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Intellectual Property Attorneys

PATENT PROTECTION FOR HIGH TECHNOLOGY





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Reexamination Part of the Solution?

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The Process

Reexamination is granted based on the presence of a Substantial New Question of Patentability (SNQ) based on patents and printed applications

The SNQ may be based on art previously before the PTO (35 USC § 303), or (unsuccessfully) previously applied in litigation (In re Swanson)

If granted, reexamination is conducted by the Central Reexamination Unit (CRU).

There is no requirement that the CRU look beyond the patents and publications submitted with the request

Which Type?

Ex parte Reexam

Available for any patent (exp. + 6 yrs.)

Anyone may file (actual requestor may be anonymous)

Interviews by the Patent Owner are permitted

Limited participation by any TPR before examination (only if the Patent Owner files a statement)

Only the Patent Owner may appeal

Multiple requests may be filed

Inter partes Reexam

Available only for patents filed after Nov. 29, 1999

Must be requested by a Third Party Requestor (and the Real Party in Interest must be named)

No interviews permitted

TPR may comment on each response by the Patent Owner

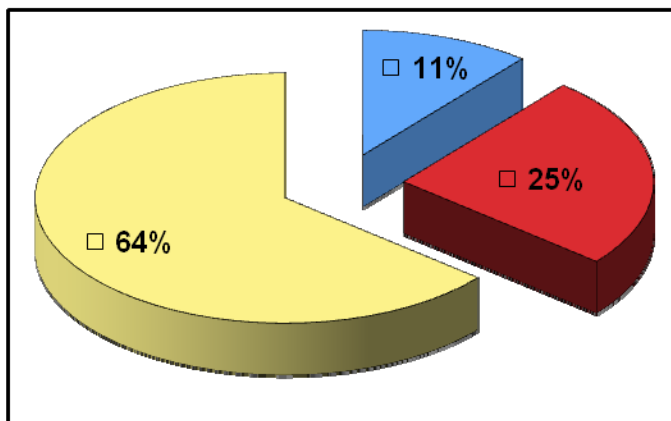
Either party may appeal

Only 1 (accepted) request may be filed by a party and privies to that party (but ex parte requests may be filed)

