

May 9, 2018

## Post-Grant for Practitioners Webinar Series

# The Two Sides of the Coin in Post-Grant Practice: Petitioner and Patent Owner Estoppel



**Karl Renner**  
*Principal & Post-Grant  
Practice Co-Chair*



**Gwilym Attwell**  
*Principal*



**Dan Smith**  
*Associate*

- How often? ... bi-monthly
- When? ... 2<sup>nd</sup> Wednesday
- Topics? ...
  - Important decisions
  - Developments
  - Practice tips
- Housekeeping
  - CLE
  - Questions
  - Materials
    - <http://fishpostgrant.com/webinars/>

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### The Two Sides of the Coin in Post-Grant Practice: Petitioner and Patent Owner Estoppel

Join us on Wednesday, May 9, for Part II of our webinar, Choosing Whether to Challenge a Patent at the PTAB – Has *Shaw* Watered Down Petitioner Estoppel? Fish attorneys [Karl Renner](#), [Gwilym Attwell](#), and [Dan Smith](#) will continue their discussion of estoppel in post-grant proceedings. They will review recent district court and PTAB decisions as well as decisions from the Patent Office implicating petitioner and patent owner estoppel, and will discuss techniques to mitigate the risks of estoppel.

[Register](#) now for this Post-Grant for Practitioners webinar.

Wednesday, May 9, 2018  
1:00 PM – 2:00 PM EDT  
Via the web

Speakers:

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Associate  
Dallas

**REGISTER**

Fish & Richardson will apply for 1.0 hour of general CLE credit in most states. If you would like to receive CLE credit, register with your state bar information.

If you have questions, please contact Lauren McGovern at [mogovern@fr.com](mailto:mogovern@fr.com).

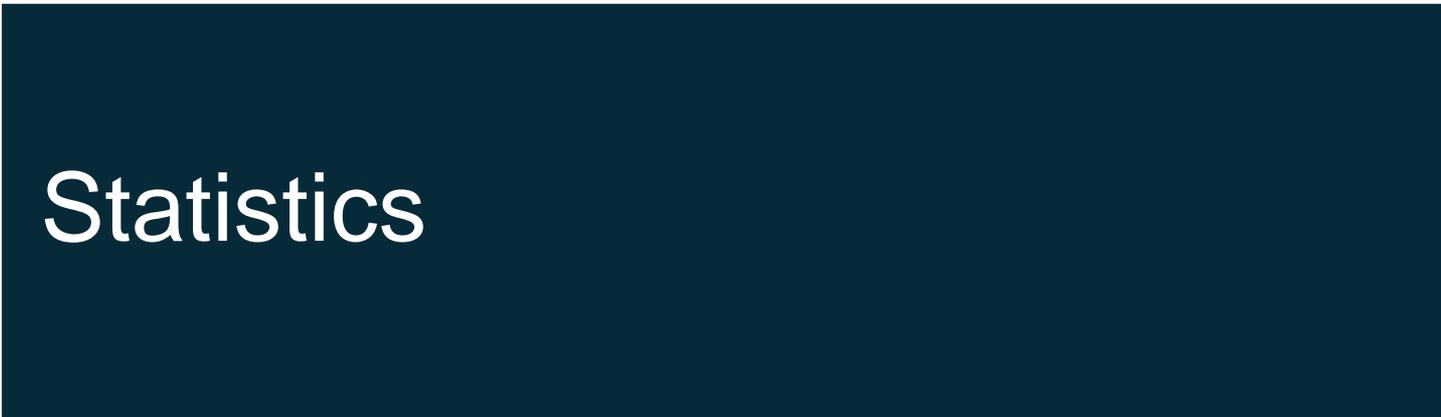
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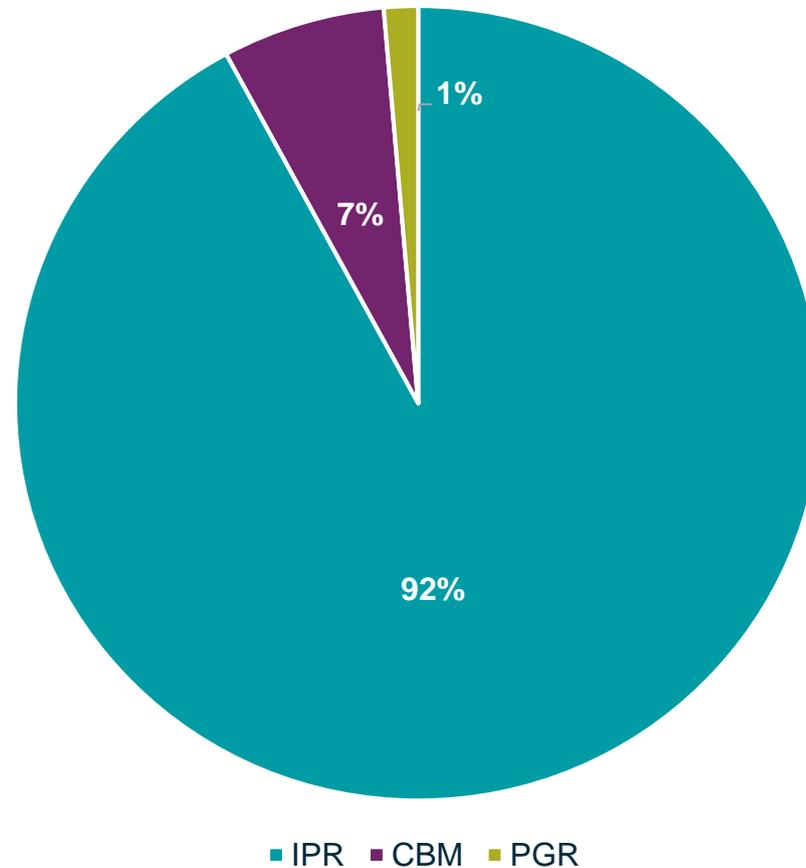
- Statistics
- Part One – Patent Owner Estoppel
- Part Two – Effects of *SAS* on Post-Grant Estoppel



