



IP in the Reform Era 2014

Conquering the New Patent Battlefield: Post-Grant Trials in the USPTO

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Session 1A: Preparing an IPR Petition Tips from a Petitioner Perspective

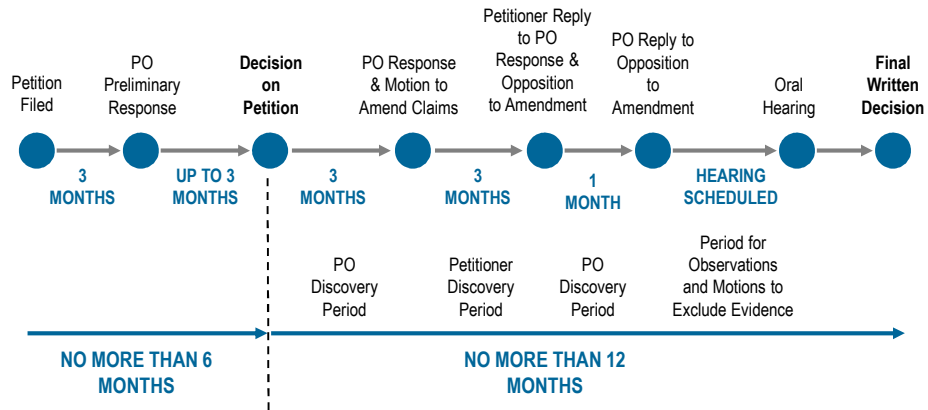
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IPR and PGR Timeline



Source: 77 Fed. Reg. 48756

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Recent Statistics



PATENT TRIAL AND APPEAL BOARD AIA PROGRESS Statistics (as of 2/6/14):

NUMBER OF AIA PETITIONS

FY	Total	IPR	CBM	DER
2012	25	17	8	
2013	563	514	48	1
2014	399	337	59	3
Cumulative	987	868	115	4

AIA PETITION TECHNOLOGY BREAKDOWN

Technology	Number of Petitions	Percentage
Electrical/Computer	695	70.4%
Mechanical	136	13.8%
Chemical	75	7.6%
Bio/Pharma	55	5.6%
Design	6	0.6%

NUMBER OF PATENT OWNER PRELIMINARY RESPONSES

FY	IPR		CBM	
	Filed	Waived	Filed	Waived
2013	237	63	33	2
2014	195	83	35	1

AIA TRIALS INSTITUTED/DISPOSALS

	Trials Instituted	Joinders	Denials	Total No. of Decisions on Institution	Disposals			
					Settlements	Final Written Decisions*	Other**	
IPR	FY13	167	10 ¹	26	203	38	2	1
	FY14	134	1 ¹	41	176	46	14	
CBM	FY13	14		3	17	3	1	
	FY14	17		2	19	5	4	

Source: USPTO
http://www.uspto.gov/ip/boards/bpai/stats/aia_statistics_02_06_2014.pdf

¹11 cases joined to 9 base trials for a total of 20 cases involved in joinder.
 *Includes judgment on request for adverse judgment.
 **Includes terminations due to dismissals.

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IPR Petitions - Overview



- Petition must show:
 - Patent is eligible for IPR review
 - A “reasonable likelihood” that at least one claim is unpatentable under Sections 102 or 103 based on prior art patents or publications
- Petition must comply with relatively strict formal requirements.
- Preparation of successful petition requires extensive preparation.

IPR Petitions - Eligibility



- Timing: petition must be filed within one year of service of a complaint asserting subject patent.
 - IPR not available if patent was previously asserted in DJ action filed by petitioner (or its “privies”)
- Petition must identify “real party in interest”
 - Petitioner and “privies” estopped as to arguments raised or reasonably could have been raised
 - Fact specific inquiry as to other parties that might be bound by outcome of IPR:
 - Control and/or contribution to costs important factors

IPR Petitions – Substantive Content and Succeeding on Merits



- Motivation to combine references for 103 should be explained and supported by evidence
- Claim charts: helpful but supporting argument required.
- Expert declarations may: (1) explain technology; (2) explain BRC; (3) explain prior art; (4) support motivation to combine

IPR Petitions – Substantive Content and Succeeding on Merits



- Claim construction: Board applies “broadest reasonable construction” (BRC)
 - Petition should identify proposed construction of terms that affect 102/103 issues
 - Even if “ordinary meaning” is proposed, advisable to provide technical definitions from dictionaries available at priority date of patent.
- Publications should be shown to qualify as prior art
- Petitioner must disclose “inconsistent statements”
 - E.g., address inconsistent claim construction, inconsistent findings from prior proceedings

IPR Petitions – Formal Requirements



- 60 pages only
- Double spaced except for block quotes and claim charts
- Claim charts must be “standard” double columned, portrait
 - No “argument”
- Must include discussion of claim construction
- Failure to comply usually results in notice affording period to correct.

