

***SURVIVING USPTO POST-
GRANT PROCEEDINGS:***
PATENT OWNER STRATEGIES

PRESENTED BY:
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ABOUT OBLON SPIVAK



- World Leader in U.S Patent Prosecution
- #1 for the last 23 consecutive years according to number of U.S. utility patents granted
- One of just twelve firms that achieved national ranking and recommendation for patent prosecution
- Home to the highest number of patent practitioners who achieved national ranking and recommendation
- Named one of the 2013 “Go-To” Law firms by the top 500 companies in the U.S
- #1 in post-grant proceedings
 - 15% of ALL IPRs handled by Oblon

ABOUT OBLON SPIVAK

- **Full service intellectual property law firm**
 - **Patent prosecution**
 - **All forms of IP Litigation**
 - **Post-grant procedures**
 - **Trademarks**
 - **Counseling**
- **We offer exceptional legal services at competitive rates**
- **Over 100 lawyers dedicated to intellectual property law**
- **Lawyers with technical degrees and industry experience**
- **Client trainee program**
- **Close relationship with U.S. Patent and Trademark Office**

NEXT DOOR TO THE PTO

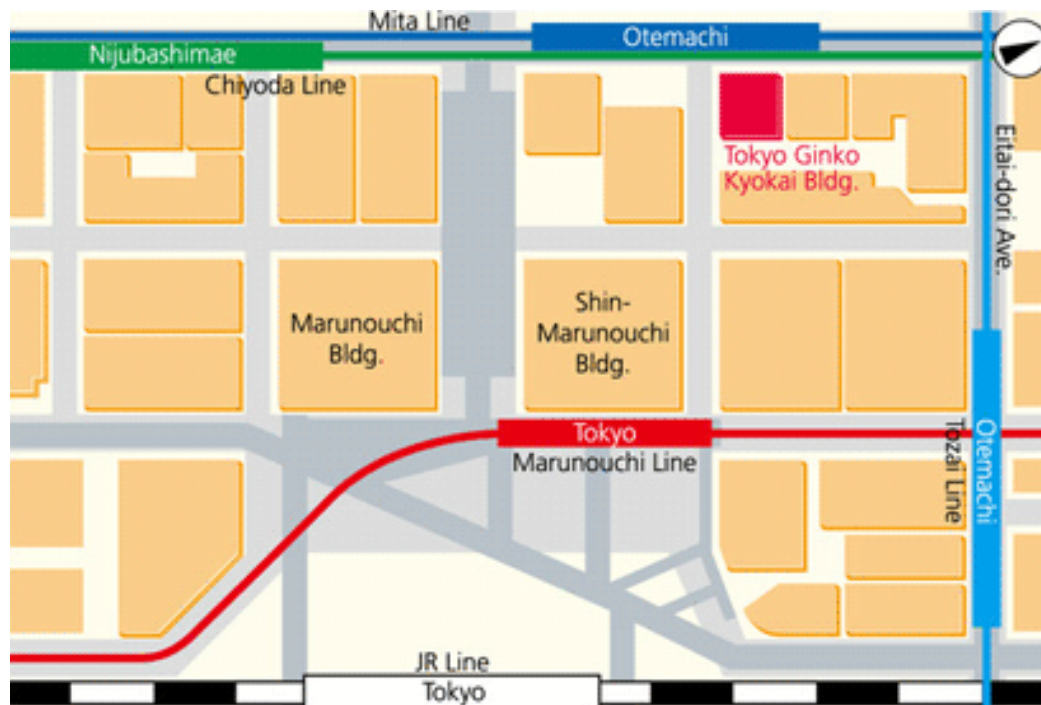
Oblon
Spivak

USPTO
Complex

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ABOUT OBLON SPIVAK

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RECENT DEVELOPMENTS IN US **PATENT PRACTICE**

- 1. New Post-Grant Proceedings at the USPTO Favor Third Party Challengers**
 - *Inter Partes* Review
- 2. Patent Owner Strategies for Surviving Post-Grant Proceedings**
 - Disclosure and Prosecution
 - Portfolio Management
 - During Post-Grant Proceeding

POST-GRANT PROCEDURES AT THE PATENT OFFICE: WHAT'S OLD AND NEW

America Invents Act (AIA) introduced new trial proceedings for challenging patents before Patent Trial and Appeal Board (PTAB)

