

The Impact of AIA and Alice on IP Management: Effects on Global Biotech/Pharma R&D 創新、創技、創智、創富

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Presentation Objective 拋磚引玉




Disclaimer:

- I am not a lawyer. This lecture is a presentation from a scientist to a scientist and is not an legal/IPR opinion. I am a business consultant consulting on your business which can be affected by the laws. For legal advise, please seek assistance from your legal counsel. [set the stage for IP lawyers]
- As a scientist heavily involved in R&D and protecting of the knowledge/technology/invention in the biggest market in the world (US), you should aware of all the rules affecting your invention and business operation. [Laws only protect those who understand laws (and have enough money to hire those lawyers, very good lawyers)]

Changes, Changes, Changes...


Turmoil and Transformation in the U.S. Patent System – Impact on Global Biotech/Pharm Scientists and Business Developers



- The world is keep on changing, but some principles remain unchanged - They just interpret differently...
- Examples: AIA (2011), Bilski v Kappos (2010), Mayo v Prometheus (2012), AMP v Myriad (2013), Alice v CLS Bank (2014), [Philip v AWH (2005), Natulus v Biosig (2014)] and more...
- Issues: AIA, subject matter eligibility, claim construction, interpretation, indefiniteness, abusive practice, double patenting...
- 商場如海、善習泳者勝、明規矩者贏

Everything Old is New Again...

Turmoil and Transformation in the U.S. Patent System – Impact on Global Biotech/Pharm Scientists and Business Developers



- On one hand – AIA Relationship to Global Practices

(<http://www.uspto.gov/patent/laws-and-regulations/america-invents-act-aia/global-impacts-aia#heading-2>)

- ✓ Help the U.S. align with international norms, which provides a renewed opportunity to harmonize the international patent system and facilitate office cooperation through work-sharing with international patent offices.
- ✓ Top down alignment of applicable law harmonization coupled with the bottom up convergence at the practice and administrative level work-sharing enables offices to increasingly work together to provide a higher quality examination, more predictability in prosecution process, and cost reduction for applicants for examinations around the world.
- ✓ We can no longer afford to ignore new economic realities and the enabling role that the patent system plays. The U.S. has acted by enacting the first 21st Century patent system. The time is now for widespread international agreement and commitment to making the global patent system simpler, more certain, and user-friendly for all innovators.

Everything Old is New Again... 陣痛期

Turmoil and Transformation in U.S. Patent System

(http://www.independentinventorsofamerica.org/wp-content/uploads/2015/02/Investment-Grade-Asset_V2-1-1.pdf)

- On the other hand - According to the US Inventor and Independent Inventors of America [Hostile Environment for Inventors Harms the Economy], 2014-2015 may be remembered as the year the USPTO/PTAB, U.S. Supreme Court and Congress wiped out billions of dollars in booked IP value:
 - ✓ **In 2015, the gross value of patent sales is down 83%...**
 - ✓ **The number of patents sold is down about 50%, and**
 - ✓ **The average price per patent is down about 55%...**
- New laws have created alternate ways to invalidate issued patents
- The Supreme Court has thrown the definition of what can be patented into chaos
- New patent suits have dropped by as much as 40% in one year. [Most of that drop is in software, a very important American industry. All of this is happening in the U.S. while other countries, like China, strengthen their own patent systems to grow their economies.]
- More U.S. companies are going out of business than are starting up [first time in American history] [killing the very engine that made the US the greatest economic power in history]

IP/Patent and Patent Protection

Fundamental Principle: Balance Between Rewarding Innovation versus Monopoly [Scope, Boundary, Definition, Interpretation, ...]

- A patent is a “territorial protection” granted by a sovereign state for a limited period of time to exclude others to practice (making, using, selling, importing) your invention in that State, in return the inventor must disclose the invention for the public good [屬地性有限期排他權]
- [IP Protection starts with patent filed 可回溯性; can only enforced after issuance but can commercialize before issuance to save source/time]

