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PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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In *Inter Partes* Review, Should I Defend My Patent with A Preliminary Response? Sure, Join The Club, Attack Everything About the Petition

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February 27, 2017 — *Inter partes* review (IPR) at the Patent Trial and Appeal Board (PTAB) is a “perfect storm” for patent owners who assert their patents in litigation. The patent owners risk their patents being attacked by potentially well-funded and highly effective lawyers in front of technically-expert patent judges, based on worldwide, scouring searches for older patents and publications, with no presumption that their patents, though examined at the U.S. Patent and Trademark Office, are valid, and with the patent terms interpreted as broadly as reasonably possible, setting the patent claims up for cancellation. Seventy percent of patents for which IPRs proceed to final decision suffer some cancellations.

Patent owners have an early opportunity to file preliminary responses to IPR petitions, to get their views into the process before the PTAB “institutes” the IPR proceedings and moves toward final decision. Should they use this opportunity? Early practice was not to use it. But now, if you want to join the club, then you need to get right on the preliminary responses and attack everything about petitions.

A large group of Banner & Witcoff lawyers are battle-hardened for IPR practice. We have prepared and filed petitions for Fortune 100 companies, defended other Fortune 100s, and defended against them, among other IPR clients we have represented. Our experience has been that patent owner preliminary responses we have filed have been effective against IPR petitions. As an example, in defending against two Caterpillar IPR petitions, all but four patent claims were saved from being canceled. So, among other things we do, we prepare our petitions anticipating sound — meaning solid and strong — patent owner preliminary responses, like our own.

But we have also observed a striking pendulum swing in the practices of others, working against petitions, including our petitions. Starting from not filing preliminary responses at all, the world seems to have had its pendulum swing through filing sound responses, all the way to the extreme outer limit of filing responses that attack everything about petitions, whether the attacks are sound or not.

Here is one example. In a patent owner preliminary response (POPR), others argued that the petition should be stopped not for one, two or three reasons, but for seven allegedly mandatory reasons and one discretionary reason — a total of eight reasons. Here's the run-down.

Reason #1: The petition, the patent owner stated, had to be dismissed because the mandatory notices required of a petitioner were inadequate. The petition did not state that the patent involved had child patents, and that lack of information was enough, said the POPR, to require petition dismissal. The position was taken even though the POPR itself supplied the information.

Reason #2: The petition, the POPR complained, did not construe three patent claim terms. A PTAB decision, the POPR asserted, was authority that if a petition did not construe claim terms, it was to be denied. The POPR did not disclose, however, that the decision, *Toyota Motor Corp. v. Blitzsafe Texas, LLC*, was directed to a petition's failure to identify structure corresponding to means-plus-function patent claim elements, where the petition was a challenge to the claims as indefinite for lacking corresponding structure, a challenge not permitted in IPR, IPR2016-00422 Paper No. 12, at 25-28 (July 6, 2016). The petition as to which the POPR was filed, further, did not even include means-plus-function limitations.

Reason #3: The petition and its supporting expert declaration, the POPR claimed, were faulty because the expert "parroted back" the petition's language *verbatim*. The expert's testimony should be given no weight, the POPR argued. The case the POPR cited for support, however, *Kinetic Techs., Inc. v. Skyworks Solutions, Inc.*, faulted the expert's testimony specifically as not — giving the "how," "what," and "why" of proposed combinations of references, — not explaining how the teaching of specific references could be combined, — which combinations of elements in specific references would yield a predictable result, and — how specific combinations would operate and match the claims, IPR2014-00529 Paper No. 8, at 13-14 (September 23, 2014). This is not a precedent in support of the POPR argument.

Reason #4: The petitioner, the patent owner stated, did not meet its duty to address evidence of secondary considerations the petitioner allegedly knew to exist. That was enough, the patent owner stated, for "the Board's denying the Petition in full." The petitioner did not cite any precedent in support of that result for this reason, nor is any known.

Reason #5: The primary reference of a ground, the patent owner asserted, was not demonstrated as a matter of evidence to deserve the necessary filing date of its parent patent application, of which it was a continuation, because, the patent owner continued, the petitioner had not put the parent patent application in the record. The patent owner, however, notably did not itself put the parent patent application in the record, or attempt any proof whatsoever that the reference was different in content than its parent application.

Reason #6: The combination of references of the petition, the POPR argued, ignored a “teaching away” in a reference. In this, the POPR presented some substance, albeit “substance light.” It argued “teaching away” without citing any precedent, or presenting any argument of how and why the allegedly “teaching away” statements of the prior art met the doctrine of “teaching away,” a relatively narrow doctrine.

Reason #7: The combination of references of the petition, the POPR argued, were not proven to be supported by a motivation of a person of ordinary skill in the art to combine the references. It asserted a “complete lack of an explanation,” which, of course, if true, was a good point, but was hyperbole, and not true, when the expert declaration was actually considered, which the PTAB surely will.

Reason #8, the discretionary reason: The PTAB should dismiss the petition, as a matter of discretion, the POPR asserted, because some of the prior art included in the petition had been the subject of the original prosecution of the patent, and that was enough, the POPR said, to lead to dismissal. The position was taken even though some of the prior art relied on in the petition was new and not cumulative.

Is a POPR like this effective and to be imitated? We think not. Attacking on the basis that petitions should be dismissed because mandatory notices are faulty, for lacking child patent information, among other matters, we think to be not effective. Doing a thorough study of a petition’s grounds, identifying points that demonstrate that the petition does not present a reasonable likelihood of success, and cogently presenting those few points in POPRs, is effective. Grounding the points in PTAB precedents is effective. Attacking a weakness in motivation to combine is a good attack. But, if you want to join the club, then you need to get right on the preliminary responses and attack everything about petitions. Or better yet, don’t.

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The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer frequent summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



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