IPR Petitions – Preparation



- Typical timeline/to do list
 - Retain IPR counsel
 - Retain expert
 - Draft petition
 - Supplemental search
 - Finalize and file
 - Wait for notice of filing date (2-3 weeks) and PO preliminary response (3 months from notice)

IPR Petitions – Preparation Tips




- Selection of grounds for IPR critical
 - 2-4 strong arguments better than 10
- Consider impact of claim construction on any copending litigation
 - Coordinate with litigation team
- Multiple IPRs on same patent (and even same claims) permitted, but consider:
 - Potential “redundancy”
 - Cost (\$23,000 filing fee, 15 claims)

Conclusion



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Session 1B:
Responding to an IPR Petition
Tips from the Patent Owner's Perspective

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Patent Owner's Responses - Overview 

- Possible to settle with petitioner – if done before filing a response, it is likely to terminate the IPR without a final written decision
- Patent Owner has two opportunities to file a response to the petition
- Preliminary Response
 - Due 3 months after the PTAB notice giving the petition a filing date
- Full Response
 - Due 3 months after the PTAB order instituting trial

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Preliminary Response



The Patent Owner's Preliminary Response is both optional and limited

- Optional
 - According to PTAB statistics, about 25% of patent owners do not file a preliminary response
 - A preliminary response might alert the petitioner's expert before you can depose him
- Limited – in scope and content
 - Principal purpose is to persuade the Board not to institute trial – that there should be no trial at all, or that trial not include certain grounds, claims, or references
 - Cannot include new testimonial evidence
 - Cannot amend claims
 - Can include argument and evidence on claim construction

Preliminary Response - Tips



The Board has been persuaded by arguments like these:

- Petition untimely – filed more than one year after patent owner served a complaint
- Prior Art not a printed publication
- Reference not prior art
- Arguments/evidence insufficient
 - Fail to address one or more features of the claims
 - No explanation of a reason to combine references
- Redundancy
 - Compared to other grounds in the petition
 - Compared to grounds successfully overcome in ex parte reexam

Full Response



- Filed after the Board institutes trial – that is, after the judges have decided that the claims are probably unpatentable
- Single, very best opportunity to defeat the petition on the merits

Full Response - Tips



- Use your own expert skillfully
- Look for discrepancies or weaknesses in the testimony of petitioner's expert

Conclusion



Keep it in Perspective

- For example, during the month of February 2014 (the most recent full month for which statistics are available) of the 60 PTAB decisions whether to institute trial, about 83% resulted in institution on at least some claims
- Cumulatively, of the approximately 430 IPR decisions on institution, about 80% resulted in institution on at least some claims
- Where an IPR is instituted, most of the challenged claims will likely fall

Questions?



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Session 2: Motions To Amend the Claims in an IPR Proceeding

Howard N. Shipley, Michael R. Houston



Motions to Amend - Overview



- When an IPR is instituted by the Board, a Motion to Amend allows the Patent Owner to propose new claims as substitutes for existing claims in the patent.
- However, decisions by the Board on Motions to Amend thus far indicate that a Patent Owner faces a heavy burden in getting the motion granted.

Motions to Amend - Rules



- Authorized by 37 C.F.R. § 42.121:
 - A patent owner may file one motion to amend a patent, but only after conferring with the Board.
 - Motions must be filed no later than the filing of a patent owner response (unless another due date is specified by the Board).
 - A motion to amend may cancel a challenged claim or propose a reasonable number of substitute claims.

Motions to Amend - Rules



- Authorized by 37 C.F.R. § 42.121 (cont'd):
 - The amendment must respond to a ground of unpatentability involved in the trial.
 - The amendment cannot enlarge the scope of the claims of the patent or introduce new subject matter.