- *Inter partes* review (IPR)
- Covered business method patent review (CBM)
- Post grant review (PGR)
- Derivation

Still available for all patents

- *Ex parte* reexamination
- Reissue (patent owner only)

Still available for first-to-invent patents

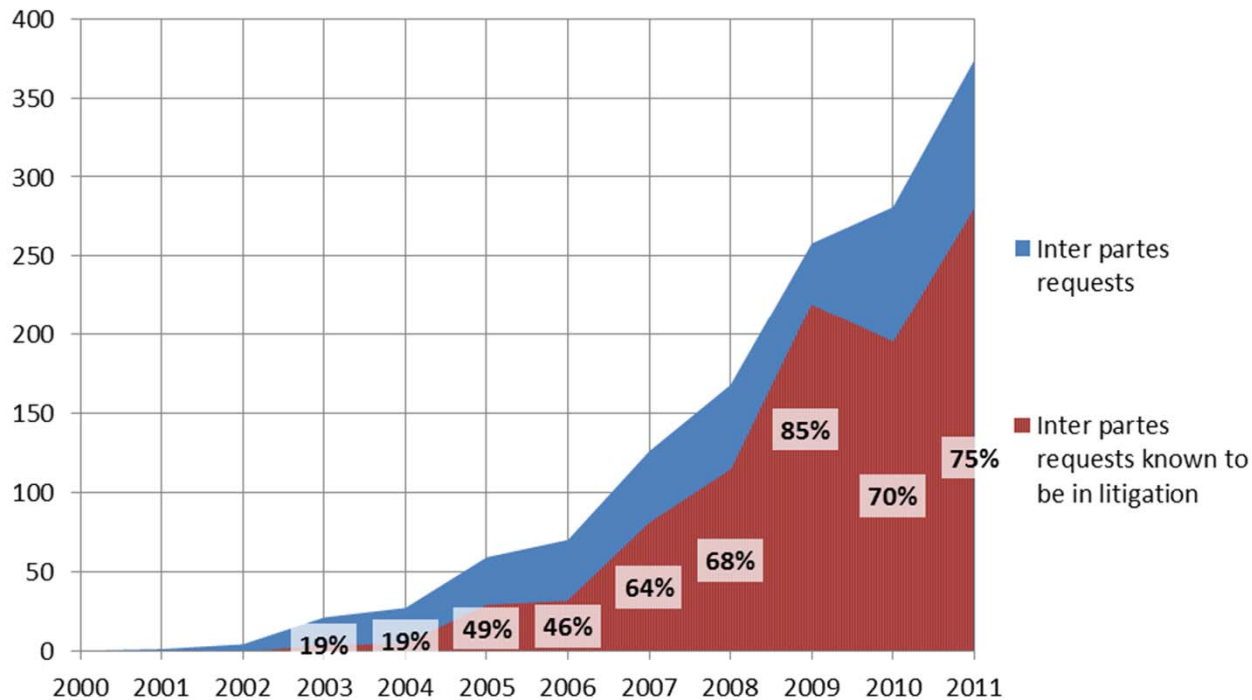
- Interference

No longer available

- *Inter partes* reexamination

POST-GRANT PROCEDURES: AT THE PATENT OFFICE: RAPID GROWTH IN USE

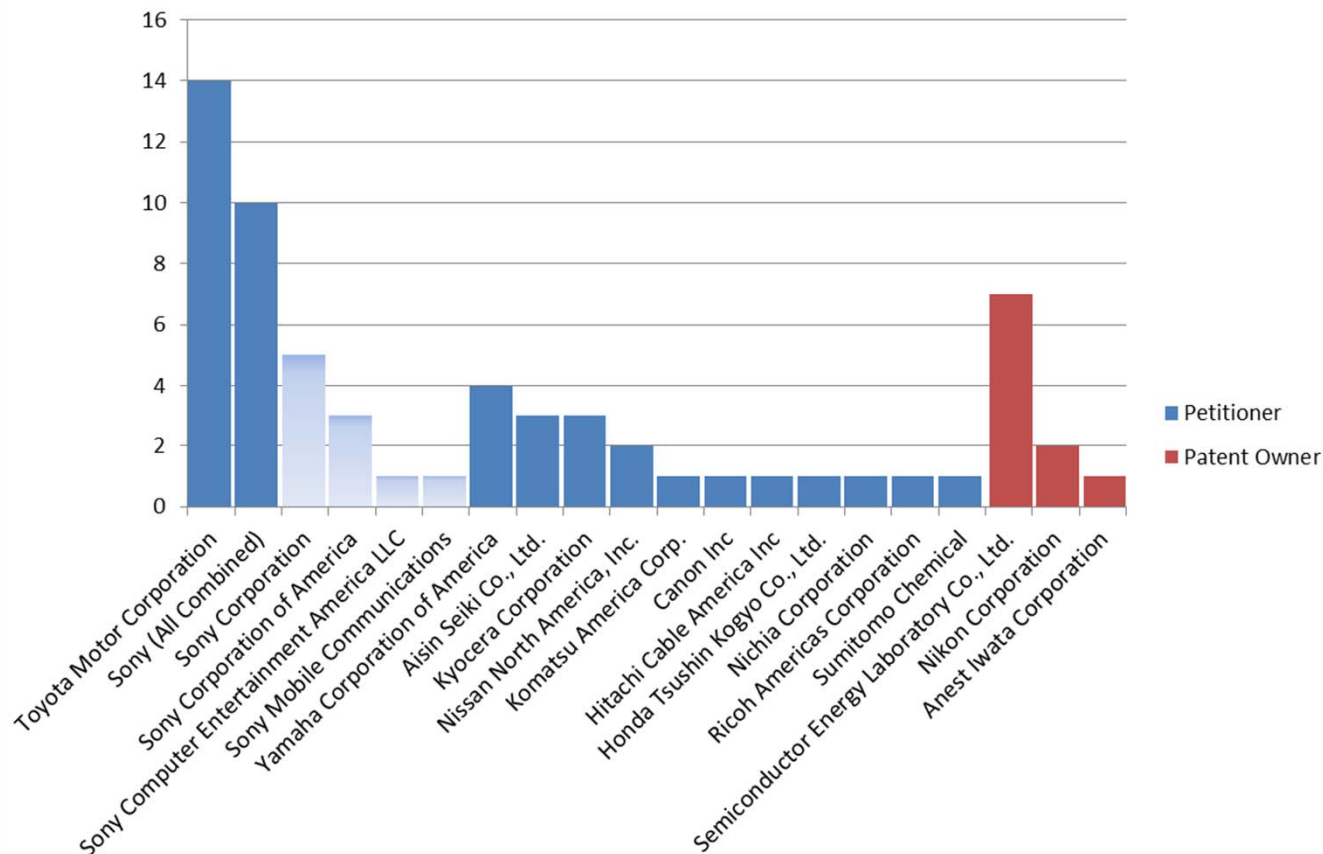
Inter Partes Reexaminations in Litigation, 2000-2011



- Domestic companies *now almost always* employ post-grant as a litigation tool.
- Foreign companies are starting to adopt in greater numbers.

POST-GRANT PROCEDURES: AT THE PATENT OFFICE: USED BY JAPANESE COMPANIES

Japanese Companies involved in IPR or CBM Proceedings



***INTER PARTES* REVIEW** **BENEFITS FOR CHALLENGER**

- **Vastly Improved Challenger's Chances of Success**
 - **BRI (broadest reasonable interpretation)**
 - **No Presumption of Validity (Patentability)**
 - **Technical Audience**
 - **Preponderance of evidence (51%)**
 - **Clear & Convincing 80%+ (Courts/ITC)**
 - **Claim Construction within 4-6 months (PTAB)**
 - **Obtain settlement leverage faster**
 - **Courts..Markman/SJ...take years**

