

UPDATE

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RECENT DEVELOPMENTS IN POST-GRANT REVIEW ELIGIBILITY



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Post-grant review (PGR) is a trial proceeding introduced under the American Invents Act (AIA) of 2011. Similar to *inter partes* review (IPR), PGRs allow a third party to challenge the validity of an issued patent before the Patent Trial and Appeal Board (PTAB) of the U.S. Patent and Trademark Office. PGRs can be asserted, within nine months of patent grant, against any patent¹ subject to the first-inventor-to-file (FITF) provisions of the AIA — that is, a patent having an effective filing date on or after March 16, 2013.² While IPRs are limited to prior art based challenges, PGRs are more powerful, having an expanded toolbox that also includes grounds such as 35 U.S.C. §§ 101 and 112.

Recent PTAB decisions have opened the penstock for petitioners to boldly assert PGRs against *any* patents filed on or after that critical date and claiming priority to a pre-March 16 priority application (so-called “transitional patents”), regardless of whether

they share identical disclosures with their priority applications. While PGRs gradually become more popular as the critical March 16, 2013 date shrinks in the rearview mirror,³ we predict an additional surge in PGR petitions for transitional patents as a result of the decisions.

In addition to addressing petitioner opportunities, we also consider strategies for applicants and owners of transitional patents to reduce their exposure to PGRs.

ANY TRANSITIONAL PATENT IS POTENTIALLY ELIGIBLE FOR PGR

Many practitioners have presumed that a transitional patent having an identical disclosure as its pre-March 16, 2013 priority filing would be safe from PGRs. PTAB decisions over the last year have demonstrated that not only is a successful PGR assertion feasible, but that a detailed claim-by-claim priority analysis to decide PGR eligibility is appropriate during the institution stage.

In *Inguran, LLC d/b/a Sexing Technologies v. Premium Genetics (UK) Ltd.*, PGR2015-00017 (instituted December 22, 2015), the petitioner requested PGR against a transitional patent,

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asserting an analysis of the effective filing date of the claims based on the prosecution history and arguing that at least some claims were subject to FITF. The patent owner argued that such analysis was not warranted at the institution stage. The PTAB held that such an analysis was indeed appropriate, because it was necessary to determine PGR eligibility⁴ and because the petitioner bears the burden of setting forth grounds for standing.⁵ The PTAB further confirmed that even a single claim subject to FITF would render the entire patent eligible for PGR.⁶

In *US Endodontics, LLC v. Gold Standard Instruments, LLC*, PGR2015-00019 (instituted January 29, 2016), the petitioner argued that claims in a transitional patent lacked enablement and written description support. In this case, the transitional patent at issue claimed priority to a series of continuation and divisional applications reaching back to 2005, each having substantively identical disclosures (there were no continuation-in-part applications in the chain). The PTAB determined, consistent with *Inguran*, that the petitioner has the burden to show that the patent is subject to FITF.⁷ As for determining the effective filing date, the PTAB referred to the language of 35 U.S.C. § 100(i)(1), which states that the effective filing date for a claimed invention is either:

(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or

(B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).

The PTAB determined that, because the common disclosure did not support at least one claim, subparagraph (B) did not apply to those claims. Instead, the language of the statute requires that subparagraph (A) applies, because subparagraph (A) states that it is invoked “if subparagraph (B) does not apply...”⁸ Therefore, the effective filing date of a transitional patent with an unsupported claim is the actual filing date of the patent, “regardless of whether a later-filed amendment to a claim finds sufficient support in the application.”⁹ The PTAB held that the effective filing date was the actual filing date of the patent (after March 16, 2013) because some of the claims were not enabled by the earlier pre-AIA applications, rendering the patent eligible for PGR.

What about an application filed prior to March 16, 2013, with an unsupported claim that was added by amendment during prosecution after the critical date? In *Front Row Technologies, LLC v. MLB Advanced Media, L.P.*, PGR2015-00023 (institution denied February 22, 2016), the petitioner argued that the patent had an effective filing date as of the amendment date. The PTAB disagreed, holding that the effective filing date must be the actual filing date of the application.¹⁰ The PTAB, again turning to the language of 35 U.S.C. § 100(i)(1), reasoned that the statute does not contemplate that the effective filing date might be anything other than an application filing date.¹¹ See also *David O.B.A. Adembimpe v. The Johns Hopkins University*, PGR2016-00020 (institution denied July 25, 2016), finding that the effective filing date cannot be later than the actual application filing date.

The examiner’s determination of whether an application is being examined under pre-AIA or AIA provisions may also affect whether the patent that ultimately issues qualifies for PGR. In *Mylan Pharmaceuticals Inc. v. Yeda Research &*

Development Co. Ltd., PGR2016-00010 (institution denied January 29, 2016), the patent owner argued that the patent was not subject to FITF, because the examiner already considered this question.¹² The examiner expressly stated that the application was being examined under the pre-AIA first-to-invent provisions, and that the claims of the application that matured into the patent were fully disclosed in the priority application.¹³ The PTAB thus agreed that the issue had already been addressed during prosecution.¹⁴ The patent owner further argued that the petitioner had not met its burden of demonstrating that the patent was subject to FITF. The PTAB, while not necessarily endorsing the patent owner's arguments, concluded that the patent owner's arguments supported denial of the petition. For instance, the petitioner did not fully address why certain claims were unsupported, and pointed to patent owner evidence of support.