Motions to Amend - When/why



- When should a Patent Owner consider filing a motion to amend?
 - Existing claims are not likely to survive the IPR proceeding
 - Prior art can be overcome by adding new limitations to existing claims
 - Patent Owner wishes to add new, more focused claims to patent

Motions to Amend - When/why



- Patent Owner – potential advantages to filing a motion to amend
 - Allows Patent Owner to “hedge” against possibility that existing claims are found invalid
 - Proposed substitute claims can be made contingent on finding existing claims invalid
 - Allows Patent Owner to introduce new limitations/concepts into the claims (provided there is support in the specification)

Motions to Amend - When/why



- Patent Owner – potential advantages to filing a motion to amend (cont'd)
 - If motion is allowed, the claims do not undergo any further examination by Patent Office
 - Can give the Patent Owner the “last say”

Motions to Amend - When/why



- Petitioner – response to motion to amend
 - Patent Owner carries the burden of proof that proposed claims are patentable
 - Intervening rights apply to any new claims allowed
 - Board has been placing a very high burden on Patent Owners to justify patentability of new claims

Recent Decisions



- *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027
 - Motion to Amend was denied
 - Bergstrom failed to set forth what one of ordinary skill in the art would have known about features in amended claims
 - PTAB did not address differences from claims and prior art

Recent Decisions



- *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027 (Paper No. 26)
 - General teachings from Board:
 - Presumption that a challenged claim may be replaced by only one substitute claim (one-for-one substitution), and Patent Owner must specify which claims are being replaced with which substitute claims
 - Proposed amendments must respond to ground of unpatentability involved in the trial

Recent Decisions



- *Idle Free Systems, Inc. v. Bergstrom, Inc.*, IPR2012-00027 (Paper No. 26)
 - General teachings from Board (cont'd):
 - An amended claim must be narrower in scope than the original claim it is replacing
 - All limitations from original claim must be present or more narrow in substitute claim

Recent Decisions



- *Nichia Corp. v. Emcore Corp.*, IPR2012-00005
 - Motion to Amend was denied
 - Failed to demonstrate that reasonable number of substitute claims were presented
 - Claim listing did not properly identify changes from patent claims
 - Claim construction – must address new terms introduced in amendment
 - Amendment must respond to ground of unpatentability

Recent Decisions



- *Nichia Corp. v. Emcore Corp.*, IPR2012-00005 (cont'd)
 - Patentability over the prior art was not demonstrated
 - Not an examination proceeding
 - Need to address level of ordinary skill in the art and knowledge already possessed by one of ordinary skill in the art
 - Need to address all the references of record
 - Must show written description support in originally filed application – showing support in issued patent not sufficient

Recent Decisions



- In both *Idle Free* and *Nichia*, PTAB has emphasized that patent owner has burden of proof in demonstrating patentability of proposed claims:
 - Patent owner is not rebutting a rejection to Office Action
 - If approved, substitute claims will be added to patent without examination

Recent Decisions



- Patent Owner has heavy burden of showing patentability of amended claims over the state of the art
 - It is “insufficient ... simply to explain why the proposed substitute claims are patentable in consideration of the ground of unpatentability on which the Board instituted review.” (*Nichia* decision at p. 55).
- In both *Nichia* and *Idle Free*, PTAB did not address merits of proposed substitute claims

Recent Decisions



- *Microsoft v. Proxyconn*, IPR2012-00026, IPR2013-00109 (Feb. 19, 2014)
 - Board allowed at least one original claim, but denied new claims in motion to amend
 - Patent Owner failed to proffer sufficient arguments or evidence to establish a prima facie case for the patentability of the proposed claims

Recent Decisions



- *Microsoft v. Proxyconn*, IPR2012-00026, IPR2013-00109 (Feb. 19, 2014)
 - Patent Owner also failed to:
 - construe the newly added claim terms
 - address the manner in which the claims are patentable generally over the art
 - identify the closest prior art known
 - address the level of ordinary skill in the art at the time of the invention
 - discuss how such a skilled artisan would have viewed the newly recited elements in the claims

Recent Decisions



- *Microsoft v. Proxyconn*, IPR2012-00026, IPR2013-00109 (Feb. 19, 2014)
 - Board also addressed the merits of the prior art, and found that the only evidence of record supported unpatentability
 - Board rejected other proposed claims because they could be practiced without necessarily practicing the original claims from which they depended, and thus were impermissibly broader in scope than the original claims