畫地為王
先佔先贏
放狗為虐
非請勿進
合縱連橫
坐地分肥

**Patent Boundary
And Uncertainty**
專利範圍及不確定性

**Patent Landscape
Patent Minefield**

Neglected Area

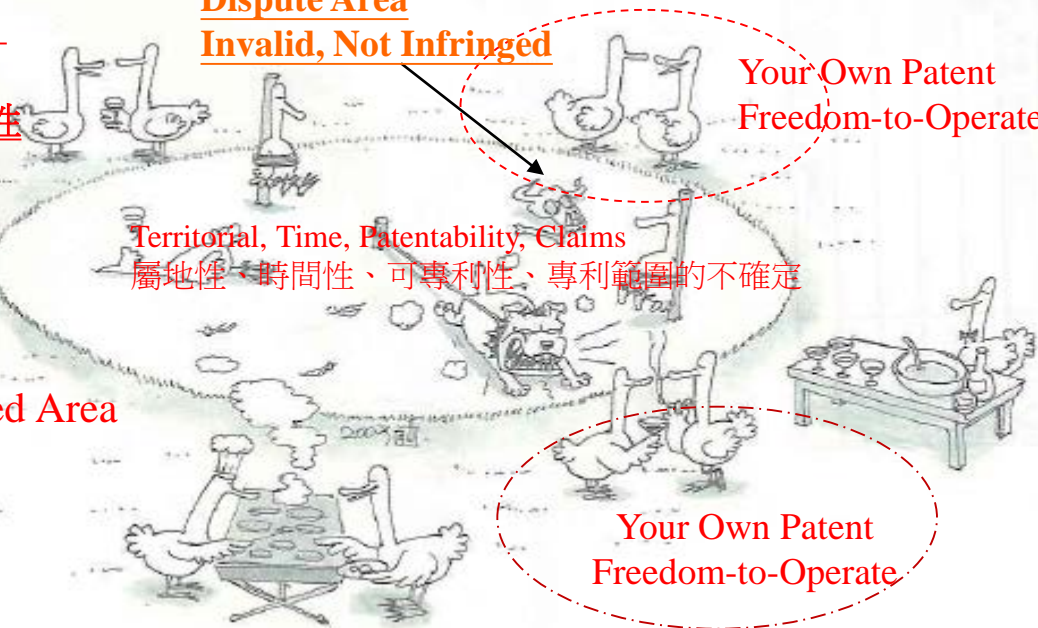
**Dispute Area
Invalid, Not Infringed**

**Your Own Patent
Freedom-to-Operate**

Territorial, Time, Patentability, Claims
屬地性、時間性、可專利性、專利範圍的不確定

**Your Own Patent
Freedom-to-Operate**

專利，就是科技競爭力
廖和信，天下遠見出版社，2003



Legal Requirements for Utility Patent

United States Code/Title 35/Chapter 10/Section XXX

- Statutory Subject Matter (35 USC 101) 法定容許事物
- **Utility (35 USC 101)** 實用性
- **Novelty (35 USC 102)** 新穎性
- **Non-obviousness (35 USC 103)** 非顯而易見 創造性
[第二十二条 授予专利权的发明和实用新型，应当具备新颖性、创造性和实用性]
- Disclosure - Enablement 可使用 and Best Mode 最佳方法
(35 USC 112, 1st Paragraph in the Specification)
- Inequitable (Illegal) conduct [i.e., inventor, applicant, prior act, transfer of rights,...] (Fraud, Deceptive Intention/Conducts, **35 USC 251**)
- Pay patent fee
- **Litigation** - Claim Construction, interpretation, Indefiniteness, Patent Infringement Literal and Doctrine of Equivalents, Direct and Indirect Infringement

Various Effective Dates of AIA

Effective Date: Immediately, 12 Months and 18 Months Later

Act Signed (September 16, 2011)

§5 - Prior User Rights (35 USC 273)

- Patent issued on or after 9/16/11

§6 - Post Grant Review

- New Inter Partes reexam standard becomes effective 9/16/11 (35 USC §312)
- Ex Parte appeals under 35 USC §145 eliminated (35 USC §306)

§11 - Fees

- 15% Surcharge (9/26/11)
- Accelerated Exam fee (9/26/11)
- Paper Filing Fee (11/15/11)

§15 - Best Mode Changes

- Suit started on or after 9/16/11

§16 - Marking

- False Marking – cases pending on or started after 9/16/11
- Virtual Marking (35 USC 273)

§19 - Jurisdiction and Procedural

- Joinder of defendants restricted (35 USC §306)

§22 - PTO Funding

One Year (September 16, 2012)

§4 - Oath or Declaration (35 USC §118)

§6 - Post Grant Review Procedures

- New Opposition - limited number first 4 years
- New Inter Partes Review - limited number - 4 years

§8 - 3rd Party Submissions (35 USC §122(c))

§12 - Supplemental Exam

§18 - Business Methods Patent Review

§35 - General Effective Date

Various changes that have a major effect on how anyone would involved in doing high tech business with the US: from patent filing, prosecution to litigation practices

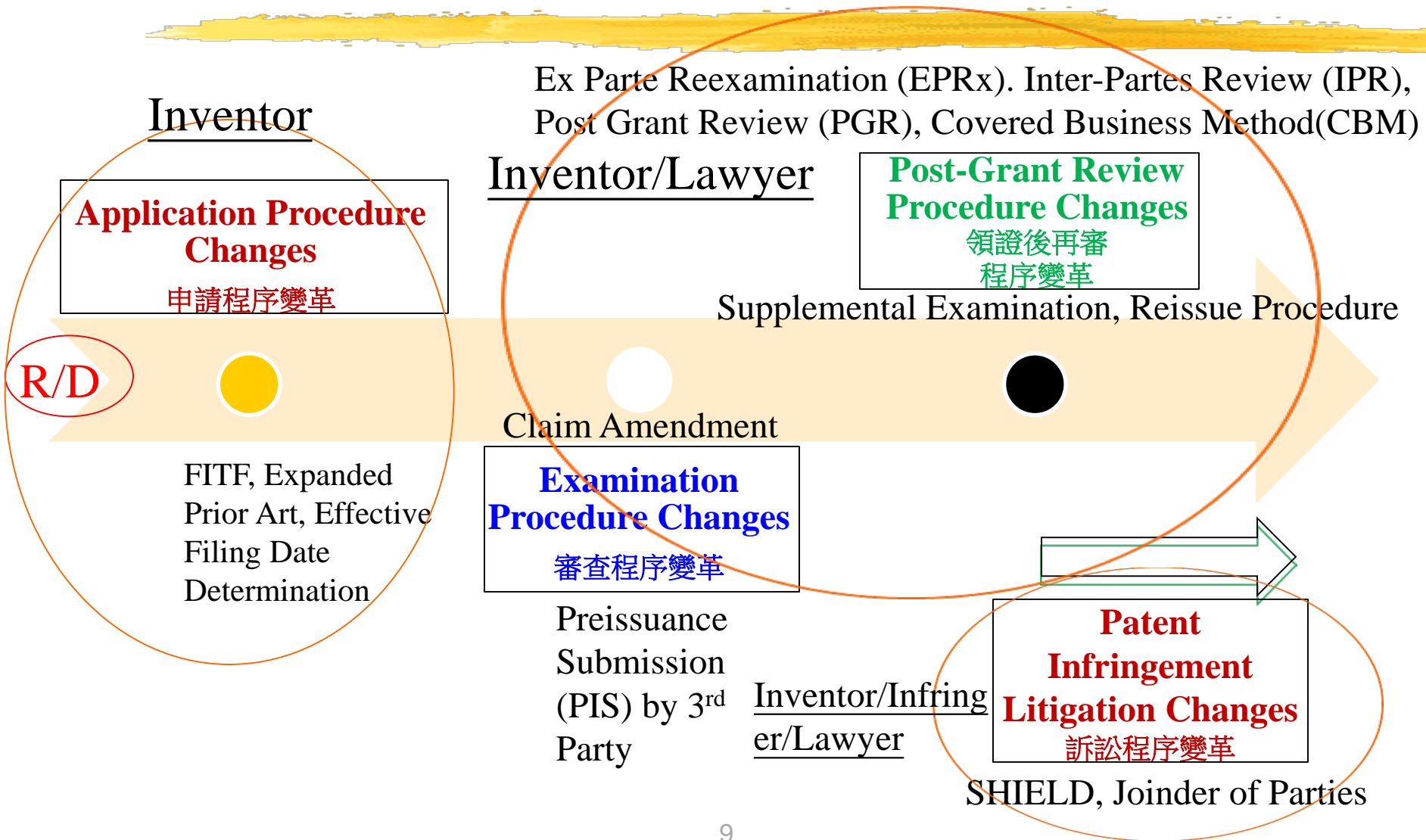
18 Months (March 16, 2013)