***INTER PARTES* REVIEW**

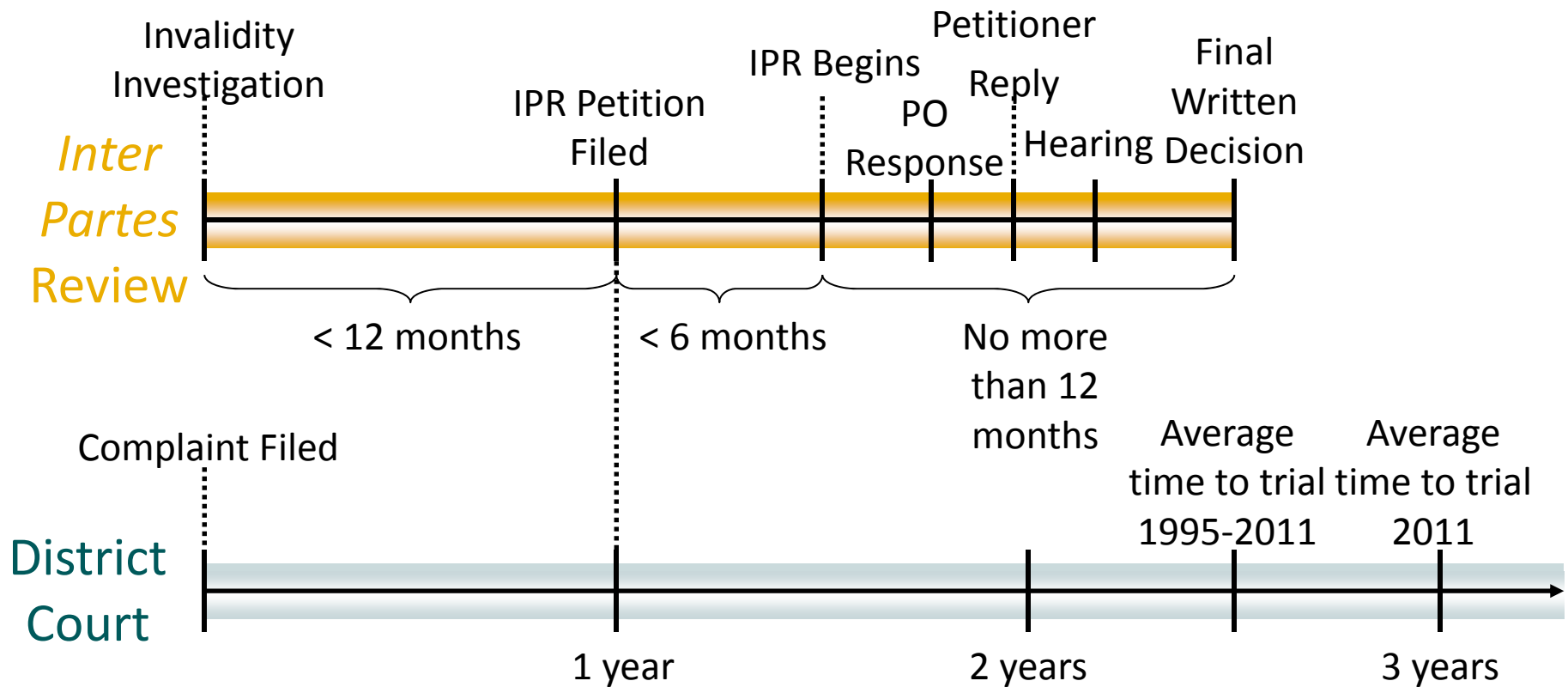
***MORE* BENEFITS FOR CHALLENGER**

- **Much Lower Cost Than Litigation**
 - Patent litigation \$3-5 million to trial (avg.)
 - IPR (100s of \$K) (CBM, PGR, higher)
 - Reexam (10s of \$K) (request)
- **No Significant Discovery Burden (PTAB)**
- **NPE Model Unsited for USPTO**
- **Patent Owner Estoppel**

INTER PARTES REVIEW: ***FEW RISKS FOR CHALLENGERS***

- **Estoppel attaches fast - when final written decision is entered by PTAB (~15-18 months)**
 - **Petitioner estopped from raising in District court or ITC any invalidity ground that the petitioner raised or reasonably could have raised**
- **Subsequent PTO proceedings also estopped**
- **Estoppel on a claim-by-claim basis**

INTER PARTES REVIEW COPENDING LITIGATION TIMING



DEFENDING YOUR PATENT IN *INTER PARTES* REVIEW

- IPR begins when Challenger files Request
- Patent Owner has 3 months following Petition Decision to:
 - Take limited discovery
 - Depose declarants
 - File full response, including any factual evidence
 - Amend claims
- Amendments limited
 - Must not broaden
 - Can only present a reasonable number of new claims (i.e., can only add one new claim for each canceled claim)
 - Intervening rights likely triggered