**FISH.**

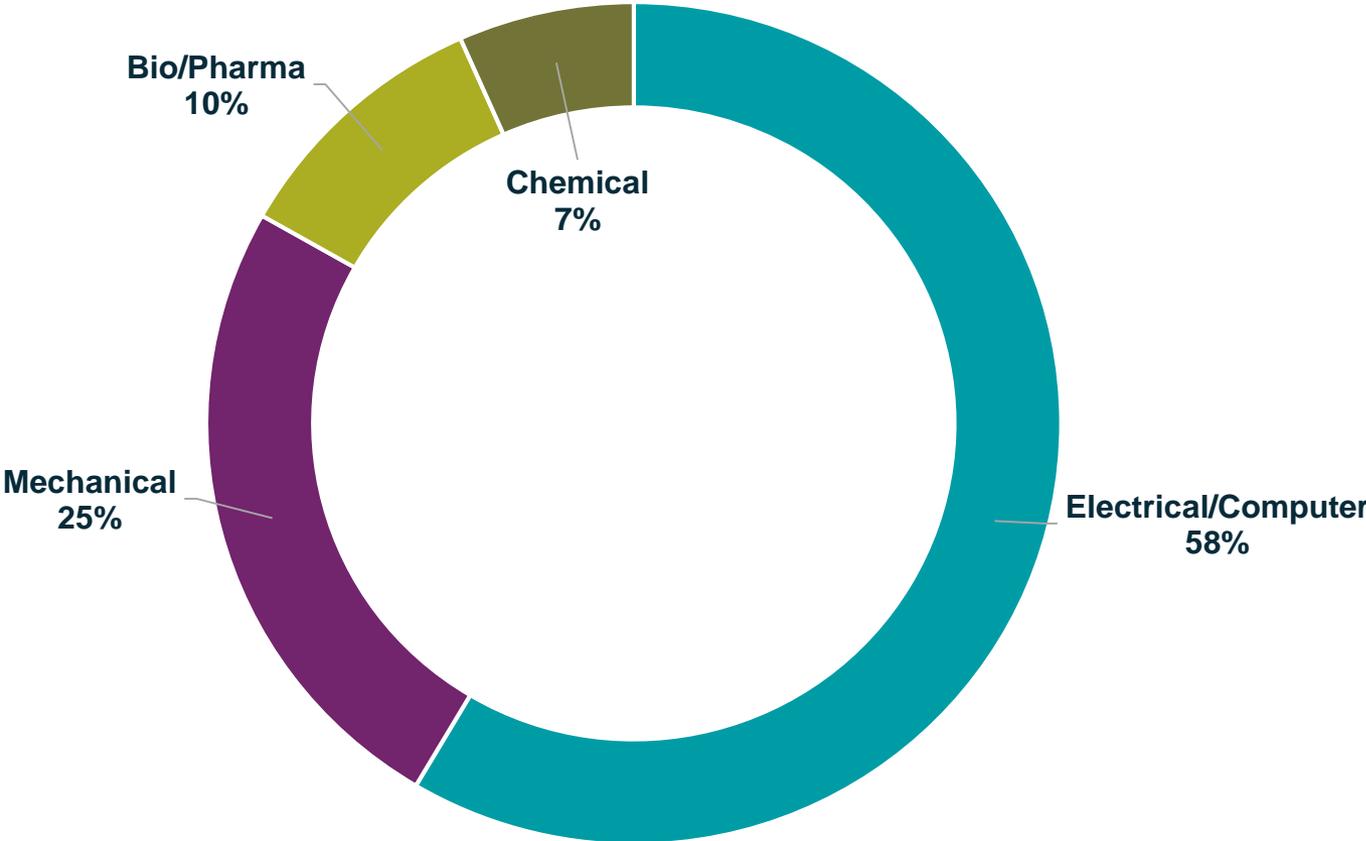
# Filings Continue To Exceed Expectations