§3 - First Inventor to File

- New §102 and 103 applies

The World After AIA (9/16/2011 → 3/16/2013 → Beyond)

Idea/Tech/R&D → IP (Creation/Protection/Management/Utilization)



AIA Take Home Messages:

R&D, Application Procedure Changes



- Issues: FITF, EFD, Disclosure, Prior Art, Inventor Grace Period, etc.
 - ✓ Establish FITF and EFD as early as possible, strategic disclosure to block others, understand what is and what is not prior art, beware of problematic disclosure by collaborative partners with common ownership and joint research agreement
- Implications: More preparation work (extensive prior art search and analysis, better filing strategy, better disclosure/enablement in provisional filing, etc.)[more expensive]; need to establish internal policy on prior art searching and patent landscape monitoring, identify competitor's technology and patents early on; policy on how to deal with collaborative partners; strategic disclosure, race with time to file, etc.

AIA Take Home Messages:

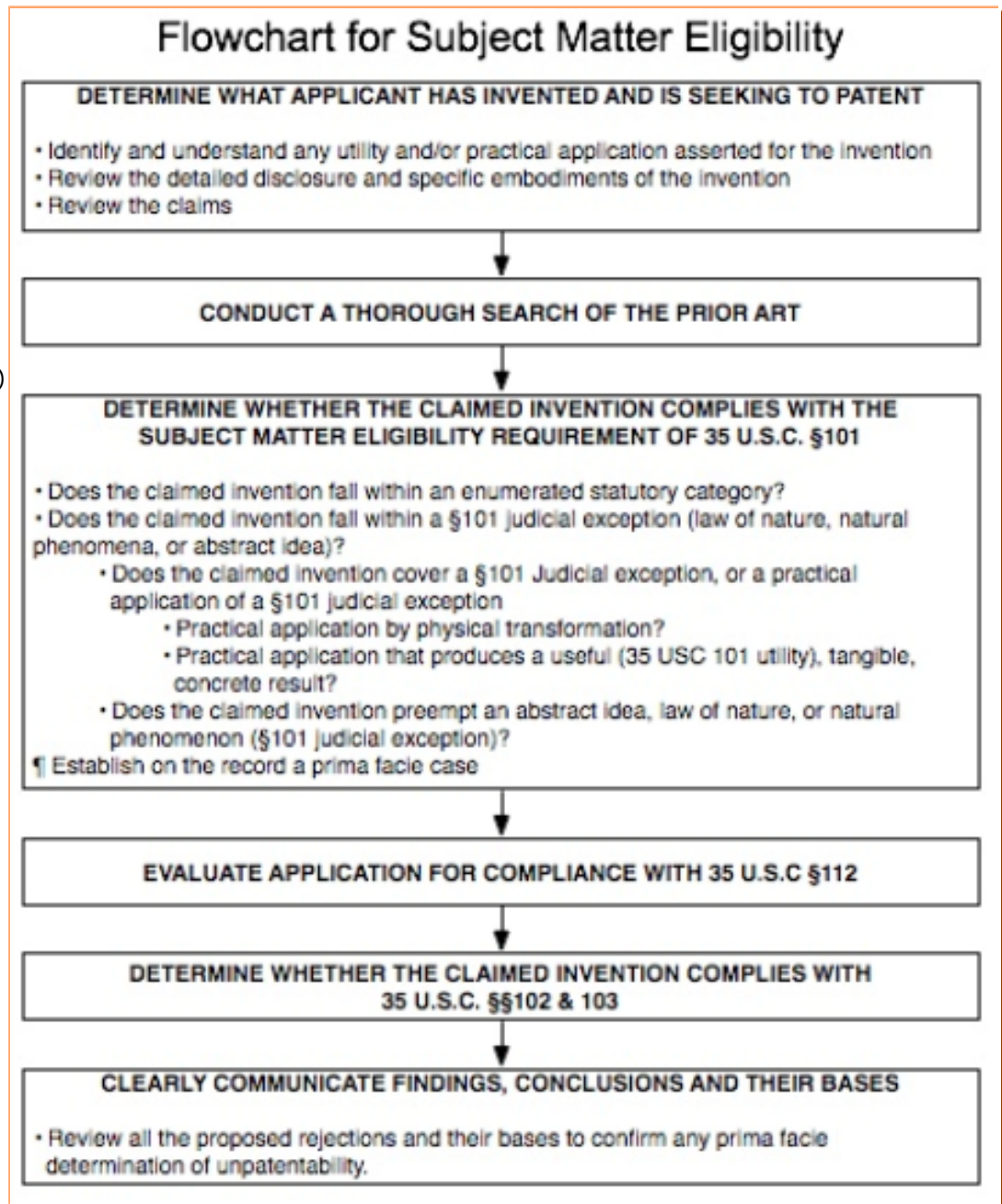
Pre-Issuance Submission, Post Grant Proceedings