INTER PARTES REVIEW: *PATENT CHALLENGERS GENERALLY FAVORED*

- **Fast!!**
- **Designed to kill (bad) patents**
- **Limited opportunity for amendment**
- **Processed by judges with technical background**
- **Broader claim construction and lower burden of proof**

SURVIVING *INTER PARTES* REVIEW

PATENT OWNER STRATEGIES

- **Cannot completely avoid possibility of post grant proceeding**
- **General Strategies for Patent Owners**
 - 1. Reduce vulnerability through stronger patents**
 - 2. Increase cost/risk to Challenger**

SURVIVING *INTER PARTES* REVIEW

DISCLOSURE STRATEGIES

- Do a search prior to drafting your application
 - Results in better disclosures relative to prior art and better evidence of novelty during *inter partes* review
- Include support for multiple embodiments
 - Increases likelihood of covering competitor's product
 - More likely to draw restriction requirements
- Include several non-limiting examples within embodiments
 - Aids in flexibility for claiming in later applications or amending during an *inter partes* review

SURVIVING *INTER PARTES* REVIEW

CLAIM STRATEGIES

- **Submit multiple claims of overlapping scope**
 - **Cost deterrent to Challengers**
 - **Difficult for Challenger to address claims of varying scope within page limit restrictions of a single petition**
 - **Expensive to file multiple petitions**
 - **Avoid need for amendment during IPR that might trigger intervening rights**
 - **Motion to Amend may be denied**

SURVIVING *INTER PARTES* REVIEW CLAIM STRATEGIES *CONT'D*

- Vary your claim language among claims
 - Increases flexibility for defense under the broadest reasonable interpretation during *inter partes* review
 - Different claim terms given different scope
- Include meaningful dependent claims
 - Harder to invalidate all claims
 - Provides potential backup positions if independent claims invalidated

SURVIVING *INTER PARTES* REVIEW

CLAIM STRATEGY: *MPF CLAIMS*

- **File Claims with Means-Plus-Function (MPF) elements**
 - **more likely to survive post-grant challenges**
- **MPF claims are “construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.”**
- **Generally have a narrower scope than non-MPF elements**
- **Challenger must show how prior art teaches the claimed functions using the corresponding structure disclosed in the specification (or an equivalent)**

SURVIVING *INTER PARTES* REVIEW

DISCLOSURE STRATEGY *EXAMPLE*

- **“Family Patent Strategy” includes plural patents with overlapping disclosures and claiming strategies:**
 - **System or combination claims**
 - **Sub-combination inventions usable together**
 - **Transmitter and receiver claims; client and server claims**
 - **Claims at various levels (e.g., hardware/processor level, network level, application level)**
 - **Method claims**
 - **Computer program product claims**
 - **Data structure in memory claims**
- **Higher cost for Challenger to attack all patents**

SURVIVING *INTER PARTES* REVIEW PROSECUTION STRATEGIES: *CONDUCT EXAMINER INTERVIEWS*

- Most applications benefit from interview
- Attorney explains invention to give claim terms more meaning
- Quickly identify the issues
- Number of office actions cut in half
- Reduce prosecution history - only very brief summary of discussion is preserved



SURVIVING *INTER PARTES* REVIEW

PROSECUTION STRATEGY *EXAMPLE*

- **Examiners like interviews**
 - **Examiners want to handle cases efficiently, but they have only about 3 days to read application, search, examine, draft office action**
 - **Examiners will allow cases if they feel comfortable they have a good reason**
 - **Many Examiners are not native English speakers, so written communication can lead to confusion**
 - **Office Action does not always describe the Examiner's real concern**

