



MIPLA IPR Panel

May 9, 2017

Devan Padmanabhan-Winthrop
Ted Plunkett – Emerson
Jeff Hohenshell-Medtronic
Glenna Gilbert-Larkin

Data Sources: Docket Navigator except where noted

The comments and information provided by this panel and slide deck represent the personal views of the panelists and do not represent the views or opinions of any employers or clients of any panelist.

As a Patent Owner in an IPR, Try NOT to:

- rely solely on being able to *amend* claims to address validity issues;
- rely solely on the Federal Circuit to *reverse* an adverse Final Written Decision;
- rely solely on *secondary* indicia of non-obviousness to defeat an obviousness case

Don't Solely Rely on Amendments During IPR's

- *Microsoft Corp. v. Proxyconn, Inc.*, 789 F.3d 1292 (Fed. Cir. 2015)
 - PTO's amendment scheme is reasonable, and so is the Board's practice of requiring the patent owner to overcome all art in the petition

As of about six months ago, the Board decided **128 motions** to amend on the merits. Of those decisions, only 1 was granted in full (unopposed), and four were granted in part. No more than a **4% success rate**.

Large Hurdle

- *Prolitec, Inc. v. Scentair Techs., Inc.*, 807 F.3d 1353 (Fed. Cir. 2015)
 - Amendment standard in practice may include a requirement to overcome all art cited in the patent's file history, and all art cited in the petition

Another Hurdle?

- *Nike, Inc. v. Adidas AG*, 812 F.3d 1326, 1351 (Fed. Cir. 2016)
 - It is not unreasonable to require the patent owner to comply with a “duty of candor” and confirm that it has addressed all art “known to the patent owner”

Some Hope for Amendments in IPRs?

- In re Aqua Products, 833 F.3d 1335
 - en banc Fed. Cir.
 - Dec. 9th oral argument
 - Issue: On motions to amend claims, may PTO require patent owner to bear burden of persuasion, or burden of production, regarding patentability?

Don't Rely on Appeal Overturning Board → IPR Federal Circuit Decisions

- Affirmed 132, 76%
 - Denied 5, 3%
 - Rejected/Reversed 4, 2%
 - Vacated 9, 5%
 - Other 5, 3%
-
- Reversing Board under “substantial evidence” standard is difficult

Source: Docket Navigator, 1/10/17

Federal Circuit Case Load

- Sharp rise in appeals from the PTO
 - 132 docketed from 10/2012 to 9/2013
 - 411 docketed from 10/2014 to 9/2015
 - In 2012, appeals from PTO were 8% of case load
 - In 2015, appeals from PTO were 24% of case load
 - Recently, for the first time in *history*, appeals from the PTO outpaced other appeals at Fed. Cir.
- Rise in Summary Affirmances
 - Rule 36

Don't Solely Rely on Secondary Indicia at PTAB

- *Alabama Med. Sci. Found. v. Gnosis S.P.A.*, 808 F.3d 823, 826 (Fed. Cir. 2015)
 - Rejecting argument that Board imposed an “overly strict nexus requirement” to find that evidence of objective indicia was not sufficiently tied to the “novel features”

Secondary Indicia in IPR's (PO losses)

- ClassCo v. Apple 838 F. 3d 1214 affirmed IPR obviousness determination
- Garmin Int'l, Inc. et al. v. Cuozzo Speed Technologies LLC (IPR2012-00001)
- Microsoft Corp. v. Proxyconn, Inc. (IPR2012-00026 (TLG); IPR2013-00109 (TLG))
- Kyocera Corp. and Motorola Mobility, Inc. v. SoftView LLC (IPR2013-00007; IPR2013-00256)
- LKQ Corporation v. Clearlamp, LLC (IPR2013-00020)
- Apple Inc. v. SightSound Technologies, LLC (CBM2013-0020; CBM2013-00023)
- Vestcom Int'l, Inc. v. Grandville Printing Co. (IPR2013-00031(BM))
- Motorola Solutions, Inc. v. Mobile Scanning Technologies, LLC (IPR2013-00093)
- Smith & Nephew, Inc. v. ConvaTecTechnologies, Inc. (IPR2013-00097)
- Gnosis S.P.A., Gnosis Bioresearch S.A., and Gnosis U.S.A., Inc. v. South Alabama Medical Science Foundation (IPR2013-00116)
- Nuvasive, Inc. v. Warsaw Orthopedic, Inc. (IPR2013-00206)
- Covidien LP v. Ethicon Endo-Surgery, Inc. (IPR2013-00209)
- MotivePower, Inc. v. Cutsforth, Inc. (IPR2013-00274)
- Moore Rod & Pipe, LLC. v. Wagon Trail Ventures, Inc. (IPR2013-00418)
- Toyota Motor Corp. v. Leroy G. Hagenbuch (IPR2013-00483)
- Square, Inc. v. REM Holdings 3, LLC (IPR2014-00312)
- Schott Gemtron Corp. v. SSW Holding Co., Inc. (IPR2014-00367)
- Cardiocom v. Robert Bosch (IPR2013-00469; IPR2013-00449 and IPR2013-00431)