- Challenge competitor's patent using prior art before the patent is issued [Pre-issuance submission (PIS) by 3rd party]
- Challenge competitor's patent using post grant proceedings:
 - ✓ Derivation procedure [EFD, novelty, obviousness], Post grant review (PGR), Inter partes review (IPR), Extra partes reexamination (EPRx),, Business method opposition (CMB), Supplemental examination and reissue procedure
- Strengthen your own patent
 - ✓ Claim amendment, supplemental examination and reissue procedure
- Implications: Better science/tech/patent, internal policy to monitoring patent landscape, challenge competitor's patent, but be prepared to face the challenge from your competitors, challenge and strengthen your own patent

Patent Subject Matter Eligibility

- Statutory Subject Matter (101)
- Utility (101)
- Novelty (Prior art) (102)
- Non-obviousness (102/103)
- Enablement/Best mode (112)

Section 101 - Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.



Statutory Subject Matter (35 USC 101)

After Alice v CLS Bank 2014 [Machine-or-Transformation Test Not Enough]

Some Recent Examples: [Diamond v. Diehr, 1981][**Bilski** v. Kappos, 2010][**Alice v. CLS Bank, 2014**] [Abstract Idea]

- **Mayo v. Prometheus** [Supreme Court, argued December 7, 2011, decided March 20, 2012]
Holding: Claims directed to a diagnostic method that involved observing a natural correlation were not patent eligible subject matter [Mayo Test] [cffDNA, Ariosa v Sequenom, 6-12-2015]
- **AMP v. Myriad** [Supreme Court, Argued April 15, 2013, decided June 13, 2013][Nature Product]
Holding: Naturally occurring DNA sequences, even when isolated from the body, cannot be patented, but artificially created DNA is patent eligible because it is not naturally occurring
- **BB&T v. Maxim** filed 9-16-2013 [DDR Holdings, LLC v. Hotels.com, L.P., Appeal No. 2013-1505 (Fed. Cir. Dec. 5, 2014) confirm eligibility Biz Method, software + computer]
Covered Business Method Petition (CBM) under AIA of 2012
Maxim patent 5,949,880 (filed in 1996; issued in 1999) claims “transfer of valuable information between a secure module and another module” and sue BB&T of patent infringement; BB&T counter claim: Maxim patent nothing more than an attempt to patent a well-known and un-patentable abstract idea”

USPTO Guidance on Patent Subject Matter Eligibility After Mayo-Myriad-Alice Supreme Decision

- Supreme Court's decisions: Mayo Collaborative Services v. Prometheus Laboratories, Inc. (2012), Association for Molecular Pathology v. Myriad Genetics, Inc. (2013),
- 2012 Interim Procedure for Subject Matter Eligibility Analysis of Process Claims Involving Laws of Nature" (see "USPTO Issues Interim Guidance Regarding Mayo v Prometheus").
- Guidance on the Myriad decision that was issued on June 13, 2013 (see "USPTO Issues Memo on AMP v. Myriad to Examining Corps").
- Guidance For Determining Subject Matter Eligibility Of Claims Reciting or Involving Laws of Nature, Natural Phenomena, & Natural Products," March 4, 2014 (or "Myriad-Mayo Guidance" as the file is named)
- Supreme Court's recent decision: Alice v CLS Bank (2014)
- Memorandum to the patent examining corps with the preliminary examination instructions, June 25, 2014; USPTO 2014 Interim Guidance on Patent Subject Matter Eligibility, issued December 16, 2014 [USPTO Releases New Guidance on Patent Subject Matter Eligibility - On **July 30, 2015**, the USPTO released a set of additional guidance in response to comments received from the 2014 Interim Guidance (2014 IEG) on December 26, 2014. The Update responds to "six themes" from the over sixty comments received by the USPTO on its previous Guidance on 35 U.S.C. § 101.]

What Is a USPTO/PTAB Trial?



- The America Invents Act of 2011 (“AIA”) created four new administrative trial proceedings that took effect on September 16, 2012
- Trials are evidentiary proceedings that are adjudicated primarily on the written record
- Proceedings replace inter partes reexamination and “interferences”
- Trials require written advocacy skills, the eye of a trial lawyer, and appellate skills

PTAB (Patent Trial and Appeal Board)

Your are Running Against Time – for Patent Owner (PO)

Patent Review Processing System (PRPS) - PRPS is the PTAB's e-filing and case management system. A link to PRPS, relevant notices, a Quick Start Guide, technical notes, and PRPS-related FAQs are located [here](#).



Filing a Petition

Strategy Decisions: The Petition
Timing and Joinder

Prior Art/Other Challenges

Claims

Claim Construction

The Preliminary Response

What Happens After Institution of Trial?