PTO STATISTICS REGARDING INTERVIEWS



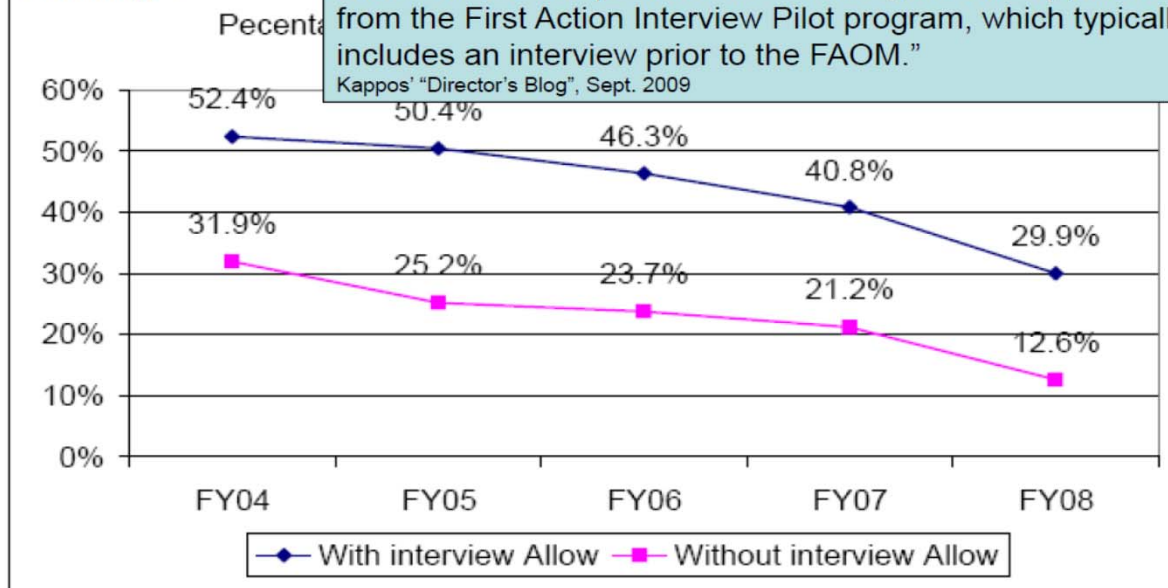
David Kappos

USE

“Statistics show that an **interview can help** the examiner and the applicant get to the heart of the **patentability determination quickly and efficiently.**”

“Interview data from FY 2008 shows that the **allowance rate** after a first office action on the merits (FAOM) is **more than doubled when an interview is held** between the examiner and the practitioner. Similar gains are apparent from the First Action Interview Pilot program, which typically includes an interview prior to the FAOM.”

Kappos' "Director's Blog", Sept. 2009



SURVIVING *INTER PARTES* REVIEW PROSECUTION STRATEGY *EXAMPLE*

- Present claim set to provoke a restriction requirement to create pending divisional applications, rather than merely continuations
 - Preclude Patentee Estoppel, Rule 42.73(d)(3)
 - A patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including obtaining in any patent: (i) A claim that is not patentably distinct from a finally refused or canceled claim
- Divisional application likely to be considered “patentably distinct” from parent claims
- Continuation applications may not be “patentably distinct”
 - Patent Owner may be estopped from pursuing those continuation claims

SURVIVING *INTER PARTES* REVIEW

PROSECUTION STRATEGIES

- **Avoid priority pitfalls to insulate from intervening art**
 - **Be aware of recent rule changes for priority claims for continuation / divisional applications**
 - **Ensure that claims in later applications are fully supported in earlier applications**

SURVIVING *INTER PARTES* REVIEW

ACTIVE PORTFOLIO MANAGEMENT

- **Maintain a pending application**
 - **Your portfolio will be a moving target**
 - **Submit newly discovered prior art**
 - **Draft claims to cover competitors**
- **Monitor your competitor's portfolios**
 - **Draft claims with blocking positions**
 - **Identify potential counter attack positions**

DEFENDING YOUR PATENT IN *INTER PARTES* REVIEW

- **Adapt to the PTAB forum**
 - **Three judges with technical backgrounds**
 - **Litigation style arguments are less effective**
 - **Expert declarations can be very important**
 - **The “trial” is mostly conducted in writing**
 - **Discovery is very limited compared to district court litigation**

DEFENDING YOUR PATENT IN *INTER PARTES* REVIEW

- **Prepare Strong Patent Portfolio**
 - Multiple patents, diverse claims, minimal prosecution history
- **Be aware of patent owner estoppel:**

“A patent applicant or owner is precluded from taking action inconsistent with the adverse judgment, including...obtaining in any patent claim that is not patentably distinct from a finally refused or cancelled claims.” (Rule 42.73(d)(3).)
- **Be prepared to act quickly**
 - Challenger has had time to prepare
 - Have technical expert on call

THANK YOU

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