8,482 AIA Petitions Filed Since 2012



# Technology Breakdown By USPTO Tech Center

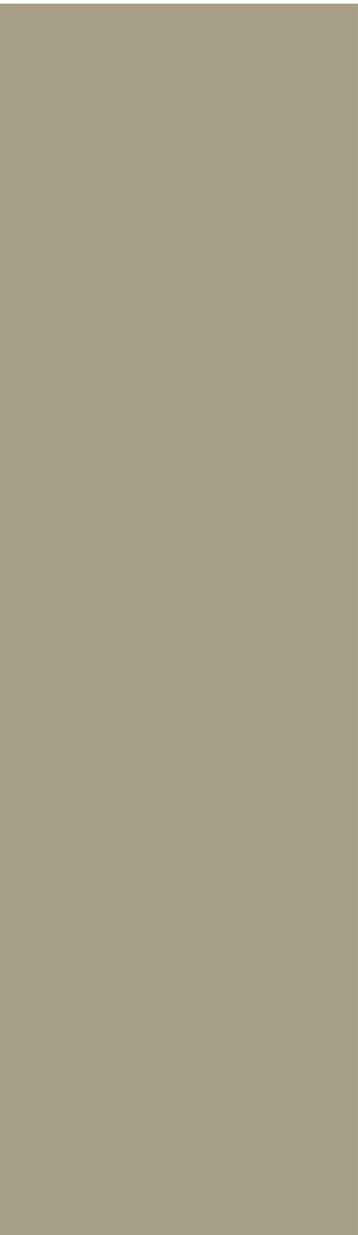
## 2012 - Present



■ Electrical/Computer ■ Mechanical ■ Bio/Pharma ■ Chemical



# Part One – Patent Owner Estoppel



# Patent Owner Estoppel – What Is It?

# Post-Grant Estoppel – Several Different Types

Body	Basis	Applies to
District Court, ITC	35 U.S.C. §§315(e) and 325(e)	Petitioner actions at the District Court and ITC
PTAB	35 U.S.C. §§315(e) and 325(e)	Petitioner actions in post-grant proceedings
US PTO	37 C.F.R. §42.73(d)(3)	Patent Owner actions at the PTO