Objections to Evidence; Initial Conference Call with the PTAB;

Discovery; Deposition(s); Patent Owner Response ;

Motion to Amend; Motion to Exclude;

Trial Hearing;

Final Decision

The Types of PTAB Trials



- ***Inter Partes* Review (“IPR”)**: Trial proceeding available for all patents except those that are still eligible for PGR.
- **Post Grant Review (“PGR”)**: Trial proceeding only available for first inventor to file patents and only during first 9 months after patent issues.
- **Covered Business Method Review (“CBM”)**: Modified PGR proceeding available where (1) petitioner (or petitioner’s privy) has been sued or threatened with a suit; and (2) patent qualifies as a “covered business method” patent.
- **Derivation Proceedings**: Determines the true inventor of an invention.

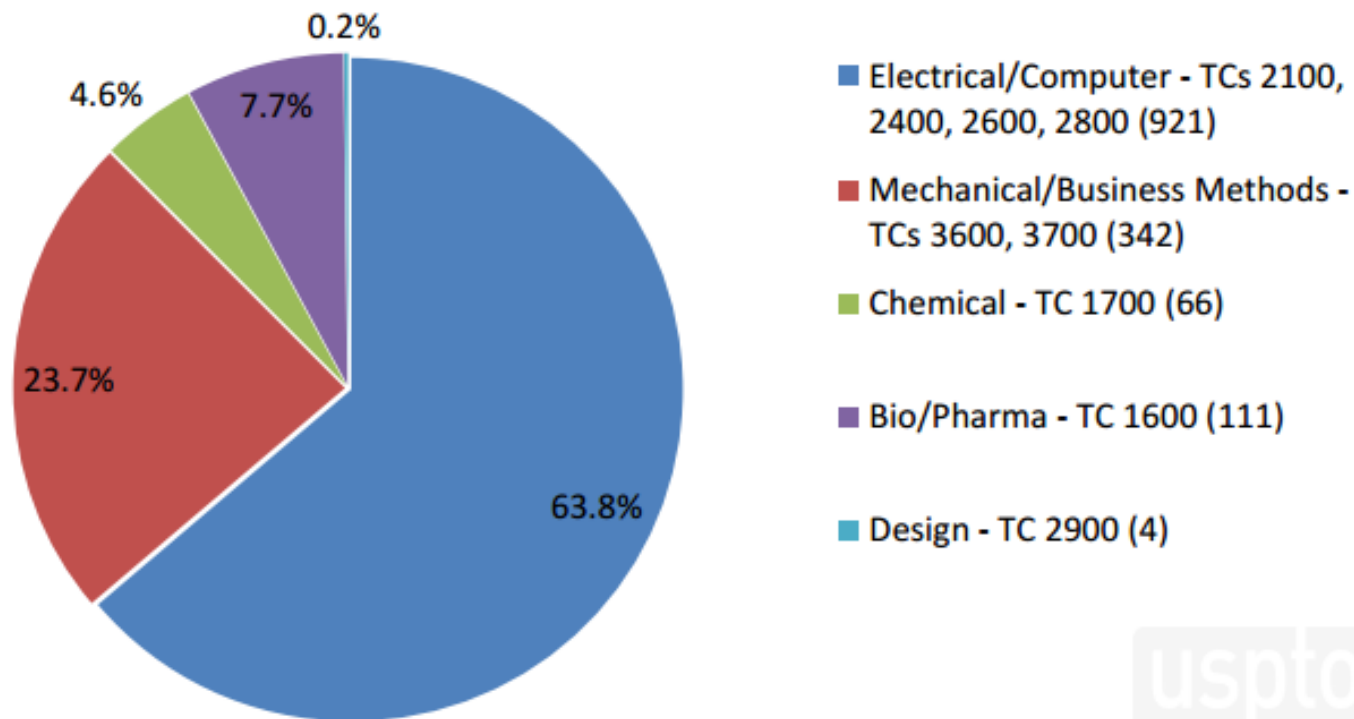
IPR Petition Dispositions (as of June 25, 2015)

Source: USPTO (last visited July 15, 2015) (available at http://www.uspto.gov/sites/default/files/documents/062515_aia_stat_graph.pdf).

		Trials Instituted	Joinders	Percent Instituted	Denials	Total No. of Decisions on Institution
IPR	FY13	167	10+	87%	26	203
	FY14	557	15+	75%	193	765
	FY15 *	583	102+	71%	281	966
CBM	FY13	14	0	82%	3	17
	FY14	91	1+	75%	30	122
	FY15 *	67	2+	71%	28	97
PGR	FY15 *	2	-	100%	-	2
DER	FY14	0	0	0%	3	3

What Type of Technology Is Being Challenged?

[Broad-Based, Wide-Spread] Source: USPTO (last visited July 15, 2015) (available at http://www.uspto.gov/sites/default/files/documents/062515_aia_stat_graph.pdf)



Post-Alice Alice in the PTAB: First 6 Months

Robert Sachs, *Survey of Patent Invalidations Since Alice*, www.law360.com (Jan. 13, 2015)



	PTAB Decisions	Patents	Claims
Not Invalid	2	2	38
Held Invalid or Likely Invalid	36	36	286

Post-Alice in the District Courts:

First 6 Months Robert Sachs, *Survey of Patent Invalidations Since Alice*, www.law360.com (Jan. 13, 2015)



	District Court Decisions	Patents	Claims
Not Invalid	11	20	535
Held Invalid	29	56	1,488

Post-Alice in the Federal Circuit:

First 6 Months Robert Sachs, *Survey of Patent Invalidations Since Alice*, www.law360.com (Jan. 13, 2015)



	Fed. Cir. Decisions	Patents	Claims
Not Invalid	1	1	27
Held Invalid	6	12	344

How To Protect Your Patent Against PTAB "Death Squads"

FM Koenigbauer et al., Venable LLP, 5-21-2014



- **The Patent-Killing Era**

- ✓ CAFC Chief Judge Randall Rader, AIPLA annual meeting, October 2013, call the **PTAB "death squads killing property rights."**

- **Opposite View**

- ✓ Inventors are given a patent **only on** things that are **new** and **non-obvious** to those skilled in the art, and only such that it creates the **incentive to create** that invention
- ✓ We should be happy to get rid of those bad patents which do not deserve a patent, and not because it's "killing property rights," but because we are getting rid of economic inefficiencies that hold back innovation and progress.

