

## What to Do When Facing a Patent Infringement Law Suit

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*Presented by:*

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# So you have been sued...

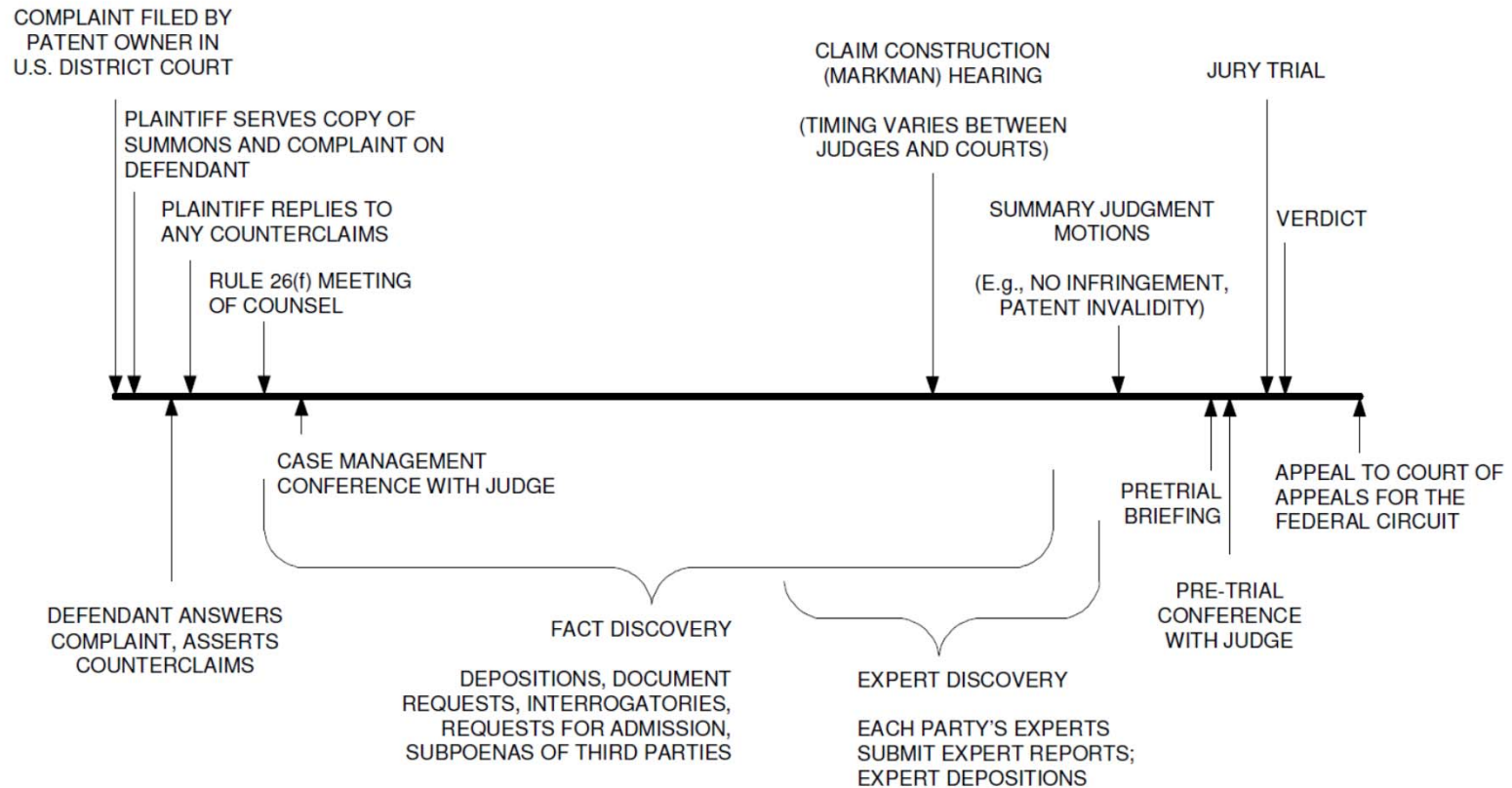
- Options:
  - Litigate
  - United States Patent and Trademark Office Proceedings
    - *Inter Partes* Review (IPR)
    - Covered Business Method Review (CBM)
    - Post Grant Review (PGR)
  - Settle