# Patent Owner Estoppel

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- 37 C.F.R. §42.73(d)(3)
  - “***A patent applicant or owner is precluded from*** taking action inconsistent with [an] adverse judgment, including ***obtaining*** in any patent ... ***[a] claim that is not patentably distinct from a finally refused or canceled claim[.]***”
- Patent Owner cannot effectively “resurrect” invalidated claims by obtaining new claims with similar scope

# Scope Of Patent Owner Estoppel

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- Usually requires a Final Written Decision
- Scope – any claim “that is *not patentably distinct* from a finally refused or canceled claim”
  - Only applies to claims found unpatentable by the decision
- Estoppel extends to:
  - Prosecution of new or pending patent applications
  - Reissue
  - *Ex parte* reexamination
  - *Inter partes* review, Cover Business Method (CBM) review, etc.

# Scope Of Patent Owner Estoppel (cont.)

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- PO estoppel is not as broad as Petitioner estoppel
  - Does not extend to issues that “could have been raised.”
- Original language was consistent with Petitioner rule:
  - Patent Owner would have been prohibited from obtaining a “claim that could have been filed in response to any properly raised ground of unpatentability for a finally refused or cancelled claim.”
    - *Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions*, 77 Fed. Reg. 48,612, 48,649 (Aug. 14, 2012).
- Office changed scope in response to public feedback during the comment period

# “Not Patentably Distinct”

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- The Federal Circuit has repeatedly held that “a later patent claim is not patentably distinct from an earlier claim if the later claim is obvious over, or anticipated by, the earlier claim.”
  - See, e.g., *Eli Lilly & Co. v. Barr Labs., Inc.*, 251 F.3d 955, 968 (Fed. Cir. 2001);
  - *In re Hubbell*, 709 F. 3d 1140, 1145 (Fed. Cir. 2013).
- Note: These cases address patentable distinction in other contexts
  - There does not appear to be any Federal Circuit guidance with respect patentable distinction in Patent Owner estoppel context

# Enforcement

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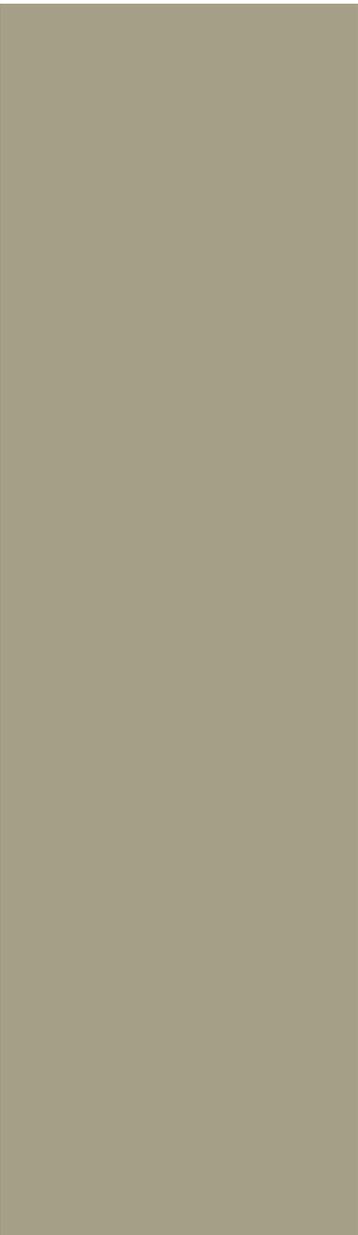
- Without involvement of third parties, the Patent Office enforces estoppel in later proceedings
  - “The Office will examine a claim presented in a subsequent proceeding on the merits and apply the estoppel if the claim is not patentably distinct from the finally refused or cancelled claim, similar to a ground of rejection based on *res judicata*.”
    - *Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions*, 77 Fed. Reg. 48,612, 48,649 (Aug. 14, 2012)

