

**PRACTICE POINTERS:
INTER PARTES REVIEW**

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Introduction

- A few practical tips based on what we've seen
- Basics:
 - Read the Rules!
 - Read the Trial Practice Guide!
- Most Important
 - Don't Show Up Early To Oral Argument!

Overall Impressions

- The Board will be prepared.
- The Board will rule on issues of fairness.
- The Board will help—just ask.
- The Board calls balls and strikes. They are not Examiners and will not independently analyze validity. If you don't prove it, you don't win.

First response to Suit: File an IPR?

- Not so fast—the standard for acceptance is rising. You need a strong invalidity case.
- IPRs are cheaper than litigation, but still expensive.
- Your court may not grant a stay.

Scope of Representation

- Be clear in your engagement letters exactly what you are doing for your client.
- Litigation counsel working on contingency: does your client know that the IPR is not part of the litigation?

The Petition

- Timing Considerations
 - Usually at least six months from filing to institution decision
 - One Year Bar
 - As soon as possible - If you make a mistake, you may still have time to fix it.
 - But do you have a basis for determining which claims to challenge?

The Petition – Essentials

- Key Requirements:
 - Identify All Real Parties in Interest
 - Identify grounds on which challenge to each claim is based, the specific portions of the evidence that supports each ground, and explain its relevance.
 - Identify how the challenged claims are to be construed

Identify All Real Parties in Interest

- If you fail to do so, the Petition is defective.
- You can correct the error, but you will lose your filing date.
- This can be fatal if past the one year bar
 - You can always try to argue that your identification is substantively correct. *See Valeo N.A., Inc. et al. v. Magna Electronics, Inc.*, IPR2014-01206 (PTAB Dec. 23, 2014) (Petition was “correct substantively in that it identified the real party of interest” where the correct RPI was the legal successor of the company named in the petition).

Thoroughly explain your analysis

- Remember: Petition is Petitioner’s case-in-chief
- The Petition must be very thorough—conclusory statements will not get you there
- Anticipation: prior art must disclose all elements of the claim arranged as in the claim
- The Board requires “articulated reasoning with some rational underpinning” to support obviousness challenges

Obviousness Rationales

- Board critical of motivation/reasons to combine
- Wants a non-conclusory explanation of exact elements to be combined and why a POSITA would modify reference A in view of reference B to arrive at the claimed invention.
- Avoid being conclusory by using the exemplary rationales in MPEP 2143 as guides
 - Combining according to known methods to yield predictable results, simple substitution, obvious to try, etc.

Incorporation by Reference

- Incorporation by reference forbidden
 - 60 pages means 60 pages
 - New “informative” decision: *Cisco Systems v. C-Cation Techs.*, IPR2014-0454 (Aug. 29, 2014)
 - Key takeaway: when you cite other documents, you must provide sufficient explanation of what is cited and appropriate argument or explanation to support all conclusions presented.
- But consider the rules for demonstrative exhibits and oral argument

Only Arguments and Evidence Already Presented Can Be Included

- “A party may rely upon evidence that has been previously submitted in the proceeding and may only present arguments relied upon in the papers previously submitted. No new evidence or arguments may be presented at the oral argument.”
- Include more extensive cites to your evidence
- But must explain the relevance

Claim Construction

- Relying on Plain and Ordinary Meaning
- Guide: Permissible
 - “Regarding the need for a claim construction, **where appropriate**, it may be sufficient for a party to provide a simple statement that the claim terms are to be given their broadest reasonable interpretation, as understood by one of ordinary skill in the art and consistent with the disclosure.”

Proceed with Caution

- See *Synopsys, Inc. v. Mentor Graphics Corp.*, IPR2012-0041 (PTAB Feb. 22, 2013)
- Petitioner relied only on plain and ordinary meaning.
- Preliminary response distinguished the prior art by relying on another construction of a single term.
- Petitioner had no opportunity to respond, and the Board agreed with Patent Owner.

Working with your Expert

- You must use an expert.
 - Roughly 90% of Petitions are Supported by Expert Declarations
- Remember that the FRCP Don't Apply
 - Don't automatically assume communications/draft declarations are work product. *See GEA Process Engineering v. Steuben Foods*, IPR2014-0041 (June 27, 2014).
 - Safe practice is to agree with opposing counsel that drafts and attorney expert communications are off-limits or privileged

Preliminary Response - To File or Not to File?