# Patent Infringement – Federal Court

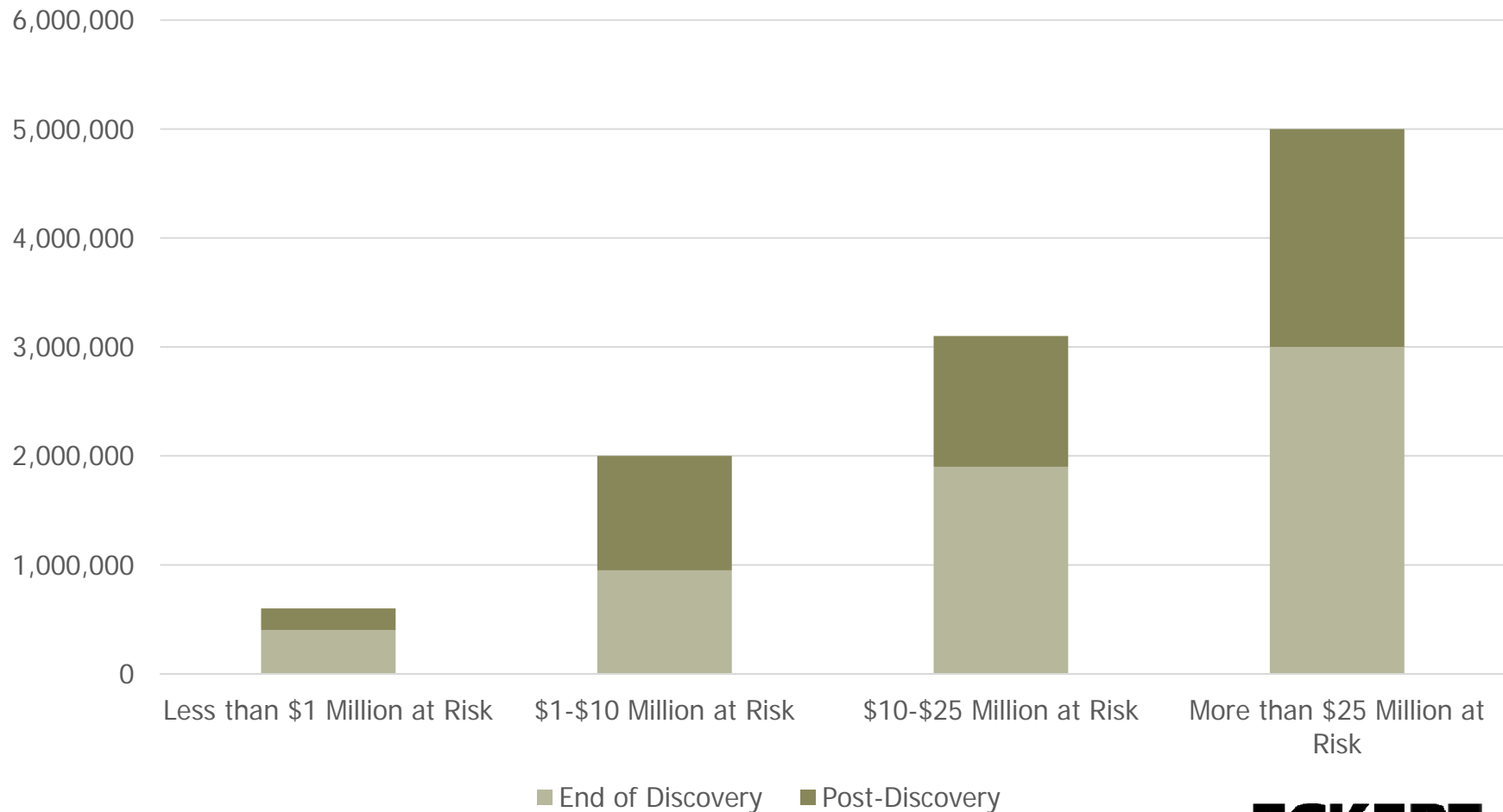
# Patent Infringement – Statutory Language