Take-aways



- In theory - Motions to Amend appear to be a valuable tool for Patent Owners
 - Motions to Amend can provide a valuable opportunity for Patent Owners to offer new claims during an IPR in order to avoid the prior art
 - Proposed claims can be made contingent upon original claims being found unpatentable
 - If allowed, the claims are added to the patent without further examination

Take-aways



- In practice - based on results of early decisions by the Board, Motions to Amend are not likely to be granted
 - Board has yet to grant a motion to amend
 - Patent Owners face a heavy burden in convincing the Board that new claims should be granted
 - Patent Owner must carefully craft proposed new claims to address grounds of patentability at issue in the IPR

Take-aways



- Patent Owner must address the level of skill in the art, and how a skilled artisan would view the new claims in view of both the cited art as well as the closest prior art known
- Patent Owner must address the construction of new claim terms
- Patent Owner must show that the new claims are supported by original application, and are more narrow than the original claims

Take-aways



- Patent Owner should have realistic expectations regarding the likelihood of success of a Motion to Amend
- Based on the early decisions of the Board Motion to Amend is not likely to be granted

Questions?



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Session 3: What to Expect at the Oral Hearing

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Prior to the Hearing



- Rules of Oral Hearing 37 C.F.R. § 42.70
 - Hearing must be requested in a separate filing that lists issue to be argued
 - Deadline for filing request is set forth in scheduling order
- File Motion for Live Testimony
 - Not likely to be granted

Demonstrative Exhibits



- Demonstrative Exhibits
 - ***“The Board has found that elaborate demonstrative exhibits are more likely to impede than help an oral argument.*** The most effective demonstrative exhibits tend to be a handout or binder containing the demonstrative exhibits.”
- Exhibits must be served on opposing counsel 5 business days before the oral argument

Demonstrative Exhibits



- Objections to Demonstrative Exhibits
 - Introduction of new evidence (not supported by the record)
 - Introduction of new argument
- Party must request conference call with the Board to address any objections to Demonstrative Exhibits prior to hearing
 - Should address objection with opposing counsel prior to raising issue with Board

ORAL HEARING – PETITIONER’S OPENING ARGUMENT



- Petitioner bears the burden on the petition
- Consider Board decision to institute trial
 - Are there issues that you want the Board to change its decision?
 - Has the Patent Owner provided credible attacks to your position and the Board’s initial findings?

ORAL HEARING – PETITIONER’S OPENING

ARGUMENT



- Be prepared to address issues of concern to the Board
 - Grounds of unpatentability for the claims
 - Claim construction issues

ORAL HEARING – PETITIONER’S OPENING

ARGUMENT



- Petitioner must address any motions that it has filed
 - Motions to Exclude Evidence

ORAL HEARING – PATENT OWNER’S RESPONSE TO PETITIONER’S OPENING ARGUMENT



- Remember that petitioner bears the burden on the petition; emphasize any issues where petitioner has not carried its burden
- Demonstrative exhibits
- Know the record
- Be prepared on the technology

ORAL HEARING – PATENT OWNER’S ARGUMENT ON MOTION TO AMEND, MOTION TO EXCLUDE EVIDENCE, ETC.



- Be aware of issues where patent owner bears the burden
- Remember peculiar PTAB rules and regulations, including “responding to a ground of unpatentability”
- Generally, no new arguments or issues; find a connection to an argument already in record or to an issue already raised by the judges or petitioner

ORAL HEARING – REBUTTAL



- Save time for rebuttal
- Listen carefully to opponent's oral arguments on your motions, respond directly to misstatements of law or facts

ORAL HEARING – CONCLUSION



- Much more like an extended appellate argument, although only one or two judges will likely ask most of the questions (judge(s) may participate via video conference)
- Be respectful of the judges and opposing counsel
- Answer - don't dodge - the question asked
- Provide a list of words to the court reporter
- PTAB judges read the transcript of the argument when drafting the decision

Questions?



