

Six Ways to Challenge a Competitor's Patent

Occasionally the best defense is a good offense. In patent terms, going on the offensive entails challenging a competitor's patent or patent application. The America Invents Act (AIA) has introduced many changes in this field over the past few years, adding some new ways to challenge and drastically changing the scope of others. In this newsletter, we examine the six most important, which range from the earliest challenges available to those that can be used to challenge issued patents throughout their life.

Third Party Pre-issuance Submissions:

Pre-issuance submissions allow third parties to submit prior art patents, published applications, or printed publications of potential relevance. This limits the third party to challenging the application on 35 USC 102 (novelty) and 35 USC 103 (obviousness) grounds. Documents must be submitted before the mail date of a notice of allowance OR the later of 6 months after publication or the date of first rejection of the application. Importantly, third parties are required to include a written explanation of their submission. This is a substantial change from the prior regulations, and allows third parties to put their arguments in front of the examiner. Both the documents submitted and the written explanation become part of file wrapper.

To file a pre-issuance submission, there is a fee of \$180 for every 10 documents submitted, however, there is no fee for submission of three or fewer documents.

More information is available from the United States Patent and Trademark Office (USPTO) here:

http://www.uspto.gov/aia_implementation/faqs-preissuance-submissions.jsp

Backdoor Method:

Although not an official method for challenging a patent application, the backdoor method can be highly effective. This technique is generally used if the opportunity to file a pre-issuance submission has passed and involves sending the desired reference to the applicant or their attorney and relying on them to abide by their duty of disclosure

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to force them to submit the prior art to the USPTO in an Information Disclosure Statement (IDS). If the applicant does not submit the prior art, you may still have an allegation of inequitable conduct to use against them in a potential infringement proceeding.

Post Grant Review (PGR)

Post Grant Review is a new method of challenging a patent after issuance, introduced by the AIA. It is available for patents having an effective filing date of March 16, 2013, or later. It seems to be modeled after opposition proceedings offered at the European Patent Office (EPO).

PGR is available for the first 9 months after patent issuance, and is instituted by filing a petition with the required fee and any necessary evidence to the newly formed Patent Trial and Appeal Board (PTAB), which replaces the Board of Patent Appeals and Interferences (BPAI). Before allowing the proceeding to commence, the PTAB will review the request and deny it unless the challenger is deemed more likely than not to win or the case involves a novel or unsettled legal question important to other patents and applications.

The third party instituting the PGR can raise any challenge that could be raised in court. A patent owner may file a preliminary response to a post grant review petition to provide reasons why no post grant review should be instituted. Discovery, protective orders, and oral hearings are available for both parties in this proceeding. Any appeals must be taken to court, and the request must identify the real party in interest, preventing anonymity.

There is a base fee of \$12,000 for requesting PGR, plus a fee of \$250 for each claim over 20. If the request for PGR is allowed, there is an additional base fee of \$18,000, plus a fee of \$550 for each claim over 15. The United States Patent and Trademark Office (USPTO) is supposed to complete PGR within 18 months, including an available six month extension, making it significantly quicker than a court proceeding.

More information is available from the USPTO here:

http://www.uspto.gov/aia_implementation/faqs_post_grant_review.jsp

Inter Partes Review (IPR):

If you have missed your opportunity to request PGR, IPR will still be available. IPR is the AIA replacement for Inter Partes Reexamination, and can be instituted 9 months after grant of a patent or at the termination of a post grant review. IPR is very similar to the old Inter Partes Reexamination, but the standard for instituting such review has changed from a substantial new question of patentability to a reasonable likelihood that

the challenger will prevail with respect to at least one claim in the challenged patent. This is generally thought to be a considerably higher standard to meet.

IPR allows a third party to participate, but, unlike PGR, review is limited to prior art patents and printed publications. This limits the third party to challenging the application on 35 USC 102 (novelty) and 35 USC 103 (obviousness) grounds.

Like PGR, IPR is instituted by filing a petition with the fee and any necessary evidence to the PTAB. Discovery, protective orders, and oral hearings are available for both parties. Like IPR, the USPTO has committed to concluding such proceedings within a maximum of eighteen months, including an available six month extension.

The request fee is \$9,000, plus a fee of \$200 for each claim over 20. If the proceeding moves forward, there is an additional fee of \$14,000, plus a fee of \$400 for each claim over 15. Total costs should be in the range of \$100,000 - \$200,000.

More information is available from the USPTO here:

http://www.uspto.gov/aia_implementation/faqs_inter_partes_review.jsp

Ex-Parte Reexamination:

If the challenger does not wish to be involved in the review proceeding, ex-parte reexamination may be a relatively economical choice. Like IPR, Ex-parte reexamination is limited to prior art patents and printed publications and remains largely unchanged under AIA. The standard for instituting an ex-parte reexamination proceeding is the existence of a significant new question of patentability. Of strategic importance, ex-parte reexamination allows the challenger to remain anonymous.

The cost to file the petition is \$12,000, although \$8,400 will be refunded if ex-parte reexamination is not instituted. Total cost should be in the range of \$20,000 - \$45,000.

More information is available from the USPTO here:

<http://www.uspto.gov/web/offices/pac/mpep/s2209.html>

Supplemental Examination:

Supplemental examination is sometimes used by applicants to prevent charges of inequitable conduct, since references reviewed under supplemental examination are treated as being reviewed during prosecution. Inequitable conduct and criminal charges may still be brought however if the underlying conduct was fraudulent.

The standard for instituting this proceeding is that the newly disclosed material poses a substantial new question of patentability. Importantly, supplemental examination will

not be available to the patent owner if the reference was brought to their attention through litigation by their opponent during discovery.

Use of the aforementioned back door method post-grant may force the applicant to petition for supplemental examination at their own expense, however, due to the cost of such a proceeding, the likelihood of success is not as great as when forcing the applicant to submit the reference in an IDS. There is a fee of \$16,500 for requesting supplemental examination, \$12,100 of which will be refunded if the USPTO declines to reopen prosecution. Total costs should be in the range of \$30,000 – \$75,000

More information is available from the USPTO here:

http://www.uspto.gov/aia_implementation/faqs-supplemental-exam.jsp

It should be noted that all fees are applicable to large entities, and that substantial discounts for many of these fees are available to small and micro entities (50% and 75% respectively).

Please contact me or anyone here for more information. And please pass this along to anyone you know that may be interested, or in need of intellectual property legal services.

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