Overview of Results

PTO Data June 30, 2009

Ex parte Reexam



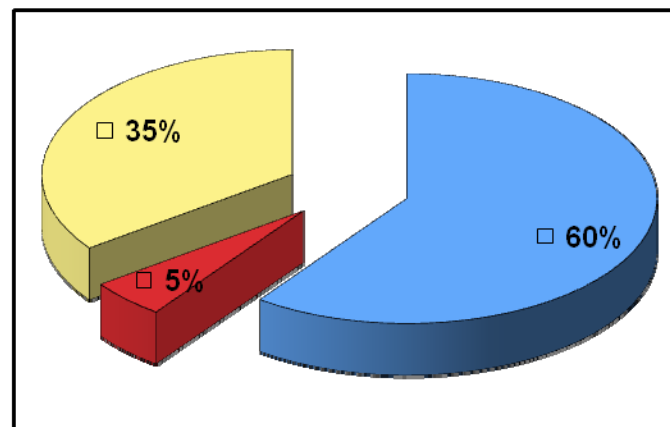
■ All Claims Cancelled

■ All Claims Affirmed

■ Some Claims Changed

6908 reexams

Inter partes Reexam



■ All Claims Cancelled

■ All Claims Affirmed

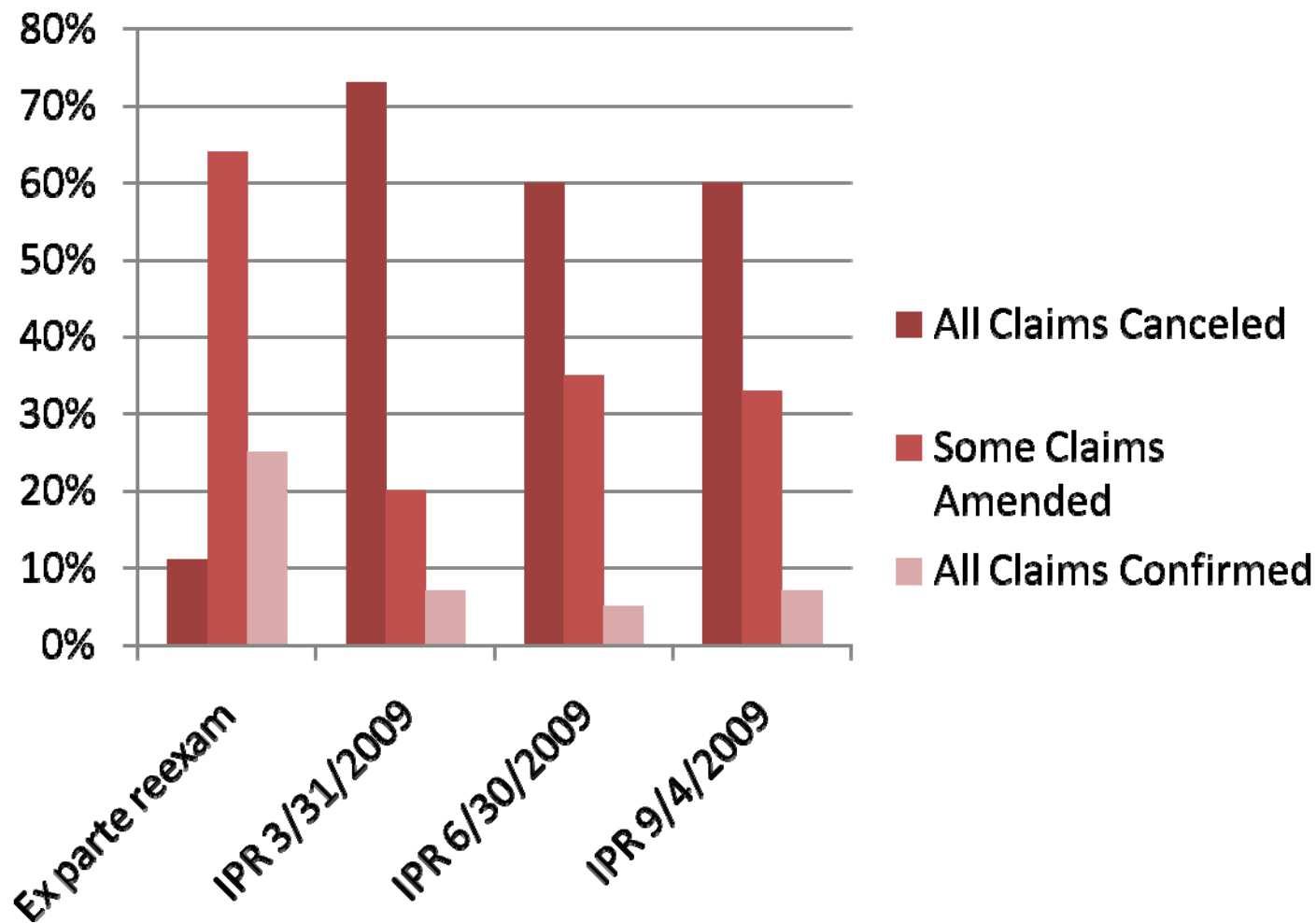
■ Some Claims Changed

77 reexams

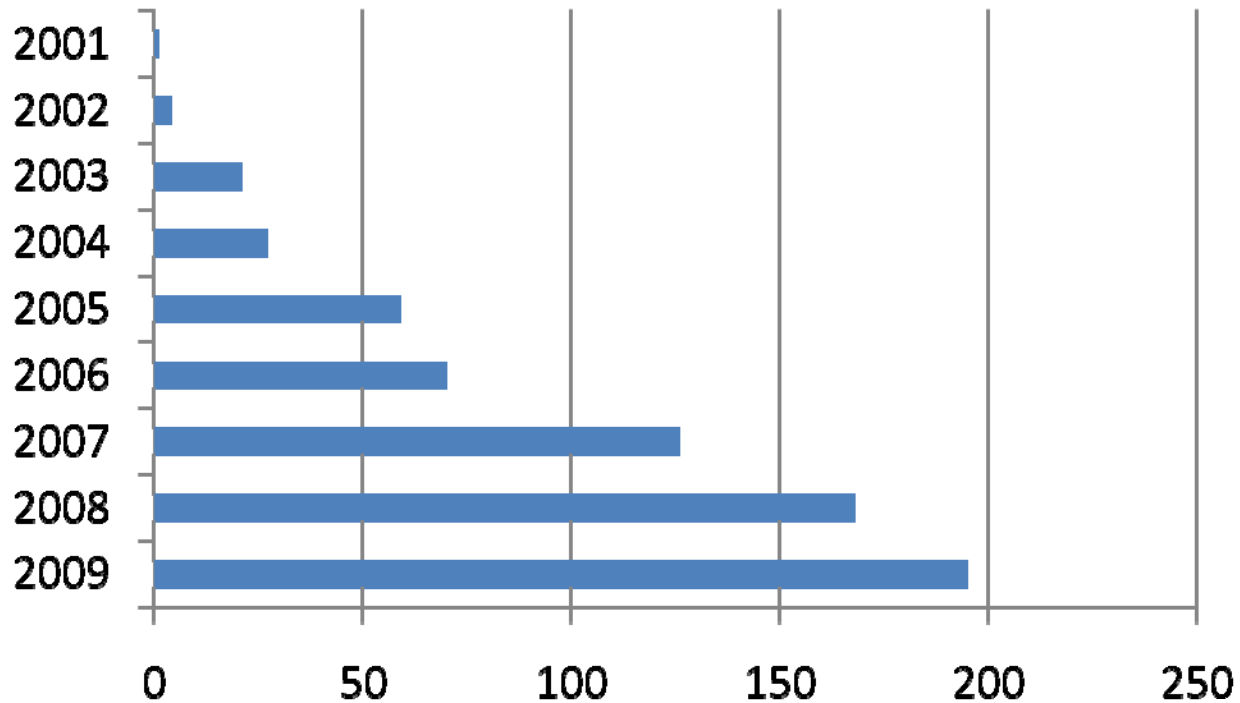
Inter parte Reexam Statistics

PTO Stats as of June 30, 2009:		As of Sept 4, 2009:
Requests filed	671	at least 684
Known to be in litigation	446 (66%)	
Decisions on requests	583	
Requests granted	556 (95%)	
Concluded to reexam certificate	77	92
all claims confirmed	4 (5%)	6 (7%)
all claims cancelled	46 (60%)	49 (53%)
some claims changed	27 (35%)	37 (40%)
Decisions on appeal	11	14

Trends in IPR vs. EPR



IPR Filings / PTO Fiscal Year



2009 data, 3 qtrs. only

PTO fiscal year: Oct 1— Sept 30

Why Consider Reexamination?

As a backstop to ongoing or anticipated litigation

Particularly if litigation is in a jurisdiction where validity challenges are often not successful

To address complex technologies or art that will be difficult to address with a jury

To provide a basis supporting a stay of litigation

To facilitate or advance settlement discussions or licensing negotiations

[As the Patent Owner] To cleanse and/or correct the patent over problematic art; or to potentially impair the ability of a TPR to file a later IPR over known art

Advantages of IPR As a Complement to Litigation

Different standards for patentability

- No presumption of validity

- Claim terms given their broadest reasonable interpretation

- unpatentability supported by preponderance of the evidence standard

Patent Owner's arguments, construction of claims and any claim amendments may be useful in the litigation

If the claims asserted in the litigation are amended, intervening rights may exist, limiting damages

