Preliminary Response
 - If Preliminary Response waived, three months after notice that the opportunity to respond is waived.
- Decision will identify
 - Constructions
 - Grounds of Unpatentability granted/denied
 - Review of positions in petition and preliminary response



Decision on Institution

- Considering the Decision on Institution
 - Has the Board adopted a claim construction which assists in distinguishing the allegedly infringing product from the claim?
 - Has the Board relied on statements made by PO (or Petitioner) which can advance your client's position?
 - Does the Board's consideration of the references in the grounds generally coincide with your client's position?
- Thoughts on “winning” the Decision on Institution



Discovery – During Proceeding

- Two Types
 - Routine Discovery
 - Additional Discovery
- Routine Discovery - Depositions
 - Declarants only
 - Comments on depositions
 - Nature of cross examination
 - Not as much as ‘fact finding’
 - Expert Deposition



Discovery – During Proceeding

- Routine Discovery – Documents
 - Exhibits cited in a paper or testimony (§ 42.51(b)(1)(i))
 - “Non-cumulative information that is inconsistent with a position advanced during the proceeding.” (§42.51(b)(1)(iii)).
- Prior Inconsistent Positions – Possible areas to consider
 - Prior expert reports and testimony
 - Prior inventor testimony, petitioner’s patent applications
 - Prior licenses
- Consider requirements of Rule “non-cumulative” and “inconsistent with a position advanced during the proceeding.”



Discovery – During Proceeding

- Additional Discovery
 - In the “interest of justice”
 - Must be authorized by Board
- Narrow focus of discovery
- So far, only granted rarely
 - Documents referred to in expert declaration but not supplied
 - Documents relating to testing of prior art system
- Board has indicated a predisposition to keep proceeding efficient, narrowly focused and avoid additional costs



Patent Owner's Response

- The “main event” for Patent Owner
 - Anything in Preliminary Response not included in Response will not be considered by the Board
- Address issues head-on with substantive arguments
 - Board is looking for specifics about prior art
 - Avoid “colorful” arguments, hyperbole - not persuasive
 - Consider claim construction determined by board in your Response



Patent Owner's Response

- Leverage Discovery
 - What are the areas of the expert's weakness?
 - What area will be persuasive to the Board?
 - Has the expert conceded points relevant to the position on invalidity?
 - Are there areas which may present inconsistent positions?
- Involve your expert(s) early
 - Evaluate positions taken by Petitioner
 - Supply a declaration addressing Grounds in DI and Petitioner's expert position
 - Identify areas of agreement in addition to advocating patentability



Patent Owner's Response

- Know your Audience
 - The Board
 - Fed. Cir. (if appealed)
- Board members are not generalists
 - Don't need to teach them patent law
 - Presume they have some background in relevant technology
 - Positions must be solidly presented *and persuasive*
- Patent owner's last opportunity for briefing on the merits for most IPR
 - And oral hearing is still four or five months away



Motion to Amend

- Requirements: Under 37 C.F.R. § 42.121 (a), a patent owner can file:
 - One motion to amend with a single amended or new claim to replace each withdrawn old claim in an IPR
 - With the prior approval of the Board.
 - Patent owners cannot broaden claim scope; must establish written description support; and
 - Must decisively demonstrate patentability of each claim over the general state of the prior art.
- Motion to amend can be contingent on challenged claim being determined unpatentable



Motion to Amend

- Considerations for filing a Motion to Amend
 - What does the specification support?
 - What effect will an amended claim have on potential damages?
 - Can an amended claim present a clearer reason for patentability?
 - Involve an expert and prepare a detailed declaration focusing on the reasons for patentability over the prior art and satisfying the requirements for patentability



Petitioner's Reply

- Be Brief – literally - the reply is only 15 pages
 - Must respond to the 60 pages of the patent owner response
- Leverage Discovery
 - Consider positions of the patent owner and focus deposition(s) on areas which will yield productive cross examination
 - Explore bias issues for expert(s) – e.g., do they routinely work with the patent owner?
 - Fact witnesses – e.g., declarants used to establish an earlier invention date
 - Focus on obtaining testimony which can be productively used in reply



Petitioner's Reply

- Consider another expert declaration to address Patent Owner's points
 - Cannot bring in new grounds, but can address points raised by Patent Owner
 - Consider responding to secondary considerations with contrary factual evidence or expert testimony
 - Expert may (likely will) be deposed again
- Consider the evidentiary record as a whole
 - How will the record look on appeal to Fed. Cir.?
 - Have all the evidentiary points desirable for the record on appeal been raised?



Petitioner's Reply

- Content for the Reply
 - Don't simply repeat positions in the Petition
 - Focus on any important points raised in the Petition and the Board's preliminary decision that the Patent Owner failed to address or side-stepped
 - Focus on post-response discovery that strengthens your case or weakens the Patent Owner's
 - Address the key points in Patent Owner's Response head-on and in a persuasive manner
 - Ensure you have addressed all points which require rebuttal



Questions?

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