How to Survive the Patent Killing Era:

Four Basic Processes - Increase Source/Revenue and
Decrease Cost/Expenses 開源與節流



- **Process 1: Identify valuable R/D results and create new value** [Early DD, gap funding, strategize technology development, integrate IP activities with new R/D strategy, market-driven IP filing, strong IP right supported by quality prosecution, etc.]
- **Process 2: Maximizing existing IP value** [Align IP portfolio with business and tech objectives, value-driven acquisition and maintenance cost control, coordinating international prosecution and litigation activities, etc.]
- **Process 3: Assessing potential IP value and risks** [Due diligence to determine costs/risks and benefits, reduce vulnerability by investigating designing around and patent around, cross-licensing, strategic IP portfolio development, etc.]
- **Process 4: Realizing value** [Through IP enforcement, through business arrangements such as licensing, acquisitions, financings, collaborative arrangement, avoid commodity markets, etc.]

The Tales of Two IP Utilization Systems – Old v New



- **Old System** – R/D → Tech → IP Application/Prosecution → IP Management → IP Enforcement/Litigation → Utilization/Monetarization [\$\$\$/Agreement/Service/Product]
- **New System (Biz-Driven)** – Better science/tech, smarter IP identification/application/prosecution, earlier challenge early kill or monetarization (via early quasi-litigation), early licensing, share prosecution/litigation/development cost with partner...
- Old linear system → New biz-driven system move up the timeline of licensing/litigation activities → Consequently better and smarter IP management and commercialization

Conclusions 開源與節流



- Better science/tech, better IP protection, filing, prosecution and more effective management, utilization...
- Early survival/kill - strongest patent - avoid being killed during the early process, wait for the opportunity and make a kill 三年唔發市、發市要當三年
- Smart patenting and effective IP management requires
 - ✓ IP expertise [learn as you can] [更主動、更精準、更有效的管理/應用]
 - ✓ More focused and rigorous ways to realize value [Due Diligence]
- Effective IP management requires everyone to know
 - ✓ The technology, the business, the industry and the IP function
- Work together as a multidisciplinary team [團隊合作] - contribute individually and work together to form a formidable team
- Effective IP management is critical to Tech Commercialization [business] success in the 21 century

PTAB and PTAB Troll

The PTAB as a Hedge Fund Tool? Scott A. McKeown, Post-Grant Practice Group, January 15, 2015



- "PTAB Trolls" - manipulate the new administrative trial system of PTAB. "PTAB Trolls" attempt to extract settlements from patentees involved in high value litigation disputes
- Other versions - PTAB Trolls that will take a "short" position in a stock - mere filing of an IPR can spook investors, impacting trading volumes enough to cause a temporary, but significant, price drop (i.e., quick profit for a short seller) - these efforts have mostly failed, but not all.
- Next up, well financed hedge funds taking on key drug patents of the pharmaceutical industry? The founder of Dallas-based Hayman Capital Management, Kyle Bass, announced to the world that he planned to attack 15 drug companies via IPR. "We are going to challenge and invalidate patents through the IPR process ... (and) we are not going to settle . . . The companies that are expanding patents by simply changing the dosage or the way they are packaging something are going to get knee capped. ..This is going to lower drug prices for Medicare and for everyone."