Commercial Success – Patent Owner Wins

- Omron Oilfield & Marine, Inc. v. MD/TOTCO, div of Varco, (IPR2013-00265)

Examples of Attacks PO Might Make on Petition

- Petitioner failed to properly apply PTO's guidelines
 - See PTO KSR guidelines
- Failure to address patent owner's arguments and reason to combine
 - See *Icon Health & Fitness v. Strava*, 2017 WL 744548
- Failure to establish reason for PHOSITA to combine references, or even to identify PHOSITA
 - See *In re Van Os*, 844 F.3d 1359
- Failure to expressly locate each limitation in the references
 - See *Personal Web Techs v. Apple*, 2017 WL 587132

Strategies on Filing a Petition

- 102 vs. 103 positions
- Multiple Counts?
- Petitioner Estoppel Issues

Petitioner Estoppel

- 35 USC § 315(e)
- A Petitioner (or Real Party in Interest) in an IPR of a patent claim that reaches a Final Written Decision May Not:
 - (1) Request or maintain a proceeding before the USPTO for that claim on any ground that the Petitioner raised or reasonably could have raised during the IPR
 - (2) Assert in a district court litigation or ITC proceeding that the claim is invalid on any ground that the Petitioner raised or reasonably could have raised during the IPR

Petitioner Estoppel- Raised or Reasonably Could Have Raised

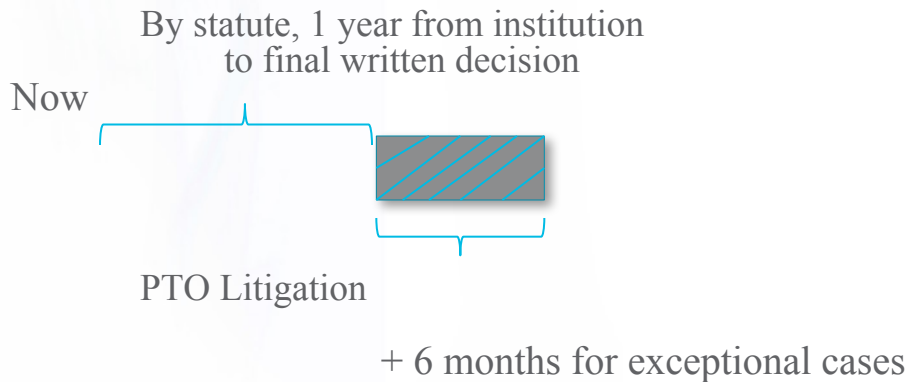
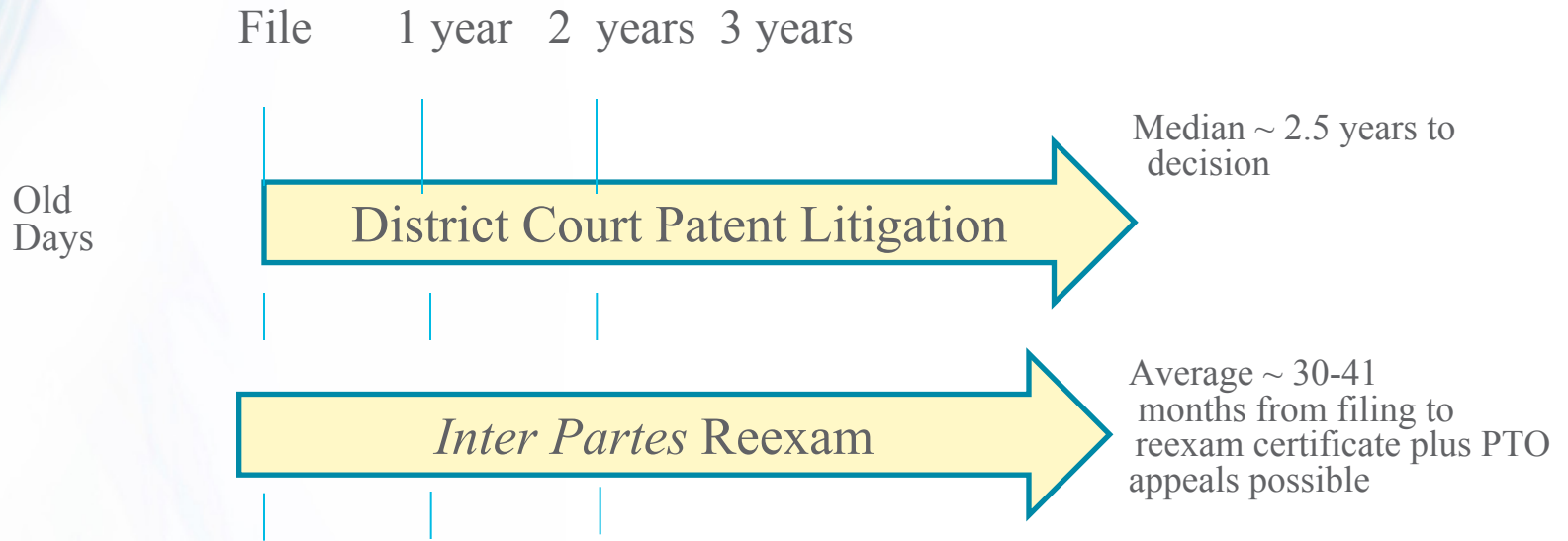
