

New Post-Grant Patent Proceedings Exceeding Expectations

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September 16 marks the second anniversary of the America Invents Act (AIA), which brought about the most significant changes in US patent laws in more than 50 years.

One very significant change was the introduction of three new post-grant patent proceedings that permit third parties to challenge the validity of a patent in the US Patent and Trademark Office (PTO). The new proceedings are intended to be focused, streamlined trials with limited discovery that allow both patentees and their competitors to obtain greater certainty regarding their respective rights at relatively low cost in less time than district court litigation.

Specifically, the AIA created Post Grant Review (PGR), *Inter Partes* Review (IPR) and Covered Business Method (CBM) Review proceedings, and the PTO began accepting petitions for IPR and CBM one year ago. The response from the business and legal communities has been surprisingly rapid and positive. In the first year alone, companies have filed more than 450 petitions for IPR and more than 50 petitions for CBM. Thus, these proceedings have been adopted far more quickly than when *Inter Partes* Reexaminations were introduced in 1999, and only five were filed in the first three years. Moreover, while some viewed IPR and CBM as lower-cost alternatives to litigation for small companies, most of the IPR petitions have been filed by larger companies and relate to patents that are already involved in district court litigation. This indicates that, at least in certain circumstances, patent challengers are choosing the PTO over the district courts to determine patent validity. In addition, IPRs have been instituted for patents in a wide variety of technologies, ranging from GPS systems to antibiotics, indicating wide acceptance across industries.

The IPR and CBM proceedings offer several potential advantages:

- *The possibility of a stay* - After an IPR petition is filed, district courts have granted stays in more than half of the cases where it is requested, far more frequently than with *Inter Partes* or *Ex Parte* Reexamination.
- *The PTO may be better suited to determine invalidity* - Nearly all of the PTO's Administrative Patent Judges (APJs) are trained in both technology and law. Additionally, the PTO looks at patentability anew, construes claims broadly and makes no presumption of validity, unlike district courts.
- *Speed of decision* - The AIA mandates that post-grant proceedings be completed within 12-

18 months of institution. District court cases going to trial are rarely concluded within a year.

WilmerHale has filed numerous IPRs for clients in a range of technologies. In our experience, the newly created Patent Trial and Appeal Board (PTAB) has been working diligently and successfully to keep the proceedings on track while discouraging costly and time-consuming motions, holding frequent teleconferences with the parties, and issuing common sense orders. Indeed, the APJs and the PTO staff have instituted these new and complex proceedings with very few issues. During the first IPR hearing in August, the panel was engaged and asked very specific and technical questions. The first decision on an IPR is expected soon.

WilmerHale will continue to stay at the forefront of post-grant patent proceedings. For those interested in staying apprised of developments, we have formed a LinkedIn group which shares information to group members. [We invite you to join our group.](#)

Authors



**David L.
Cavanaugh**

PARTNER

Chair, Post-Grant Proceedings
Group

✉ david.cavanaugh@wilmerhale.com

☎ +1 202 663 6025



**Heather M.
Petruzzi**

PARTNER

✉ heather.petruzzi@wilmerhale.com

☎ +1 202 663 6028