


Post-Grant Patent Practice at the United States Patent and Trademark Office

Fast and Effective Alternatives to District Court Patent Litigation in Your Own Backyard

By Kelly K. Burris

 In September 16, 2011, President Obama signed into law changes that sent the intellectual property legal community into another dimension of performance. These legal changes, often referred to as “Patent Reform,” were enacted with the Leahy-Smith America Invents Act.¹

Key among the changes was the establishment of new proceedings at the United States Patent and Trademark Office (USPTO) challenging the validity of issued U.S. patents outside district courts. Defendants in patent litigation are now able to definitively stay district court litigation and go back to the USPTO before the Patent Trial and Appeal Board to challenge the validity of a patent in a statutorily dictated window of no more than one year.²

The Detroit USPTO and post-grant hearings

What many may not realize is that the America Invents Act also designated the first-ever USPTO satellite office in Detroit—the Elijah J. McCoy United States Patent and Trademark Office³—where post-grant patent review hearings are held regularly *and* are determined based on the location of the parties and their counsel; see <http://www.uspto.gov/about-us/uspto-locations/detroit-michigan>.

There are three primary proceedings to challenge the validity of issued patents under the America Invents Act: (1) post grant review, which must be filed within nine

months of a patent grant; (2) inter partes review, which may be filed after nine months of a patent grant; and (3) covered business method, available for first-inventor-to-file applications only when post grant review is not available or completed and for parties who have been sued or charged with infringement based on a covered business method patent—a patent claiming a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.⁴

Because it is available for patents issuing before and after the America Invents Act, inter partes review has been the most widely used proceeding. However, the grounds for instituting an inter partes review are more limited than post grant review or covered business method; a brief summary of the primary differences between the proceedings follows. It is important to note that timing for filing post grant and inter partes reviews is critical, as these proceedings are precluded if a petitioner has already filed a related civil action challenging the validity of the patent or is served with a complaint for patent infringement more than one year before filing a petition for post grant or inter partes review.

Comparison of post-grant proceedings

The standard for instituting a post grant review and covered business method is “more likely than not that at least one of the claims challenged in the petition is unpatentable” or if there is a “showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.”⁵ In contrast, the standard for an inter partes review is a “reasonable likelihood that at least one of the claims challenged in the petition is unpatentable.”⁶

The available grounds for challenging patents are more broad with post grant review and covered business method proceedings, as the bases may include 35 USC 101 (patentable subject matter), 102 (novelty), 103 (nonobviousness), 112 (specification), and double patenting. The grounds for challenging a patent under an inter partes review are limited to 35 USC 102 and 103 based on patents and printed publications only. Therefore, timing is important when considering a validity challenge to a patent issued on an application filed on or after March 16, 2013 (a post-America Invents Act patent).

The estoppel provisions of USPTO post-grant proceedings are fairly broad. The rules preclude a petitioner, its real party in interest, or privy from later challenging the same

Defendants in patent litigation are now able to stay district court litigation and go before the Patent Trial and Appeal Board to challenge the validity of a patent.

“Trial Practice” is designed to provide advice and guidance on how to effectively prepare for and conduct trials.

patent claim, either in the USPTO or in civil litigation, on any ground that the petitioner raised or “reasonably could have raised” during the post grant review.⁷

Importantly, amendment of the patent (and its claims) is available for the patent owner during a post grant review proceeding, albeit limited. However, unlike their sister proceedings in foreign countries (e.g., opposition proceedings in the European Patent Office), motions to amend to date are rarely granted by the Patent Trial and Appeal Board. For example, last month the Board granted only its sixth motion to amend allowing substitute claims in *Shinn Fu Company of America and Shinn Fu Corporation v The Tire Hanger Corporation*.⁸

A patent owner may file one motion to amend the patent by canceling any challenged claim or by proposing “a reasonable number of substitute claims” for each challenged claim. Further, any amendment cannot broaden the scope of the claim or introduce any new matter.⁹ Amendment appears to be difficult based on the requirement to “persuade the Board that the proposed substitute claim is patentable over the prior art of record, and over prior art not of record but known to the patent owner.”¹⁰

All post-grant patent proceedings under the America Invents Act must be completed within 12 months from institution, with a six months’ good-cause exception possible. Therefore, the proceedings move fast and, from the author’s experience, Patent Trial and Appeal Board judges have little patience for delay tactics and a party’s unfamiliarity with the rules (37 CFR 42 *et seq.*). Lead counsel must be a registered patent attorney, but a motion to appear pro hac vice “may be granted upon showing that counsel is an experienced litigating attorney and has an established familiarity with the subject matter at issue in the proceeding.”¹¹

There is a plethora of published trial statistics on the outcomes of post-grant patent proceedings at the USPTO, including those published by the Patent Trial and Appeal Board and a recent study on motions to amend.¹² Based on early outcomes of America Invents Act trials and its differing standards with the federal circuit, the scales are definitely tipped in favor of accused patent infringers. However, if you and your client

are considering post-grant patent proceedings in front of the Patent Trial and Appeal Board, some words of advice: know the rules, know the rules, know the rules. ■



Kelly K. Burris is an intellectual property attorney and the founder of Burris Law, PLLC (burrisiplaw.com). She has been practicing law since 2000 and previously was a partner with nationally recognized IP boutique firms. She focuses her practice on patents in the design, mechanical, materials science, and electrical arts. She also performs intellectual property due diligence for mergers and acquisitions and manages corporate IP portfolios and policies.

ENDNOTES

1. PL 112-29; 125 Stat 284.
2. See 37 CFR 42.101; 37 CFR 42.200; 37 CFR 42.300.
3. PL 112-29, § 24.
4. 37 CFR 42 *et seq.*
5. 37 CFR 42.208(c) and (d).
6. 37 CFR 42.108(c).
7. 37 CFR 42.73.
8. *Shinn Fu Co v The Tire Hanger Corp*, IPR 2015-00208 (2016).
9. 37 CFR 42.121.
10. *Nike Inc v Adidas AG*, 812 F3d 1326, 1331 (Fed Cir, 2016), citing *Idle Free Sys, Inc v Bergstrom*, IPR 2012-00027 (2013).
11. 37 CFR 42.10(c).
12. See USPTO, *AIA Trial Statistics* <<http://www.uspto.gov/patents-application-process/appealing-patent-decisions/statistics/aia-trial-statistics>> (accessed June 13, 2016).



KEEP THAT BAR JOURNAL COMING!

Help us keep our records and mailing list up to date. If you’re changing your principal address for the practice of law, the address of record (for all purposes as a licensed attorney), firm name, phone number, or FAX number, please use this form to let us know at least four weeks in advance. Mail to State Bar of Michigan, ATTN: Member Records, Michael Franck Building, 306 Townsend Street, Lansing, MI 48933-2012.

Changes submitted before January 15 will appear in the next Directory issue of the *Bar Journal*.

P# _____ NAME _____

OLD ADDRESS
Paste Bar Journal address
label or print in here

Room No. Plus Building Name or Street Address

City, State, Zip Code

NEW ADDRESS

Room No. Plus Building Name or Street Address

City, State, Zip Code

Please provide the following information, even if it hasn’t changed, so that we can verify your record.

FIRM NAME _____

PRIMARY PROFESSIONAL PHONE NO. _____

FAX _____ TDD _____

E-MAIL _____

Date changes take effect _____