



# The America Invents Act – Protecting Your Assets

**O**n September 16, 2011, the Leahy-Smith America Invents Act (AIA) permanently changed the U.S. patent landscape. Prior to the AIA, once a patent was awarded, with the exception of an ineffective and seldom used inter partes reexamination within the U.S. Patent and Trademark Office (USPTO), someone challenging a patent would need to file an action in a court of competent jurisdiction to challenge the patent. The AIA killed inter partes reexamination and introduced several new procedures that allow parties to challenge the validity of an issued patent before the USPTO. One of these new procedures is called a post-grant review (PGR), and it was instituted with the intention of resolving invalidity disputes while reducing the time and expense associated with litigation.

The PGR can be used by any party — except the patent owner and anyone who has already filed a civil action — to challenge the validity of at least one claim of a recently issued patent. The PGR can be used to challenge any aspect of a patent relating to invalidity as specified under 35 USC §§101, 102, 103 and 112, including failure to comply with enablement or written description requirements, or failure to comply with reissue requirements. With the exception of business-method patents, post-grant review can only be used to challenge patents that are issued with an effective filing date of March 16, 2013, or later, and must be filed within nine months of patent issuance. With limited exceptions, a decision will issue within one year of the institution of proceedings.

To initiate a PGR, the challenger must demonstrate that it is “more likely than not” that at least one claim of a patent is invalid or

must show that the petition raises a novel or unsettled legal question that is important to other patents and applications. The petition itself must identify each claim challenged, the grounds on which the challenge is based and the evidence that supports the grounds, such as patents, printed publications, declarations or affidavits, and opinions. It also must identify all real parties in interest.

PGRs are heard by administrative patent judges of the USPTO’s Patent Trial and Appeal Board (PTAB). Direct expert testimony may be presented only in writing and live cross-examination is available to the opposing party. Limited discovery of documents, including email, is also available. A patent can be challenged under most grounds available in court.

Companies with newly minted patents should be prepared to face a PGR challenge.

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That preparation should include analyzing the patent challenger early in the PGR process. For example, is the challenger: (1) a target for licensing; (2) an infringer, or potential infringer, of related patents; and/or (3) has recently issued patents that warrant investigation? While it may be worthwhile to fight a PGR challenge, defeating it will require time and resources. In defending the patent, the patent-holder will have the opportunity to amend the patent claims with a one-time motion to narrow its claims. Alternatively, the patent-holder can cancel the challenged claim(s) and propose a reasonable number of substitute, non-broadening claims.

In addition, companies may want to consider taking advantage of the new PGR procedure to challenge the validity of a competitor’s newly minted patents. To fully avail itself of the PGR procedure, companies should develop a strategy for monitor-

ing the USPTO issued-patent database of their competitors to identify newly issued patents that might warrant a PGR. Such monitoring could be based on technology, patent classification or simply on the identity of a competitor. Once newly issued patents of interest have been initially identified, collaboration with various business units, technical staff and litigation counsel will be required to determine which patents warrant challenge and, particularly, which claims should be challenged.

Once a company embarks on a PGR for a specific patent, other litigation options will be constrained as the challenger will be precluded from raising defenses in litigation that were raised or reasonably could have been raised in the PGR. Further, receiving a final decision on a PGR is slated to only take one year. Therefore, companies that choose to pursue such a review will want to initially

consider their strategy so as to manage the compressed timeframe.

A successful PGR challenge requires a lower burden of proof of invalidity than is required in the district courts. Petitioners need only show by a “preponderance of the evidence” that a claim is invalid, rather than by “clear and convincing” proof. However, once the PTAB issues its final written decision, it should be noted that the petitioner will be limited in its ability to pursue further action through a USPTO proceeding, at the U.S. Court of Appeals for the Federal Circuit, or in a proceeding before the U.S. International Trade Commission under section 337.



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