- ***Shaw Indus. Grp., Inc. v. Automated Creel Sys., Inc.***, 817 F.3d 1293 (Fed. Cir. 2016)
 - Petitioner filed IPR Petition on multiple proposed grounds of unpatentability
 - PTAB instituted IPR trial on some grounds, finding non-instituted grounds “redundant” to the instituted grounds
 - PTAB issued Final Written Decision
 - Federal Circuit held that Petitioner was *not estopped* from asserting the “redundant” grounds in future proceedings because IPR review was not instituted on these “redundant” grounds

Petitioner Estoppel- Raised or Reasonably Could Have Raised

- **Verinata Health, Inc. v. Ariosa Diagnostics, Inc.**
 - N.D. Cal., January 2017 (Case No. 3-12-cv-05501-SI)
 - Court held that under *Shaw*, estoppel applies only to grounds in an IPR that have been instituted (*i.e.*, raised during the IPR proceeding) and is not limited to grounds held to be “redundant” in the IPR
 - Defendants (Petitioners in IPR) proposed three obviousness grounds in the previous IPR proceedings
 - (1) 103 **Dhallan and Binladen**
 - (2) 103 Quake and Craig
 - (3) 103 Shoemaker, **Dhallan, and Binladen**
 - PTAB instituted on ground 3 only & did not find grounds 1 and 2 redundant
 - Defendants presented grounds 1 and 2 in subsequent ND of Calif. litigation
 - Court held that estoppel does not apply to ground 2 but applies to ground 1
 - Because ground 1 is a *subset* of instituted ground 3, estoppel applies

