

## Third Party Challenges to

# Competitive Patents under the AIA

By [Benjamin R. Imhoff](#)

The America Invents Act (AIA) has progressively been coming into effect since it was signed into law in September 2011. In addition to introducing a First-to-File patent acquisition system, the AIA creates three new opportunities for third parties to challenge the intellectual property rights of a competitor at the United States Patent and Trademark Office (USPTO). This article provides an introduction to the new procedures of Preissuance Submissions, Post Grant Review, and *Inter Partes* Review.

### Preissuance Submissions

As of September 16, 2012, preissuance submissions can be filed in any pending patent, subject to the timing requirements explained herein. Preissuance submissions offer a third party the opportunity to anonymously, if desired, submit additional relevant prior art in the form of patents, published patent applications, or printed publications to an Examiner during prosecution of a competitor's patent. Once this prior art has been brought to the attention of the Examiner, the Examiner can use the references to reject the competitor's claims in whole or in part. Therefore, preissuance submissions can supplement the Examiner's own prior art search and create a "roadblock" to the competitor's prosecution, hopefully resulting in claims that are restricted through claim

amendments, or preventing a patent from issuing at all.

Submissions must be made before a Notice of Allowance is mailed by the USPTO. Submissions must also be made before the later of six months after publication of the application or the date of the first Office Action. Submissions must be accompanied by a brief summary or written statement explaining the relevance of each of the submitted references.

Preissuance submissions have no USPTO fee if three or fewer items are submitted, while the fee is \$180 for submissions with ten or fewer items, and \$180 for each ten items after that. This offers a cost effective way to challenge a competitor's patent before the patent ever issues. A patent that is never granted by the USPTO cannot be infringed. A patent that is granted, but with reduced scope, enables design-around options. Therefore, preissuance submissions can be implemented as part of a strategy to maintain clearance to operate from new competitor patents.

Filers who do not seek foreign protection have a new incentive to request non-publication as a competitor will not know of the application before issuance. Foreign patent applications trigger the publication requirements. However, if a filer is willing to forgo foreign protection, the United States

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## FIRM NEWS

**Christopher Scherer Serves as Adjunct Professor at Marquette University** - Chris Scherer recently served as an adjunct professor at Marquette University, teaching the fall semester of *IP Procurement and Management* to graduate engineering students. During the course, students work in teams to complete projects designed to replicate IP issues encountered in industry and to develop a final IP Management Implementation Plan. Chris created the course to give engineering students first-hand exposure to the roles and responsibilities of an Engineering Manager. Several Andrus attorneys were guest lecturers during the semester.

**U.S. News and World Report Lists Andrus as Top Tier Law Firm and Names Andrus Attorneys as Best Lawyers** - We are proud to announce that Andrus has been ranked as a "Tier 1" patent and trademark law firm in the Milwaukee metropolitan area by U.S. News and World Report. For a complete listing of our rankings, please visit our [Firm Profile](#) on the Best Law Firms website. Our rankings were based on survey data gathered from clients, attorneys, and recruiting officers regarding our firm's expertise, responsiveness, civility, integrity, and cost-effectiveness. In addition to our firm rankings, several Andrus attorneys were individually selected by their peers for inclusion in *The Best Lawyers in America 2013* guide.

**Christopher Liro Now a Registered Patent Attorney** - Christopher Liro recently received official notification that he passed the Patent Bar, and has been named as a Registered Patent Attorney with the USPTO.

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patent application can be filed with a non-publication request and the application will remain secret until the patent issues, which is after the time for preissuance submissions. Therefore, domestically-focused filers may want to consider non-publication requests as a strategy to avoid preissuance submissions by competitors.

### Post Grant Review

Post Grant Review (PGR) is a new USPTO procedure that, as its name implies, is available after a patent is granted, but only for the first nine months after a patent's issue date. Post grant review is only available for use against patents filed after March 15, 2013; therefore, the PGR procedure will not be used in practice until 2015 when the first patents filed under first-to-file will begin to issue.

In post grant review, a third party can challenge the validity of one or more claims of a patent under many legal bases. Claims can be challenged for novelty or obviousness based upon prior art patents, published patent applications, printed publications, public use, or sales. In PGR, claims can also be challenged under the legal requirements of subject matter eligibility, written description, and enablement.

Post grant review comes with a hefty \$35,800 filing fee if 20 or fewer claims are challenged, which rises to \$89,500 if more than 20 claims are challenged. These fees, which are paid by the challenger, are designed to reflect the actual cost to the USPTO to decide a post grant review challenge of a patent.

### Inter Partes Review

The new *Inter Partes* Review (IPR) procedure replaces the previous *inter partes* reexamination procedure. An *inter partes* review can be filed once a patent has been issued for longer than nine months and any post grant reviews of the patent have been decided.

*Inter partes* review is more restrictive than PGR regarding available challenges to claim validity. Claims can only be challenged for novelty or obviousness based upon patents, published patent applications, and printed publications. Therefore, *inter partes* review is more limited in scope than post grant review. The fees for filing an *inter partes* review is

also slightly less than that for a post grant review, costing \$27,200 when 20 or fewer claims are challenged and \$68,000 when more than 20 claims are challenged.

Previously available reexamination procedures were popular litigation tools to determine patent validity. The new post grant review and *inter partes* review procedures improve upon this by requiring any litigation to be stayed if the defendant files the appropriate (based on the timing) review of the patents at issue. *Inter partes* or post grant review may also be attractive to defendants, or potential defendants, because a challenger need only prove the invalidity of a claim by a preponderance of the evidence, which is a lower legal standard than the clear and convincing evidence required during litigation. This advantage to the challenger is tempered in that the patent holder has the opportunity to amend the claims to define over the prior art.

Both *inter partes* review and post grant review create estoppel against the challenger that prevents the challenger from raising any arguments in a subsequent litigation or USPTO proceeding that were raised, or could reasonably have been raised, during the IPR or PGR. New timing requirements require a decision on the validity of the claims within one year from initiation of the IPR or PGR, although this deadline can be extended by six months if the USPTO can show good cause for the delay.

### Competitive Monitoring

There are tight time windows in which the new preissuance submissions and post grant review procedures can be used. If these short time windows are missed, the new *inter partes* review procedure is available, but it is more expensive than third party submissions and more restrictive than post grant review. Therefore, if these new tools are to be effectively used, it is best practice to monitor the patenting activities of competitors on at least a quarterly basis. Competitive monitoring can be performed in-house in coordination with an attorney, and/or through subscription monitoring services. While an assignee search of any issued patents or published applications will meet the needs of some, others may require more complex searching and monitoring strategies to focus on competitive segments or to monitor entire fields.

If you would like more information about third party challenges or competitive monitoring, please do not hesitate to contact us.