U.S. Judicial System — Patent Dispute Resolutions



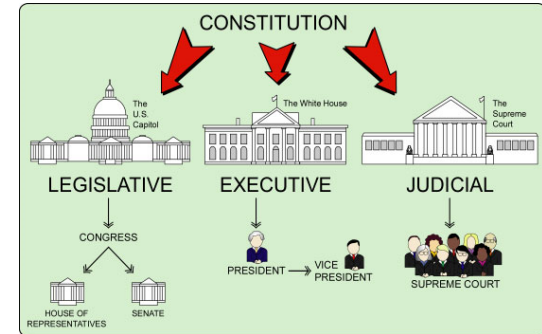
U.S. Supreme Court



Federal Circuit

**94 Federal District Courts
(at least one in each state)**

**U.S. Court of
Federal Claims**



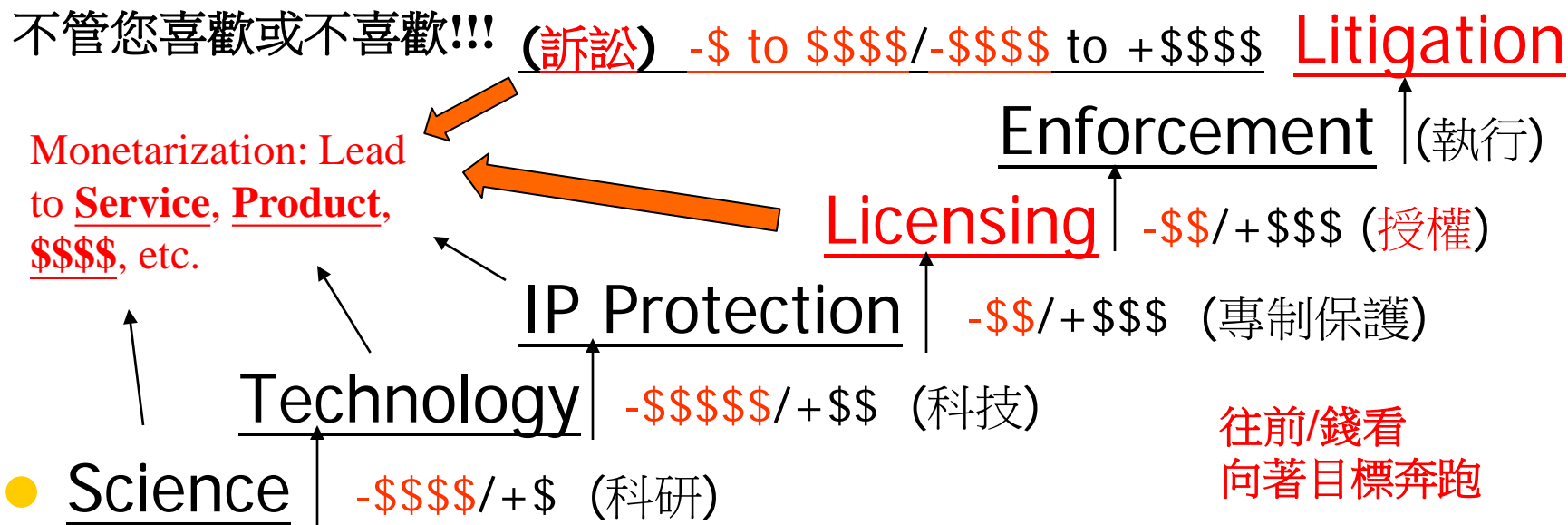
Quasi-Judicial Federal Agencies

**International
Trade
Commission**

**Patent Trial
Appeal Board**

Tech Commercialization: The Role of Scientist/Institution

Entry Barrier is Getting Higher and Higher (A Road of No Return 不歸路)



- Nowadays, if you not suing someone or being sued by others and win, you are not a player (ur a sitting duck)
假如不不是被人家告或是去告人家 你根本不是玩家
- Know-how: management, financing, legal, M&S, etc.

IP/Patent and Patent Protection

Fundamental Principle: Balance Between Rewarding Innovation versus Anti-Competition + More [商場如海、善習泳者勝、明規矩者贏]

- Four ways to protect you IP rights (智慧財產/知識產權)
 - ✓ Trade Secret Law 營業秘密法
 - ✓ Copyright Law 著作權法
 - ✓ **Patent Law 專利法** – Utility, Design, Plant
 - ✓ Trademark Law 商標法
 - ✓ [know-how, show-how, documentation, information, IP capital, regulatory, and many others]
- Pharmaceutical world employs all four laws + more to protect their IP [regulatory data and market exclusivity, patent mining, creative patenting, patent restoration and extension, compensation for interference, etc.] (Anti-trust, Anti-competitive, Section 337 ITC investigation, etc.)
- IP Laws vary slightly but significantly among all countries (and you should take advantage on those differences)
- As a player, you must learn how to play the game

How Patent Rights Can Be Lost

專利的喪失 (或專利被判無效、或不可執行、或非法行為)

- Maintenance fees are *not* paid 沒交維持費
- Shown that patent *fails* to adequately teach how to make and use the invention 專利內容沒有適當教他人如何使用
- Prior art references are uncovered which *anticipate* the invention or render it *obvious* 被發現先有已知文獻技術
- Patent owner engages in certain types of *illegal* conduct, i.e., commits antitrust or other violations connected with the patent 發明人或權人非法專利有關行為
- Patent applicant committed "*fraud* on the USPTO" by *failing* to disclose material information, such as relevant prior-art references, to the USPTO during period when application pending 對專利局有犯法行為



Major Differences between IPR, PGR, and CBM

Inter Partes Review (IPR)	Petitioner	Estoppel	Standard	Basis
Post Grant Review (PGR)	<ul style="list-style-type: none"> Person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent Must identify all real parties in interest 	<ul style="list-style-type: none"> Raised or reasonably could have raised Applied to subsequent USPTO/district court/ITC action 	More likely than not OR Novel or unsettled legal question important to other patents/applications	101, 102, 103, 112, double patenting but not best mode
Inter Partes Review (IPR)	<ul style="list-style-type: none"> Person who is not the patent owner, has not previously filed a civil action challenging the validity of a claim of the patent, and has not been served with a complaint alleging infringement of the patent more than 1 year prior (exception for joinder) Must identify all real parties in interest 	<ul style="list-style-type: none"> Raised or reasonably could have raised Applied to subsequent USPTO/district court/ITC action 	Reasonable likelihood	102 and 103 based on patents and printed publications
Covered Business Method (CBM)	<ul style="list-style-type: none"> Must be sued or charged with infringement Financial product or service Excludes technological inventions Must identify all real parties in interest 	<ul style="list-style-type: none"> Office—raised or reasonably could have raised Court-raised 	Same as PGR	Same as PGR (some 102 differences)