IMPLICATIONS FOR PETITIONERS

To successfully initiate a PGR, a petitioner must show that it is more likely than not that at least one challenged claim is unpatentable.¹⁵ This threshold standard is higher than the IPR threshold standard (reasonable likelihood that petitioner will prevail), and requires the petitioner to present a complete case at the outset.¹⁶ As we have seen, an important part of the petitioner's complete case is showing that the patent is PGR eligible. Thus, priority issues affecting PGR eligibility should be addressed at the institution stage.¹⁷

As we learned from *Mylan*, the petitioner may need to directly address statements in the prosecution history indicating whether the patent was being examined as an FITF application. The PTAB may take such a statement as a presumption over which the petitioner must overcome.

As we have also seen, a transitional patent having an identical disclosure as its pre-March 16, 2013 priority filing may be eligible for PGR if the petitioner can show that at least one of the claims is not supported by the specification under 35 U.S.C. § 112. Addressing multiple claims for lack of support is the better strategy, as the petitioner needs to show lack of support for only a single one of the claims, whereas the patent owner needs to win as to each and every addressed claim. However, there is a word limit for a PGR petition, so addressing every claim for lack of support is not advisable.

It is also worth noting that the attack need not be limited to issued claims — the petitioner can attack any claims that were presented during prosecution, even if they were canceled or amended. If, at any time during prosecution of the patent, an application contains a claim not entitled to the benefit of the priority claim, the resulting patent is subject to FITF,¹⁸ and thus eligible for PGR. It is also worth considering an attack on claims presented in a post-AIA parent of the patent, because once an application or patent is subject to FITF, any application or patent claiming priority thereto is also subject to FITF. The FITF status is forevermore in that chain of priority.¹⁹

STRATEGIES FOR PATENT OWNERS/APPLICANTS

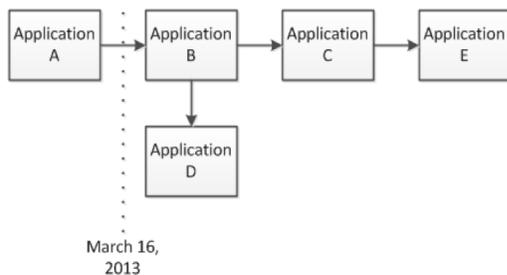
As discussed above, the petitioner can argue for FITF status. The patent owner can challenge the petitioner's PGR eligibility arguments in a preliminary response. If, however, the PTAB agrees with the petitioner and institutes a PGR, all is not lost. Even after a PGR is instituted, the patent owner can still challenge PGR eligibility during trial.²⁰

The patent owner/applicant can attempt to reduce the risk of a transitional patent being subject to a PGR by ensuring that the

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prosecution history is clear about being examined on a pre-AIA basis. While examiners usually state this one way or the other as a matter of procedure, the patent owner should make sure that the record is clear and correct in this regard. As demonstrated in *Mylan*, such statements can create an additional obstacle for petitioners to pass.

The patent owner/applicant may also want to be careful when presenting claims during prosecution that are more vulnerable to being attacked for lack of support in the specification. For instance, the applicant should consider isolating such claims in a parallel branch of the family tree, so that any FITF finding for that application does not automatically bump child applications into FITF territory. An example of this is shown in the figure below. If vulnerable claims are placed in Application B, then Application B is a weak link in the chain because a finding of FITF status for Application B will cause Applications C and E to also be FITF applications.²¹ If instead vulnerable claims are placed in parallel to Application D, then any FITF finding of Application D will not affect the other applications in the family.



CONCLUSION

Certifying that a transitional patent qualifies for PGR has its challenges. However, as we have learned from recent PTAB decisions, these challenges are not insurmountable. The petitioner needs to show that only a single claim is not entitled to a pre-AIA effective filing date, and can even attack claims that were presented during prosecution but not issued. If the PGR is instituted, the petitioner has access to a larger toolbox to challenge the patent than IPRs.

The patent applicant should take precautions during prosecution of transitional applications to reduce PGR exposure, such as by ensuring the prosecution history is clear as to whether FITF applies, and by isolating weakly supported claims. ■

1. With the exception of covered business method patents, which are directed to non-technological inventions for financial products/services and are subject to a separate review process.
2. AIA §§ 3(n)(1) and 6(f)(2)(A).
3. PGR filings have been few and far between. According to USPTO statistics (www.uspto.gov/patents-application-process/appealing-patent-decisions/statistics/aia-trial-statistics), as of September 30, only 37 PGRs have been requested, whereas 143 IPRs have been requested.
4. *Inguran* Decision – Institution of Post-Grant Review (Paper 8), pp. 11-12.
5. *Id.* at 8.
6. *Id.* at 17-18, in which the PTAB determined that the transitional patent at issue was only entitled to its actual post-AIA filing date (and thus qualified for PGR) because one of the claims was not disclosed in a pre-AIA priority application in a manner required by 35 U.S.C. § 112(a).
7. *US Endodontics* Decision – Institution of Post-Grant Review (Paper 17), pp. 11-12.
8. *Id.* at 3.
9. *Id.*
10. *Front Row* Decision – Denying Institution of Post-Grant Review (Paper 8), pp. 3-4.
11. *Id.* at 3.
12. *Mylan* Decision – Denying Institution of Post-Grant Review (Paper 9), p. 6.
13. *Id.* at 6-7.
14. *Id.* at 7.
15. 35 U.S.C. § 324(a).
16. 112 Cong. Rec. S1375 (daily ed. March 8, 2011) (Senator Kyl Remarks).
17. *Inguran* Decision at 12.
18. AIA § 3(n)(1)(A), 125 Stat. at 293.
19. AIA § 3(n)(1)(B), 125 Stat. at 293.
20. *See, Inguran* Decision at 12.
21. AIA § 3(n)(1)(B), 125 Stat. at 293.