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Session 4: Managing Parallel Patent Litigation and IPRs: Avoiding Pitfalls And Leveraging Assets

Stephen B. Maebius, Andrew S. Baluch

Intro



- Wall Street Journal IPR article, 3/11/2014, p. B4:
- 1054 IPRs have been filed
- 25 final decisions, almost all resulting in complete invalidity
- Called IPR “new weapon in intellectual property wars”
- Quoted Judge Rader saying PTAB panels are “death squads... killing property rights”

Overview

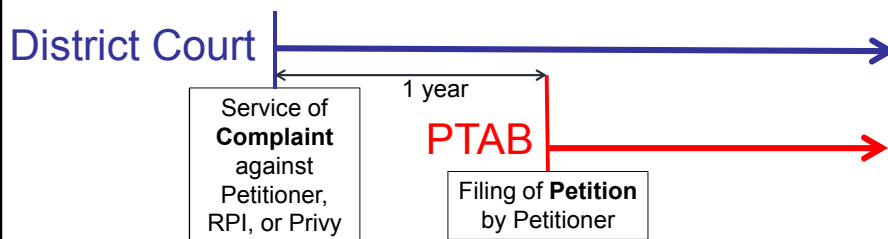


- Timing of IPR petition relative to litigation
- Whether to use same experts/reports
- Which litigation evidence is most persuasive to PTAB
- Meaning of “real party-in-interest” and “privy”
- Effect of IPR decision on litigation
- Protecting confidential information in the PTAB
- Settlement of IPR

Timing of IPR Petition relative to Litigation



- Petitioner must **file** IPR petition within 1 year after the date on which the petitioner, real party-in-interest (RPI), or privy of the petitioner is **served** with a complaint alleging infringement of the patent. 35 U.S.C. § 315(b)
 - “served with a complaint” = service of summons.
Motorola Mobility v. Arnouse, IPR2013-00010 (Paper No. 20)



Meaning of “Real Party-In-Interest” and “Privy”



- “[A] party that **funds and directs and controls** an IPR or PGR petition or proceeding constitutes a ‘**real party-in-interest**’”
- “[I]f **Trade Association X** files an IPR petition, Party A does not become a ‘real party-in-interest’ or a ‘privy’ of the Association simply based on its membership in the Association.”
- “[I]f Party A is part of a **Joint Defense Group** with Party B in a patent infringement suit, and Party B files a PGR petition, Party A is not a ‘real party-in-interest’ or a ‘privy’ for the purposes of the PGR petition based solely on its participation in that Group.”

Office Trial Practice Guide, 77 Fed. Reg. at 48760.

Meaning of “Real Party-In-Interest” and “Privy”



- *RPX v. Virnetx*, IPR2014-00171 (Paper No. 33)



- Virnetx sued Apple for patent infringement
- Apple filed IPRs
- RPX filed IPRs
 - Content substantially overlaps Apple’s petition
- VirnetX argues that RPX picked specific patent claims based on input from Apple and Microsoft and funded the petitions with money from the tech firms, and that Apple and Microsoft’s counsel authored RPX’s petitions
- PTAB ordered additional discovery on the extent to which Apple and Microsoft controlled or directed the filing of RPX’s petitions.

Timing of IPR Petition relative to Litigation



- Despite estoppel, it is possible for petitioner to time IPR petition filing so that district court decision occurs before IPR decision (if no stay)
- So petitioner may get 2 chances to invalidate
- Petitioner may wait full year after service of complaint before petitioning for IPR
 - Waiting may allow more discovery to occur in litigation which could not happen in very limited discovery procedures of IPR

Timing of IPR relative to Litigation



- Decision instituting trial may be helpful to use in expert reports in litigation or in support of summary judgement of invalidity (or reverse in case of patent owner if trial not instituted)
- Final decision of unpatentability may be used to stay litigation pending appeal of IPR

Whether to use same experts/reports



- Benefits of same expert: cost, familiarity with subject matter, and experience from prior deposition
- Risks of same expert: will be subjected to second deposition (right to cross-examine any declarant in IPR), risk of undercutting prior testimony
- When using same experts, keep scope of IPR declaration narrow to reduce scope of expert's deposition

Whether to use same experts/reports



IPR expert reports should be tailored to US Board (PTAB):

- PTAB will pay more attention to nexus between secondary considerations & claim limitations
- PTAB will pay more attention to commensurateness in relation to claim scope

Whether to use same experts/reports



- IPR2012-00005 (final decision, p. 44):

To be of relevance, evidence of nonobviousness must be commensurate in scope with the claimed invention. *In re Tiffin*, 448 F.2d 791, 792 (CCPA 1971) (evidence of success for cups is not commensurate in scope with containers). In order to be accorded substantial weight, there must be a nexus between the merits of the claimed invention and the evidence of secondary considerations. *GPA*, 57 F.3d at 1580. “Nexus” is a legally and factually sufficient connection between the objective evidence and the claimed invention, such that the objective evidence should be considered in determining nonobviousness. *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1392 (Fed. Cir. 1988). The burden of showing that there is a nexus lies with the patent owner. *In re Paulsen*, 30 F.3d 1475, 1482 (Fed. Cir. 1994); *Demaco Corp.*, 851 F.2d at 1392.

