



America Invents Act

Post-Grant Review

Post-grant review is a new proceeding that is modeled after, yet very different from, the opposition proceedings available in Europe. Its purpose is to give third parties the ability to challenge one or more claims of a recently issued or reissued patent, and to do so in an expedited proceeding in a forum less costly than patent litigation.

Effective Date:

Post-grant review took effect on September 16, 2012, for certain covered business method patents involving financial transactions. For all other technology, post-grant review applies to patents issuing from applications having priority claims on or after March 16, 2013.

Timing:

A petition for post-grant review must be filed with the Patent Trial and Appeal Board (the Board) within nine months following the date of patent issuance or the date a reissue patent is granted. After that date a petition for inter partes review or a request for ex parte reexamination may be filed.

Scope:

Any person except the patent owner may file a petition for post-grant review. Unlike reexamination or the new inter partes review, a petition for post-grant review may challenge a claim on any ground of invalidity, such as, lack of written description or enablement, lack of patentable utility, indefiniteness, and anticipation or obviousness due to prior art. Importantly, prior art is not limited in scope to patents and printed publications, and may include sales or offers for sale, public uses, and non-printed publications.

To be instituted, the petition for post-grant review must show, if unrebutted, that “it is more likely than not” that at least one of the challenged claims is unpatentable. Post-grant review may also be granted if the petition raises a novel or unsettled legal question that is important to other patents or applications.

Conduct:

The petition requesting review must identify the real party in interest, identify with particularity the grounds on which each claim is challenged, and provide the evidence that supports the challenge to each claim, particularly supporting affidavits and declarations of experts. A substantial fee is due at the time a petition is filed. A fee of \$12,000 is required for the first 20 claims, with an additional fee of \$250 collected for each claim thereafter. If the petition is granted and post-grant review of the patent is instituted, an additional fee of \$18,000 is charged for the first 15 claims undergoing review, and a fee of \$550 is charged for each claim thereafter.

The patentee has the opportunity to file a preliminary response within three months stating why the petition for post-grant review should not be granted, and the Board has three months from the last filing to decide whether to grant the petition and initiate the review. The patent owner may file a response to the petition after a post-grant review has been instituted by the Board, typically within three months, and the response must include any supporting affidavits, declarations or factual evidence, and expert opinions. At this time the patent owner has an opportunity to file a motion to amend the patent by canceling a challenged claim and proposing a reasonable number of substitute claims.

Discovery is available after post-grant review is instituted and is limited to evidence directly related to factual assertions made by either party in the proceeding. Additional discovery is available upon a showing of good cause. Parties can agree to additional discovery amongst themselves, and protective orders are available for exchange and submission of confidential information.

Either party to a post-grant review can request an oral hearing before the Board.

A final written decision must be issued by the Board within one year after the post-grant review is instituted, extendable for an additional six months upon a showing of good cause. The standard used by the Board in deciding the outcome is whether the petitioner has proved a claim is unpatentable based on a preponderance of the evidence. A party dissatisfied with the decision can appeal only to the Court of Appeals for the Federal Circuit.

Impact of Litigation:

If a party has already filed a civil action that challenges the validity of the patent, it is barred from petitioning for post-grant review. If the party files a civil action challenging the validity of a claim of the patent on or after filing a petition for post-grant review, the civil action will be automatically stayed until (1) the patent owner moves the court to lift the stay; (2) the patent owner makes an infringement counterclaim; or (3) the petitioner or real party in interest moves the court to dismiss the civil action.

Estoppel and Intervening Rights:

In any subsequent U.S. Patent and Trademark Office proceeding, district court action, or an International Trade Commission proceeding, estoppel provisions bar the petitioner from raising any ground of invalidity that actually was raised or reasonably could have been raised during the post-grant review proceeding. Estoppel does not apply to entities that were not involved in the post-grant review. Intervening rights may apply for new and amended claims.

Considerations:

In view of the limited time for initiating a post-grant review, and the wide grounds available to challenge a patent during such review, monitoring competitors' patent applications, or perhaps all patent applications within a specific field, may be a valuable tool in protecting a company's interests. A petition for post-grant review will need to be supported with as much evidence as possible, such as supporting publications, affidavits, or declarations, preferably by experts, if they are to carry weight before the Board.

The potential estoppel effects are severe and should be carefully considered before petitioning for post-grant review.