- 35 U.S.C. § 271:
  - “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”

# Patent Infringement Suit Timeline



# Median Litigation Costs



\*2015 Report of the Economic Survey, American Intellectual Property Law Association, Page 37

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# United States Patent and Trademark Proceedings

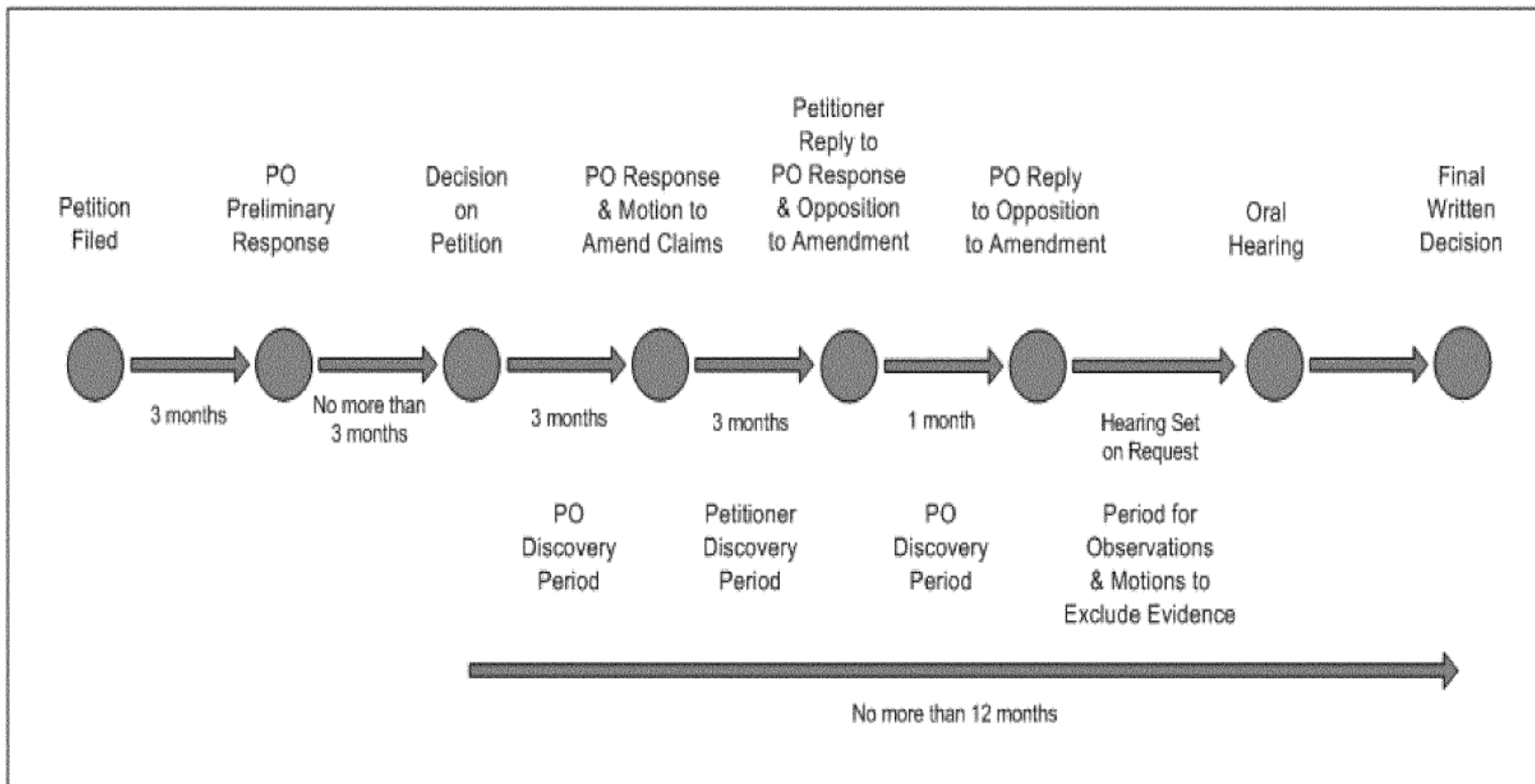
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# USPTO Proceedings