Major Differences between IPR, PGR, and CBM

Proceeding	Available	Applicable	Timing
Post Grant Review (PGR)	From patent grant to 9 months after patent grant or reissue	Patent issued under first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible
Inter Partes Review (IPR)	For first-inventor-to-file, from the later of: (i) 9 months after patent grant or reissue; or (ii) the date of termination of any post grant review of the patent. For first-to-invent, available after grant or reissue (technical amendment)	Patent issued under first-to-invent or first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible
Covered Business Method (CBM)	Available 9/16/12 (for first-inventor-to-file only after PGR not available or completed)	Patents issued under first-to-invent and first-inventor-to-file	Must be completed within 12 months from institution, with 6 months good cause exception possible



Comparison of Proceedings under the Leahy-Smith AIA:

Derivation Proceedings v.
Post-Grant Review v.
Inter-Partes Review v.
Supplement Examination

Encourage early challenge,
lower challenging barrier, earlier
decision to eliminate
uncertainty, replace much more
expensive litigation procedure
later

Derivation Proceedings	Post-Grant Review	Inter Partes Review	Supplemental Examination
Forum: <ul style="list-style-type: none"> Patent Trial and Appeal Board (later applicant v. earlier applicant) or District Court (patentee v. patentee) 	Forum: <ul style="list-style-type: none"> 3+ member panel at the Patent Trial and Appeal Board 	Forum: <ul style="list-style-type: none"> 3+ member panel at the Patent Trial and Appeal Board 	Forum: <ul style="list-style-type: none"> PTO
Scope: <ul style="list-style-type: none"> Challenge priority of first filer because derived from actual inventor 	Scope: <ul style="list-style-type: none"> Cancel claims based on 101, 102, 103, 112 (but not Best Mode) 	Scope: <ul style="list-style-type: none"> Cancel claims based on 102, 103 	Scope: <ul style="list-style-type: none"> Consider, reconsider, or correct information believed to be relevant to an issued patent
Supporting evidence allowed: <ul style="list-style-type: none"> PTAB Showing : Application was derived from actual inventor and filed without authorization DC Showing: Patent derived from actual inventor 	Supporting evidence allowed: <ul style="list-style-type: none"> Patents, printed publications Expert opinions, affidavits, declarations 	Supporting evidence allowed: <ul style="list-style-type: none"> Patents, printed publications Expert opinions, affidavits, declarations 	Supporting evidence allowed: <ul style="list-style-type: none"> "Information believed to be relevant to the patent"
Threshold: <ul style="list-style-type: none"> PTAB "sufficient evidence" DC civil action 	Threshold: <ul style="list-style-type: none"> "More likely than not" at least one claim unpatentable OR Novel or unsettled legal question 	Threshold: <ul style="list-style-type: none"> "Reasonable likelihood" petitioner will prevail on at least one challenged claim 	Threshold: <ul style="list-style-type: none"> None
Procedural highlights: <ul style="list-style-type: none"> PTAB final decision <ul style="list-style-type: none"> Patent: cancellation of claims Application : final refusal of claims DC final decision "relief" 	Procedural highlights: <ul style="list-style-type: none"> Patent owner can cancel or propose substitute claims at least once Claims cannot be broadened Final determination within 12 months if "good cause" Discovery for "relevant evidence" 	Procedural highlights: <ul style="list-style-type: none"> Patent owner can cancel or propose substitute claims at least once Claims cannot be broadened Final determination within 12 months, up to 18 months if "good cause" Discovery for deposition of witnesses submitting affidavits or declarations and in "interest of justice" 	Procedural highlights: <ul style="list-style-type: none"> Removes that information from serving as basis for unenforceability of patent If patent office determines that the information raises a substantial new question of patentability, a reexamination of the patent will be ordered



Comparison of Proceedings under the Leahy-Smith AIA:

Derivation Proceedings v.
Post-Grant Review v.
Inter-Partes Review v.
Supplement Examination

Derivation Proceedings	Post-Grant Review	Inter Partes Review	Supplemental Examination
Timing: <ul style="list-style-type: none"> PTAB: Within 1-year of publication of the later filer's application DC: Within 1 year of issuance of earlier filer's patent DC statute of limitations <ul style="list-style-type: none"> 10 yrs after the misconduct basis of the proceeding 1 yr after notice to PTO of same 	Timing: <ul style="list-style-type: none"> Within 9 months of issue/reissue 	Timing: <ul style="list-style-type: none"> Within 9 months of issue/reissue OR After termination of post-grant review and <ul style="list-style-type: none"> Within 1 year of commencement of litigation by patent owner 	Timing: <ul style="list-style-type: none"> Cannot prevent information from serving as a basis of I/C finding if: <ul style="list-style-type: none"> I/C was plead earlier in a civil proceeding; or I/C plead as a defense in an enforcement action started before the SE was completed
	Estoppel: "raised or reasonably could have raised" <ul style="list-style-type: none"> Applies to any <u>claim</u> challenged PTO, ITC, civil actions Cautionary note: because all grounds of invalidity are available, estoppel is broader 	Estoppel: "raised or reasonably could have raised" <ul style="list-style-type: none"> Applies to any <u>claim</u> challenged PTO, ITC, civil actions 	
Appeal: directly to Federal Circuit	Appeal: directly to Federal Circuit	Appeal: directly to Federal Circuit	
Initiated by: third parties	Initiated by: third parties who have not previously challenged the patent in civil action	Initiated by: third parties who have not previously challenged the patent in civil action	Initiated by: patentee
Effective date: March 16, 2013	Effective date: September 16, 2012	Effective date: September 16, 2012	Effective date: September 16, 2012
Applies to: <ul style="list-style-type: none"> "first-to-file" applications and patents 	Applies to: <ul style="list-style-type: none"> Pending interferences Business method patents in litigation "first-to-file" patents 	Applies to: <ul style="list-style-type: none"> All patents 	Applies to: <ul style="list-style-type: none"> All patents