

America Invents Act

Inter Partes Review

What is an *inter partes* review?

An inter partes review (“IPR”) enables a third party to challenge one or more claims in an issued patent at the United States Patent & Trademark Office (“Office”). IPR was designed to replace inter partes reexamination (“IPX”) practice. In contrast to an IPX, IPR is adjudicative and is designed to be similar to, although less expensive, more focused and quicker than, a typical validity challenge in district court litigation. While IPR proceedings will have some parallels to interferences and IPXs, the proceeding focuses on core patentability issues based only on prior art patents or printed publications that anticipate or render obvious the patent claims.

Which patents are eligible?

All patents are eligible for IPR. A petition to institute an IPR can be filed by a third party who is not precluded from filing a petition. A petitioner is precluded from petitioning for IPR if the petitioner, its real party in interest (“RPI”) or its privy (i) previously filed an IPR, post grant review, or covered business method review of a claim that resulted in a final written decision by the Board; (ii) previously filed a civil action challenging the validity of a claim of the patent - a counterclaim challenging validity does not bar IPR; or (iii) was served with a complaint alleging infringement of the patent more than one year prior to the filing date of the petition. Of note, an IPR may provide strategic advantages for an accused infringer when used in conjunction with a concurrent litigation – assuming it is less than one year since the accused infringer was served.

How does one institute an IPR?

A petitioner must file a petition that, in addition to containing certain mandatory disclosures, establishes there is a reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged in the petition. For a patent having an effective filing date prior to March 16, 2013, a petition for IPR can be filed at any time after the patent issues. For a patent having an effective filing date on or after March 16, 2013, a petition for IPR may only be filed after the later of (1) the date that is nine months after the grant of a patent or the issuance of a reissue of a patent, or (2) if a post grant review (“PGR”) is instituted, the date of the termination of such PGR. After the petition is filed, the patent owner may file a preliminary response, limited to setting forth the reasons why no IPR should be instituted by the Office. Both the petition and any optional preliminary response will be considered prior to a decision whether to institute a proceeding.

Burdens and standards

The default evidentiary standard is a preponderance of the evidence — the same as the standard utilized in IPXs — which is more favorable to the petitioner than the “clear and convincing evidence” standard used in district court. In addition, like in IPX proceedings, the Office will apply the broadest reasonable construction standard to IPRs, and there will be no presumption of validity. A patent owner has the opportunity to move to amend claims in a limited manner in an IPR. Doing so, however, may create intervening rights for third parties.

Who decides the outcome and how?

The determination of whether to institute an IPR trial is made by the Patent Trial and Appeals Board ("PTAB") on a claim-by-claim basis and a ground-by-ground basis. Each case will be heard by a panel of three technically-trained, patent-savvy judges. Once the PTAB institutes an IPR, it will be adjudicated by a three-judge panel in a single-phase trial. Unlike IPX, in IPR there will be opportunities for limited discovery, a hearing, joinder, and settlement without creating an estoppel. Also, instead of lasting an average of three years, like IPXs, IPRs must be completed within one year from institution of the trial (up to approximately 18 months from filing the petition), or 18 months on a showing of "good cause."

Estoppel

When a petitioner, its RPI or its privy loses an IPR, it cannot subsequently assert or maintain unpatentability of any challenged claim in any subsequent proceeding at the Office, or challenge validity in a civil action in district court or before the International Trade Commission on any grounds it raised or reasonably could have raised in the IPR. The Office's final written decision will trigger the estoppels for an unsuccessful party. A patent owner is also estopped from taking action inconsistent with an adverse judgment in an IPR, including obtaining in any patent a claim to substantially the same invention as a finally refused or canceled claim or a claim that could have been filed in response to any properly-raised ground of unpatentability for a finally refused or canceled claim.

Can I appeal the Board's decision?

A party dissatisfied with a decision of the Board in an IPR may seek remedy at the Court of Appeals for the Federal Circuit within 63 days of the PTAB's final decision.

Please contact Deborah Sterling, Ph.D. (dsterlin@skgf.com) or Eldora L. Ellison, Ph.D. (eellison@skgf.com) with any questions.