- Patent Owners Waiving Preliminary Response
~25%
- Petitions Granted when Preliminary Response Filed ~75%
- Petitions Granted when Preliminary Response Not Filed ~90%
- What are the considerations?

Reasons to Waive the Preliminary Response

- Limited to reasons why review should not be instituted
- No new testimonial evidence created for the proceeding: 37 CFR 42.107(c)
- Expedite the proceeding / cancel claims

Reasons to File a Preliminary Response

- Patent Owner's only opportunity to respond before institution
- Claim construction is virtually decided at institution; you must respond if you want to influence
- Attack standing or show a statutory bar
- Error in Real Party in Interest
- References aren't prior art
- No mechanism for Petitioner to respond

Motion Practice in General

- Permission generally required
- Conference call with Panel
- Prepare for the call as if it were the hearing on the motion
- Focus on fundamental reasons why your request is necessary, just, fair
- Board repeatedly emphasizes its desire that the parties work things out

Motions for Additional Discovery – What are your Chances?

- Motions granted: a little less than 30%
- Do the statistics tell the whole truth?
 - Our experience has been that the Board wants the parties to compromise
 - When the parties work it out, the Board denies the motion, but the movant may have been able to get what was needed

Depositions

- Typically cross examination of opposing declarant
- Not typical discovery deposition under FRCP – trial deposition under FRE
- Explicit Guidelines on Objections, Behavior
 - Cannot consult or confer with the witness regarding testimony once examination begins
- Board will typically be available for rulings during the deposition

Depositions, cont.

- Remember that the direct testimony is already before the board by the time of the deposition
- Therefore, there is generally no need to show expertise on cross-examination
- Presenting your expert: no real chance to correct later, you must get the record right
- Prepare your expert as if it were trial – it is!

Patent Owner Response

- Must use expert
- Unless unusual case, don't waste space challenging opposing declarant's expertise
- Focus on what was insufficient

Motions to Amend

- Current number of successful motions to amend: 2
 - First successful motion: *International Flavors* (U.S. Gov't, Unopposed)
 - Second: *Riverbed Technology v. Silver Peak*, IPR2013-00403 (PTAB Dec. 30, 2014)

Motions To Amend Board Requirements

- You need to closely review the Guide and the Informative Decisions (*Idle Free et al*)
- Keys:
 - 15 pages including claim listing (but Board recently allowed claim listing in appendix)
 - claim construction for new terms is required
 - Patent Owner's burden to show patentability—over **all** prior art, not just the grounds at issue in the trial

Motion to Amend – a waste of time?

- Successful motion:
 - Read the key decisions, follow the instructions, and hope
- More and more patent owners giving up
- Consider filing a concurrent reissue or reexamination

Replies

- Can only respond to arguments raised in opposition
- Guide: “A reply that raises a new issue or belatedly presents evidence will not be considered and may be returned.”

Handling New Issues/Evidence in Reply

- Do not address in a motion to exclude
- Request a conference call to discuss
- Board typically will make determination (or not) in final decision
 - Exception: new evidence requires immediate response
 - New declarant that must now be deposed
 - New experiments or testing

Motions to Exclude

- Must preserve your objections: easy to miss the deadline
- 5 or 10 business days after evidence is filed to serve objections
- Board dislikes challenges based on authentication unless real issue
- Board typically will issue a final ruling and then dispose of a motion as moot by stating they didn't rely on the challenged evidence

Demonstratives

- Can't introduce new argument or evidence
- Best practice is to cite exactly where you made the argument and relied on the evidence
- Objections
 - Arrange with opposing counsel to exchange exhibits prior to filing, and try to work out any issues beforehand

Oral Argument

- No new argument or evidence
- Board will ask detailed questions, good at playing devil's advocate for both sides
- Board may revisit issues—be prepared on all points
- Objections?
 - No provisions in rules for how to handle
 - Board probably going to address for you
 - May want to discuss with the panel at the hearing before arguments begin