Which litigation evidence is most persuasive to PTAB



- Litigation record may be voluminous with many expert reports, deposition transcripts, and produced documents
- Must be selective & consider that PTAB judges have technical background
- Also must consider building a full record in IPR in case appeal is necessary, so consider evidence that may be persuasive to CAFC

Which litigation evidence is most persuasive to PTAB

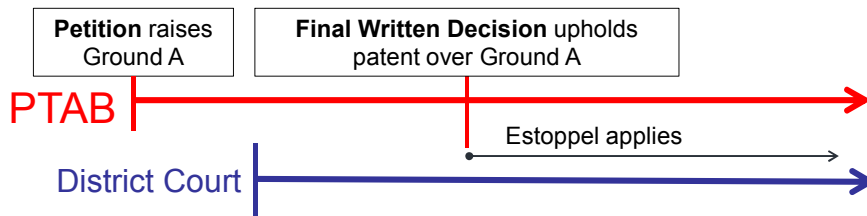


- Remember that opponent will try to find inconsistent statements from litigation record
- Each party has a duty to inform the PTAB of inconsistent statements
- Must select carefully what is submitted in IPR from litigation record

Effect of IPR decision on litigation



- After a **final written decision** by the PTAB, the petitioner, real party-in-interest (RPI), or privy may not subsequently challenge the patent in the PTO, ITC, or district courts, with respect to ***any ground*** that the petitioner raised or reasonably could have raised in the IPR. (35 U.S.C. § 315(e))
 - “reasonably could have raised” = prior art that a skilled searcher conducting a diligent search reasonably could have been expected to discover (157 Cong. Rec. S1375 (Mar. 8, 2011))



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Protecting Confidential Information in the PTAB



- PTAB has rules governing “the exchange and submission of confidential information” in IPR. 35 U.S.C. § 316(a)(7))
- “*Confidential Information*: The rules identify confidential information in a manner consistent with Federal Rule of Civil Procedure 26(c)(1)(G), which provides for protective orders for ***trade secret or other confidential research, development, or commercial information.*** § 42.54.”
Office Trial Practice Guide, 77 Fed. Reg. at 48760.

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Protecting Confidential Information in the PTAB



- “A motion to seal is required to include a proposed protective order and a certification that the moving party has in good faith conferred or attempted to confer with the opposing party in an effort to come to an agreement as to the scope of the proposed protective order for this inter partes review. 37 C.F.R. § 42.54.”
- “The standard for granting a motion to seal is “for good cause.” 37 C.F.R. § 42.54.”
- “We need to know why the information sought to be sealed constitutes confidential information.”
Garmin v. Cuozzo, IPR2012-0001 (Paper No. 34)