May provide a basis for stay of the litigation

Rejections in an IPR may provide an incentive for the Patent owner to settle

- Unlike ex parte reexams, IPRs can be terminated if all validity issues that are reviewable in reexam are finally resolved in the litigation (§ 1.907(b))

Challenges For The Patent Owner

Complying with the duty of disclosure as discovery/trial proceeds

- Depositions (e.g., inventors or 30(b)(6) on claim interpretation)

- Additional prior art

- Expert testimony regarding the art or claim terminology

- The duty of disclosure in reexams, in practical terms, is far from well defined

Risks of generating bases for inequitable conduct allegations

- Potentially large volumes of prior art

- Allegations/assertions of the opposing party

Avoiding estoppels that impact litigation positions

- Response periods are relatively short, and extensions of time not easily obtained

- Complying with protective order restrictions

Protective Order Restrictions

Coordination of the positions taken in the PTO and the Court is important to an effective defense of the patent; but many protective orders have a “no prosecution”-type clause that limits the trial team’s ability to have any involvement in prosecution and/or restricts the access of persons handling prosecution to the opposing party’s confidential information

The trial team and the reexam attorney must establish a mechanism for essential information to be conveyed in each direction

In many cases, special provisions may be made in the protective order

Duty of Disclosure in Reexam

Governed by § 1.555, which closely tracks § 1.56

There is far too little guidance from the PTO, and there are inadequate mechanisms in the PTO, for addressing the disclosure questions that arise in reexams, in view of the common parallel path of reexams with litigation

Certainly patents and publications that are material are called for, as well as pertinent admissions (scope of the prior art, knowledge of POSITA, etc.)

But consider the information that may arise in litigation, but be subject to a protective order:

- Testimony and documents of opposing witnesses and experts, and third parties
- Arguments on claim interpretation
- Motions for summary judgment

The PTO has limited provisions for addressing confidential information, but they may run afoul of many protective orders

Reexamination Estoppel 1 –The PTO

35 USC § 317(b)

“Once a final decision has been entered [in an action originating in D. Ct.], that the party has not [proved] the invalidity of any patent claim in suit, or if a final decision in an [IPR] instituted by a [TPR] is favorable to the patentability of any . . . claim of the patent,

then neither that [TPR] nor its privies may thereafter request an [IPR] of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or [IPR], and an [IPR] requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office

This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the inter partes reexamination proceedings.”

Reexamination Estoppel 2–D. Ct.

315(c) CIVIL ACTION.

A [TPR] whose request for an [IPR] results in an order under section 313 is estopped from asserting at a later time, in any civil action arising in whole or in part under section 1338 of title 28, the invalidity of any claim finally determined to be valid and patentable on any ground which the [TPR] raised or could have raised during the [IPR]. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of [IPR].

When is the “later time,” i.e., when does the estoppel apply?

The legislative history suggests after a final decision (including all appeals)

The legislative history can be read to suggest that the estoppel does not apply to art unknown at the time of the IPR

But there is a question about whether that requires the art to be “unknown” to the PTO, and as to what that means

Many believe this estoppel does not apply in ITC actions

Reexamination Estoppel 3– Any Court?

The uncodified provision--AIPA § 4607

Any party who requests an inter partes reexamination under section 311 of title 35, United States Code, is estopped from challenging at a later time, in any civil action, any fact determined during the process of such reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the inter partes reexamination decision. If this section is held to be unenforceable, the enforceability of the remainder of this subtitle or of this title shall not be denied as a result.