# Enforcement (cont.)

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- In practice, Patent Owner estoppel is enforced most often in reexam
- In time period from 2014 to 2016, after a PTAB final written decision finding all claims unpatentable:
  - Patent Owner estoppel was applied in **58%** of *ex parte* reexams (26 out of 45 cases)
  - However, Patent Owner estoppel was applied in **only 3%** of continuation and reissue cases (7 continuations and 7 reissues out of 382 cases)

Source: Eldora Ellison and Jacob Rothenberg, *A Survey Of Patent Owner Estoppel At USPTO*, available at <https://www.law360.com/articles/956869/a-survey-of-patent-owner-estoppel-at-uspto>



# Patent Owner Estoppel – Practical Considerations

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- Patent Owners are increasingly utilizing reissue and *ex parte* reexamination to amend claims rather than Motions to Amend in IPR
  - IPR Motion to Amend: very difficult to obtain amended claims
    - Very few examples of successful motions to amend to date
  - Reissue and reexam: more favorable to Patent Owner
- PTAB has explicitly stated that Patent Owners are free to use these alternative procedures instead of Motion to Amend
  - *See, e.g., Idle Free Sys., Inc. v. Bergstrom, Inc.*, IPR2012-00027, at 6 (P.T.A.B. Jun. 11, 2013) (Paper 26)
- **Patent Owner estoppel grows in importance the more these procedures are used as alternatives to Motion to Amend**

# Patent Owner Estoppel – Practical Considerations

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- Patent Owners might consider soliciting written confirmation of a finding on patentable distinction during a reexam or reissue following an IPR
  - Even a conclusory statement by the Examiner may protect from later challenges that Patent Owner should not have obtained new or amended claims due to estoppel
- However, POs should consider the impact of patentable distinctness on infringement case based on new claims

# Patent Owner Estoppel – Practical Considerations

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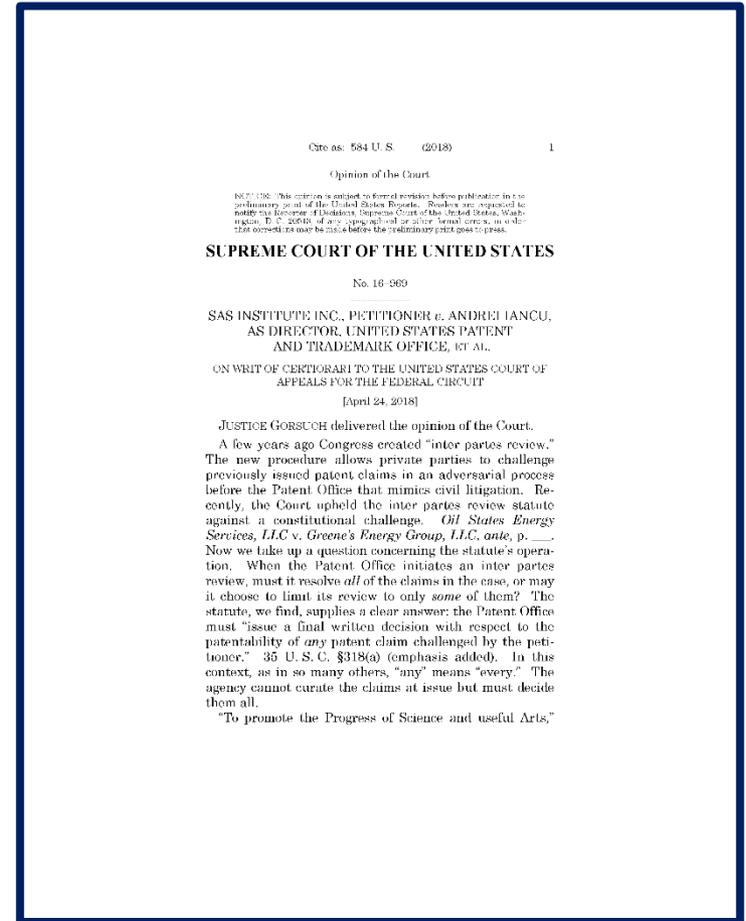
- Petitioners / Defendants faced with patent claims related to those found unpatentable in IPR should consider whether new claims barred by estoppel
  - If no finding of patentable distinctness in file history, consider raising 42.73 estoppel to invalidate claims (possibly in an *ex parte* reexam)



