



## America Invents Act

### *Inter Partes* Review

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*Inter partes* review, which replaced inter partes reexamination on September 16, 2012, is a relatively quick proceeding for invalidating a patent by a third party. The pendency of the proceeding should normally not extend more than one year after being instituted by the Patent Trial and Appeal Board (the Board). The proceeding may be extended for good cause, however. *Inter partes* review, in addition to *ex parte* reexamination and post-grant review, is one of three possible options offered by the U.S. Patent and Trademark Office (USPTO) for invalidating a patent by a third party.

#### **Scope:**

Any person, except for the patent owner, may file a petition with the USPTO to institute an *inter partes* review of a patent to cancel one or more claims. The petition must rely on lack of novelty or obviousness based on patents or printed publications.

#### **Timing:**

A review may be filed beginning when the nine-month period for post-grant review has expired, or, if a post-grant review has been instituted, after the termination of such post-grant review.

#### **Requirements and Threshold:**

The petition must:

- include a filing fee,
- identify all real parties in interest,
- identify the grounds on which each claim is challenged, and
- provide supporting evidence, including any supporting affidavits or declarations.

The filing fee is based on the number of claims being challenged, with \$9,000 as the minimum filing fee for 20 claims, and a post-institution fee of \$14,000 for up to 15 claims. The petition fee for each additional claim in excess of 20 is \$200, and upon institution the fee is \$400 for each claim more than 15.

The patent owner may file a preliminary response to the petition in an effort to persuade the director not to grant the petition for review.

The standard for granting a petition is whether there is a “reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged.” In theory, the “reasonable likelihood” standard is a higher standard than a substantial new question of patentability, which is required for *ex parte* reexaminations. In practice, there does not appear to be a significant impact.

The director will determine whether to institute an *inter partes* review within three months after the patent owner's preliminary response to the petition is received, or if no response is filed, the last date on which it could have been filed.

**Conduct:**

*Inter partes* reviews will be conducted by the Board, which consists of administrative law judges, and is in contrast to the Central Reexam Unit (CRU) whose examiners conduct *ex parte* reexaminations.

The petitioner will have the burden of proving unpatentability by a preponderance of the evidence.

Patent owners will be permitted to amend claims without enlarging the scope or introducing new matter. As in litigation, discovery will be allowed. Discovery is, however, limited to the deposition of any affiant or declarant submitting evidence in the *inter partes* review proceeding and what is otherwise necessary in the interest of justice. Protective orders are provided to protect the exchange and submission of confidential information. Either party may request an oral hearing before the Board.

A final written determination must be issued by the Board not later than one year from the institution of the review, extendable by an additional six months upon a showing of good cause.

An *inter partes* review may be terminated upon the joint request of the petitioner and the patent owner, such as pursuant to a settlement agreement, unless the USPTO has decided the merits before such request. If the review is terminated prior to a decision on the merits, no estoppel shall attach to the parties.

A party may appeal the final written decision of the Board to the Court of Appeals for the Federal Circuit. However, the decision of the director whether to institute an *inter partes* review is not appealable.

**Impact on Litigation:**

An *inter partes* review may not be instituted if, before the date on which the petition for a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for *inter partes* review of the patent, that civil action shall be automatically stayed

A counterclaim challenging the validity of a claim of a patent does not constitute a civil action for purposes of determining whether an accused infringer may file an *inter partes* review petition.

An *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than one year after the date on which the petitioner or the real party in interest is served with a complaint alleging infringement of the patent.

## **Estoppel and Intervening Rights:**

Estoppel in the USPTO: The petitioner in an *inter partes* review of a claim that results in a final written decision may not request or maintain a proceeding before the USPTO with respect to that claim on any ground that the petitioner raised, or reasonably could have raised, during that *inter partes* review.

Estoppel in Civil Actions: A petitioner in an *inter partes* review of a claim that results in a final written decision may not assert in a civil action that the claim is invalid on any ground that the petitioner raised, or reasonably could have raised, during that *inter partes* review.

Intervening rights can arise to the benefit of an infringer unless the product, method, etc. infringes a valid claim of the reviewed patent which was in the original patent.