Protecting Confidential Information in the PTAB

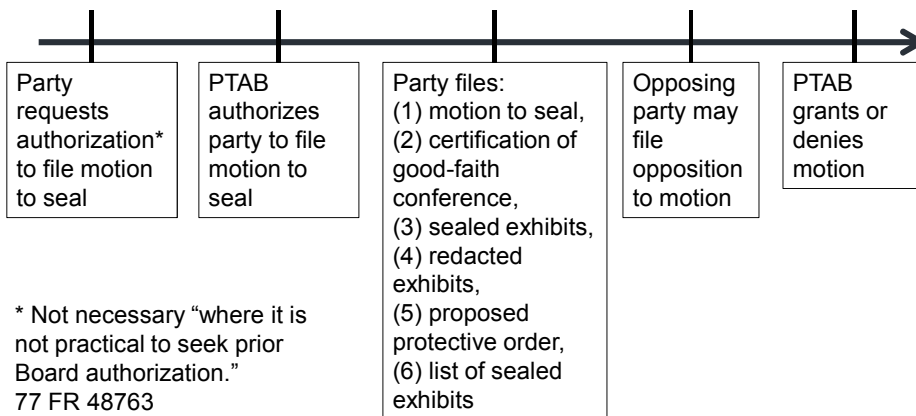


- “Patent Owner must limit redactions strictly to isolated passages consisting entirely of confidential information and that the thrust of Patent Owner’s argument must be clearly discernible from the redacted versions of the patent owner response and evidence.”
- “[I]nformation subject to a protective order will become public if identified in a final written decision in this proceeding and that a motion to expunge the information will not necessarily prevail over the public interest in maintaining a complete and understandable file history. See Office Patent Trial Practice Guide, 77 Fed. Reg. 48,756, 48,761 (Aug. 14, 2012).”
Gnosis SPA v. South Alabama Med. Sci. Found., IPR2013-00116 (Paper No. 29).

Protecting Confidential Information



Timeline for Sealing Confidential Information in IPR



Obtaining Stay of Litigation



- Factors courts usually consider when deciding whether to stay litigation pending USPTO proceeding:
 - (1) whether the granting of a stay would cause the non-moving party to suffer undue prejudice from any delay or allow the moving party to gain a clear tactical advantage over the non-moving party;
 - (2) whether a stay will simplify the issues for trial; and
 - (3) whether discovery is complete and a trial date set.

Cephalon, Inc. v. Impax Labs., Inc., 2012 WL 3867568, at *2 (D. Del. Sept. 6, 2012); *Stryker Trauma S.A. v. Synthes (USA)*, No. 01-3879 (JLL), 2008 WL 877848, *1 (D.N.J. March 28, 2008) (quoting *Xerox Corp. v. 3Com Corp.*, 69 F.Supp.2d 404, 406 (W.D.N.Y. 1999)); *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1111 (N.D. Cal. 2006).

Obtaining Stay of Litigation



- Reasons why courts sometimes deny a stay pending IPR:
 1. IPR petition filed but not yet granted. (C.D. Cal. Dec. 16, 2013)
 2. Less than all litigated patents are in IPR. (C.D. Cal. Nov. 19, 2013)
 3. Court previously denied stay pending *ex parte* reexam. (N.D. Cal. Nov. 13, 2013)
 4. Special need for quick court action due to fast-moving technology. (N.D. Cal. June 11, 2013)
 5. Special need for injunction against direct competitor. (D. Del. June 17, 2013)
 6. Counterclaim of infringement was asserted against patentee, which would require two trials. (E.D. Mich. Apr. 30, 2013)

Settlement of IPR



- PTAB requires particular things in order to settle the IPR:
 - Joint motion including (1) explanation why termination is appropriate; (2) identity of all codefendants in any related suit involving the patent; and (3) current status of each related suit with respect to each party.
 - A **true** copy (unredacted) of Settlement Agreement.
 - Motion to treat Settlement Agreement as confidential.
Google v. Sprogis, CBM2013-0026 (Paper No. 10)
- If Settlement Agreement only discusses settlement of IPR (and does not mention any pending litigation), then PTAB may require the parties to certify that:
 - there are no other written or oral agreements or understandings (e.g., licenses, covenants not to sue) between the parties relating to the patent, and
 - there are no other infringement suits involving the patent.

Settlement of IPR



- PTAB may allow parties to settle but still continue to a final written decision on patentability – *and cancel the claims of the patent!!!*
- “While the parties may agree to settle their issues related to the [IPR] patent, the Board is not a party to the settlement and may determine independently any question of patentability.”
Blackberry Corp. v. MobileMedia, IPR2013-00016 (Paper No. 31)
- If Patent Owner wants to avoid this result, Patent Owner should seek settlement and file a motion to terminate IPR *before all briefing is completed.*

Settlement of IPR – high rate of institution



Source: Chief Judge Smith's Presentation



AIA Progress (as of February 20, 2014)

• AIA Petition Dispositions

		Trials Instituted	Joinders	Percent Instituted	Denials	Total No. of Decisions on Institution
IPR	FY13	167	10+	87%	26	203
	FY14	164	1+	78%	46	211
CBM	FY13	14		82%	3	17

Settlement of IPR – many IPRs have been settled



Source: Chief Judge Smith's Presentation

AIA Progress (as of February 20, 2014)

- AIA Final Dispositions

		Settlements	Adverse Judgments	Final Written Decisions
IPR	FY13	38	2	0
	FY14	55	13	11
CBM	FY13	3	0	1
	FY14	8	0	6

Questions?



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Thank You!