## Part Two – Effects of SAS on Post-Grant Estoppel

# SAS Institute Inc. v. Iancu

- SCOTUS found 5-4 that the PTAB is required by 35 U.S.C. § 318 to issue a Final Written Decision on all claims challenged in an IPR/CBM/PGR petition
- PTAB lacks the authority to institute review of a partial set of the challenged claims
- All or nothing: must institute on all challenged claims or none at all



# Petitioner Estoppel Considerations Post-SAS

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- **Prior to SAS:**

- Less downside to presenting a weaker ground, or stretching art to cover extra claims
- Estoppel does not attach to non-instituted grounds (*Shaw*)
- If no institution on a weaker ground, Petitioner still able to present same ground in other proceedings (ITC, district court, etc.)

- **After SAS:**

- No partial institution
- If proceeding institutes, estoppel attaches to all grounds
- Estoppel thus likely on all presented grounds, not just the strongest

- **Takeaway:** Petitioners should expect estoppel on all grounds presented in Post-Grant petitions

- Choose grounds carefully, only present the strongest

# Patent Owner Considerations Post-SAS

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- **Prior to SAS:**

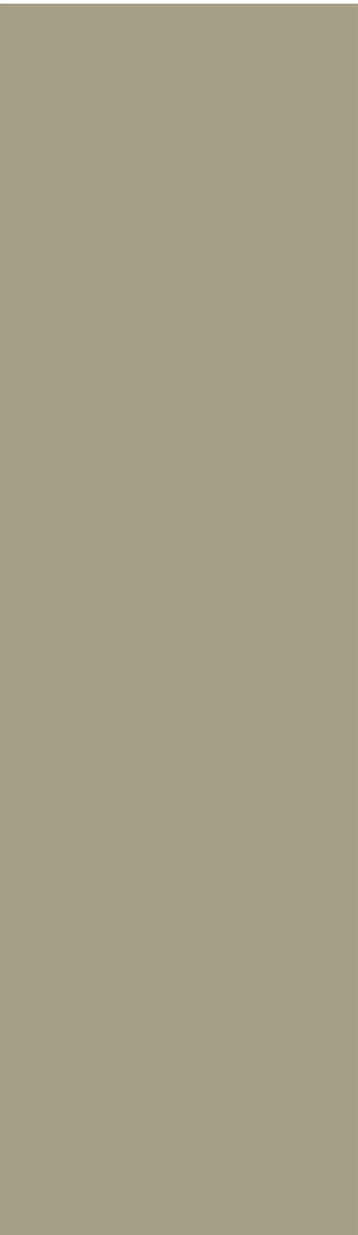
- Patent Owner's often used the Preliminary Response to knock out weaker grounds
- Reduce the issues in play post-institution

- **After SAS:**

- No chance to reduce the issues: all grounds instituted or nothing instituted
- Preliminary Response only effective if knocks out all grounds, less useful

- **Takeaway:** Patent Owners should consider a limited Preliminary Response

- “Keep your powder dry” until after institution



# Post-Grant Resources

- **Fish Websites:**

- Post-Grant for Practitioners: <http://fishpostgrant.com/webinars/>
- General: <http://fishpostgrant.com/>
- Rules governing post-grant: <http://fishpostgrant.com/>
- Post-Grant App: <http://fishpostgrant.com/app/>
- Post-Grant Radio: <http://fishpostgrant.com/podcasts/>

- **USPTO Sites:**

- AIA Main: [http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp)
- *Inter Partes*: [http://www.uspto.gov/aia\\_implementation/bpai.jsp](http://www.uspto.gov/aia_implementation/bpai.jsp)
- PTAB's Guidance on SAS: <https://www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/trials/guidance-impact-sas-aia-trial>

# Thank You!

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**Please send your NY CLE forms or questions about the webinar to Lauren McGovern at [mcgovern@fr.com](mailto:mcgovern@fr.com)**

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