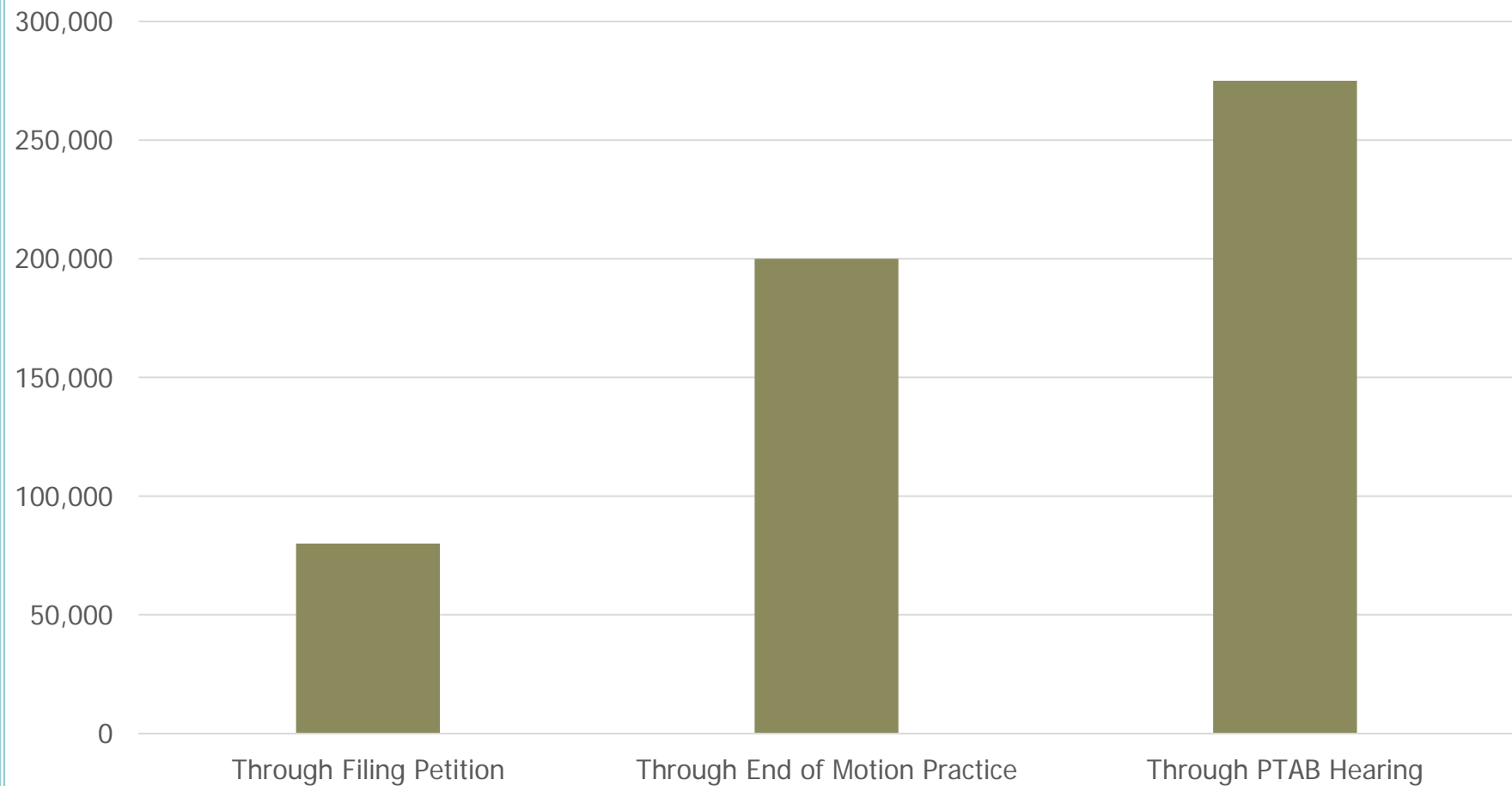
	IPR	CBM	PGR
Grounds	102 and 103 only patents and printed publications	101, 112, 102, and 103 all prior art	101, 112, 102, and 103 all prior art
Timing	<u>Bar Date</u> – One year after complaint <u>Pre-AIA patents</u> - Anytime <u>Post-AIA patents:</u> 9 months after issue and after termination of PGR challenges	<u>Pre-AIA patents:</u> Anytime if sued or threatened by PO. <u>Post-AIA patents:</u> 9 months after issue and after all PGR challenges are terminated	<u>Available only for Post AIA patents:</u> Must be filed within 9 months of grant
Standard	Receivable likelihood success	More likely than not that a claim is invalid	More likely than not that a claim is invalid