This provision was identified by the Court (but without express citation), as one factor supporting the stay granted pending reexamination in the *Echostar Technologies v. TiVo* case (ED TX)

Presence or lack of motivation to combine references is a question of fact (e.g. *Alza Corp v. Mylan Labs*)

How To Manage The Estoppel

File IPR with timing that should result in the IPR reaching a final decision: (1) after the anticipated trial. but (2) before a final judgment in the case

Need to consider likelihood of injunction and/or stay of injunction pending appeal or pending conclusion of the IPR

As IPR proceedings go further, we must expect gamesmanship in trying to control trial dates to implicate/avoid estoppel

So long as credible prior art was used for the IPR, and appeal is reasonable, there is substantial delay in the IPR process:

14 BPAI decisions in IPRs:

Earliest IPR: 95/000,006 IPR filed 12/4/2002 Appeal decided 3/26/2007

Latest IPR: 95/000,103 IPR filed 7/28/2005 Appeal decided 6/25/2009

BPAI in FY 2009 YTD (11 months), disposed of 6,006 cases, but received 14,532

Pre-Reexam Filing Considerations

How good— really-- are the patents and printed publications you have?

What are the chances that the claims of interest will need amendment to avoid the art?

Can the claims be narrowed to avoid the art, but still cover the products/services (etc.) in question?

If so, is there still a benefit to the possibility of intervening rights resulting from the amendments?

Is there additional art that can be credibly introduced to try to foreclose that ability to narrow?

Where are there claim interpretation issues?

Have you identified prior art to address any problematic interpretations?

More Pre-Filing Considerations

Is the technology so complex such that the PTO is far better equipped to evaluate it?

Do you have other prior art that will not be in the reexam—prior public use or sale, prior inventorship under 102(f)-(g)?

Are there other substantial defenses that will not be addressed in the reexam?

- § 112 enablement or description

- § 101 patentable subject matter

- unenforceability

- non-infringement

Filing The Request For IPR

You can comment later, but the request is your real shot

Carefully establish each SNQ

A SNQ is not the same as a prima facie case of unpatentability

You must show why the question presented is different from the issues previously considered by the PTO

A SNQ does not exist just because of a change in law (KSR, for example)

But if the requisite SNQ exists, a new reference, even if combined with one originally considered, may get a very different application if the prior allowance was based on no TSM

Provide a detailed and carefully referenced explanation of the reference(s) supporting each SNQ

Filing The Request (cont.)

Realistically evaluate which potential SNQs have a reasonable chance of success (estoppel vs. clarity and focus)

The SNQ is only your “ticket” to the IPR. For each SNQ, you then must establish a prima facie case of unpatentability that is as ironclad as possible that the Examiner can adopt as a rejection

Include a carefully referenced claim chart for each SNQ

You need to thoroughly convince the Examiner of the basis for unpatentability

The last thing you want is for the Examiner to order the IPR, but to then not reject the claims because you failed to make a sufficiently convincing showing

Need to make detailed showings for motivation to combine and the results of combinations

Filing The Request (cont.)

If there are any issues regarding the effective date of a publication, provide a declaration to establish the date

Do not even hint at issues the Examiner will not consider on the issued claims (§ 101 or § 112 issues; inequitable conduct, etc.)

Evaluate each SNQ to determine if there is a need to address the POSITA

Do not stretch the art or argument—credibility is key

Buttress positions as necessary with additional art, and possibly declarations

Prosecution Issues

For the Patent Owner, prosecution is superficially conventional, but tightly limited and response periods are short

May close prosecution in 2nd O/A even when a new rejection is entered based on prior claim amendments— PO must petition to submit amendment

For the TPR, there are pitfalls for the unwary in providing comments.

Comments should always be provided in the form of proposed rejections, with documented support

TPR does not get to appeal holdings of validity, but the failure of the Examiner to enter or maintain rejections

Prosecution Issues (cont.)

Comments must be limited to issues addressed by the O/A or the Response

So, for example, if TPR originally proposed a § 102 rejection over Ref. A, and that was asserted in the O/A, but rebutted by the PO, then proposing the rejection as a § 103, was not raised by the O/A or Response, but is an entirely new proposed rejection, and inappropriate

Active petition practice in reexams

Petitions must be carefully crafted in view of both law and policy

Who Is Using IPR?

Lots of parties in litigation

66% according to PTO numbers

Most active requestors

Samsung

Shimano

Microsoft

Intel

Micron Technology

Most requested against:

Rambus (32)

Anascape (10)



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Thank you for your participation.

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