- Backup Slides

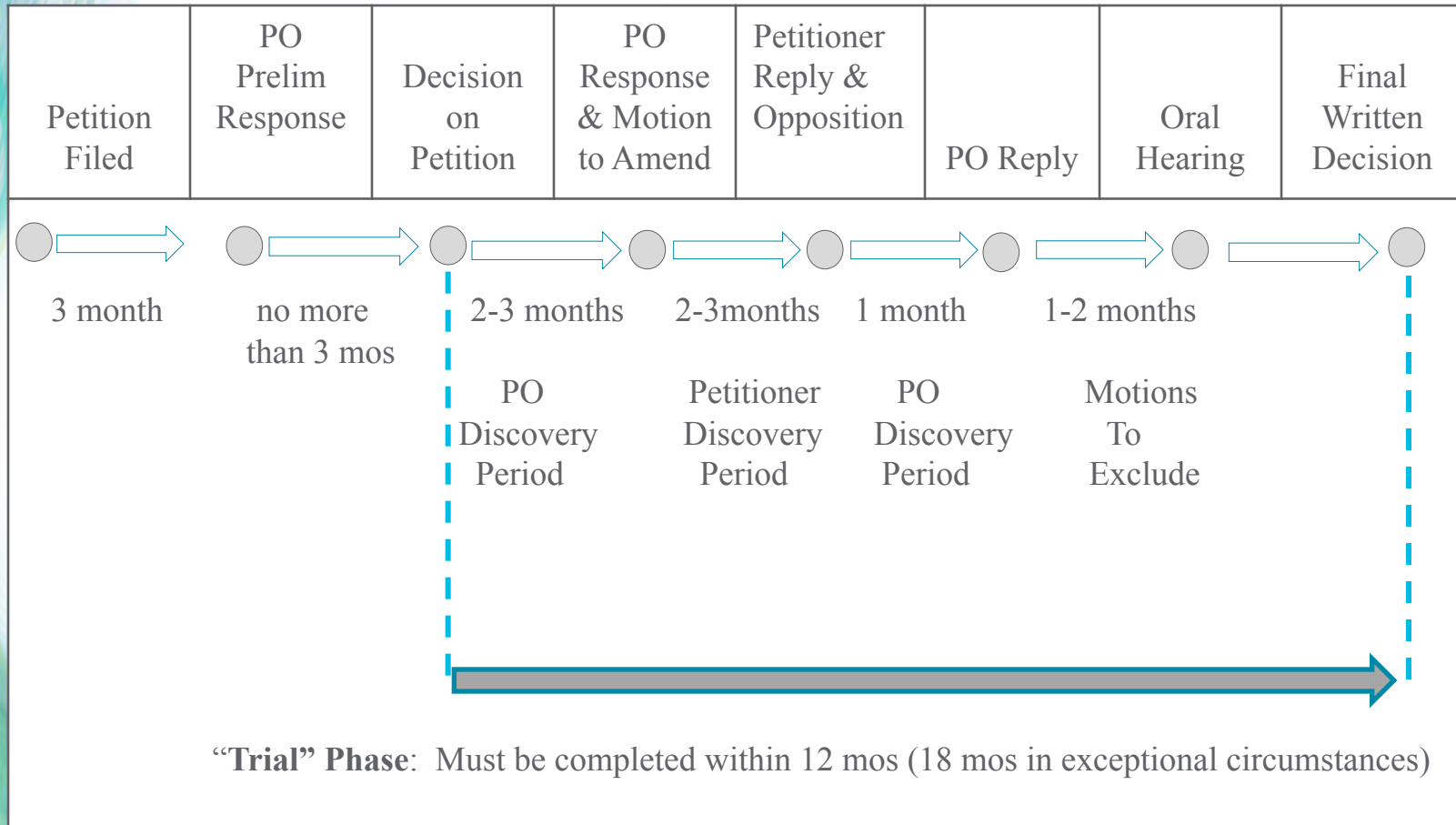
District Court vs. PTO Litigation



- PTO litigation is significantly faster and *less expensive* than district court litigation

PTO litigation is significantly faster than inter partes reexam

IPR Timeline



Comparison of PTO Procedures

	<u>IPR</u>	<u>CBM</u>	<u>PGR</u>	<u>RX</u>
Technology	Any	“Business Method”	Any	Any
<u>Grounds</u>	Patents and printed publications under 102 & 103	101, 112 and all 102 & 103 prior art (except 102(e))	101, 112 and all 102 & 103 prior art	Patents and printed publications
<u>Timing*</u>	Pre-AIA Patents: Anytime Post-AIA Patents: 9 mos after issue, after PGRs	Pre-AIA Patents: Once sued or threatened, anytime Post-AIA Patents: Once sued or threatened, 9 mos after issue, after any PGRs	Pre-AIA Patents: Not available Post-AIA Patents: Must file within 9 mos of issue	Any
Standard	Reasonable likelihood that a claim is invalid	More likely than not that a claim is invalid	More likely than not that a claim is invalid	SNQ

**Assuming no filing bars (e.g. civil action bar or 1-year bar) apply*