# *Inter Partes* Review Timeline



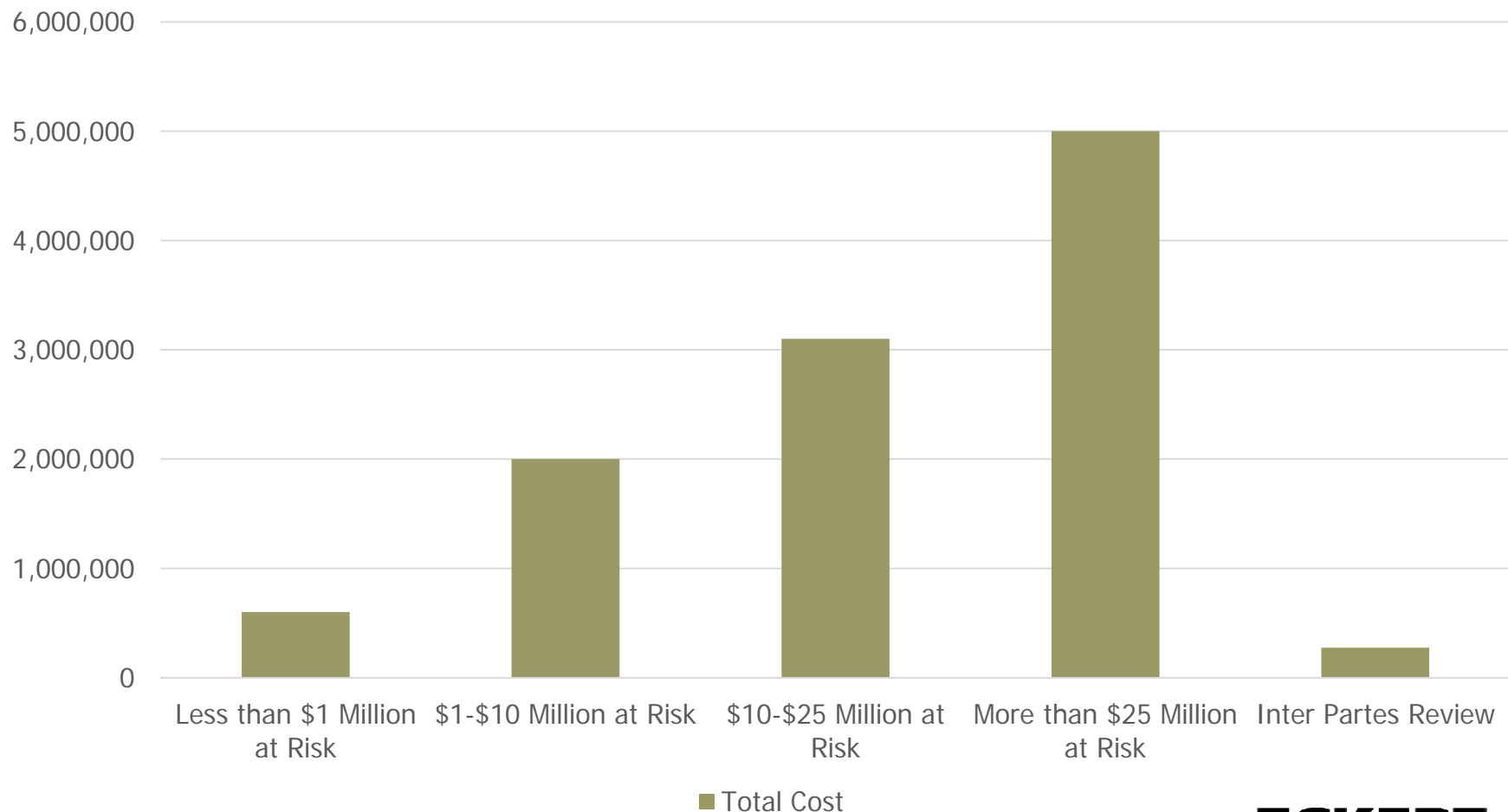
# Median *Inter Partes* Review Costs



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# Comparison – Litigation vs. *Inter Partes* Review Costs



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# The IPR Petition

- The Petition defines the trial
  - Typically, you cannot add arguments to the case
  - Some minor, very narrow exceptions (i.e., Patent Owner may open the door)
- USPTO Fees:
  - Review Request Fee - \$9,000
    - Up to 20 Claims
  - Review Post-Institution Fee - \$14,000
    - Up to 15 Claims
  - Both fees due at the time the petition is filed
    - Review Post-Institution Fee is refunded if the petition is not granted

# Tips and Strategies

- Prior Art Search
  - Using a search firm can be a relatively inexpensive way to narrow down the prior art searching and analysis
- Standard
  - Must show reasonable likelihood that the petitioner will prevail with respect to at least of the claims challenged in the petition
- Address all claim limitations – not just the limitations that are at issue in trial
- Half of the resources for an IPR should be used on the Petition

# Motion To Stay

- Motion to Stay Litigation
  - After filing petition for IPR
  - Elements considered:
    - Stage of the litigation
    - Whether a stay will prejudice the non-moving party
    - Whether a stay will simplify the issues in question
    - Whether a stay will reduce the burden of litigation on the parties and court
  - Helpful to challenge every claim used in the District Court litigation
- Can Continue Stay of IPR is granted

# The Decision

- Decision to Institute
  - The Patent Trial and Appeal Board will assign 3 judges to review the Petition and optional Patent Owner Preliminary Response
  - Board will decide which grounds are instituted
  - Board will decide on claim construction
- Decision to Not Institute
  - Motion for Rehearing
    - Can make a motion for rehearing within 30 days of entry of Final Written Determination
    - Standard – “Abuse of Discretion” standard – decision based on an erroneous conclusion of law, clearly erroneous factual finding, or a clear error of judgment

# Final Written Determination

- 1 Year After Decision to Institute
- Estoppel Effects
  - In District Court, the petitioner cannot assert any ground that the petitioner raised or reasonably could have raised during the IPR. AIA § 18(a)(1)(D).
- Motion for Rehearing
  - Can make a motion for rehearing within 30 days of entry of Final Written Determination
  - Standard – “Abuse of Discretion” standard – decision based on an erroneous conclusion of law, clearly erroneous factual finding, or a clear error of judgment
- Can Appeal IPR to the Federal Circuit



# Recent Supreme Court Decision

- **Cuozzo Speed Technologies LLC v. Lee, 15-446 (2016)**
  - Claim construction standard for Patent Trial and Appeal Board stays
    - Broadest Reasonable Interpretation
  - Broadest Reasonable Interpretation is “a reasonable exercise of the rulemaking authority that Congress delegated to the Patent Office.”
  - “For one thing, construing a patent claim according to its broadest reasonable construction helps to protect the public. A reasonable, yet unlawfully broad claim might discourage the use of the invention by a member of the public.”



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Questions?

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