

Filing For Inter Partes Review After The 1-Year Deadline

Law360, New York (April 30, 2013, 3:24 PM ET) -- Upon service of a complaint for patent infringement, a defendant has one year to file in the U.S. Patent and Trademark Office a petition for inter partes review of the patent. But this deadline does not apply to joining another party's already existing review. Moreover, the Patent Trial and Appeal Board recently ruled that this deadline also does not apply when joining two petitions by the same party — one filed within the deadline and the other not. Since, in that case, both petitions were by the same party, the petitioner had extra time to renew and strengthen its attack on the patent's claims with more prior art in the second petition.

Consistent with that PTAB's decision, if a patent owner sues two parties on the same patent but only one of them petitions for inter partes review, the other party can await and assess the patent office's initial rulings on the review. Then that party could file its own petition and request joinder with the existing review, even if it has been over a year since service of the complaint on the joining party. Therefore, parties with relatively few resources may consider awaiting initial results from a better-financed party's review before committing themselves to the proceeding.

Discussion

After a party has been served with a complaint for patent infringement, statutorily that party has one year to file a petition in the USPTO for inter partes review of the patent's validity.[1] If the patent office institutes a review, the one-year deadline does not apply to another party that wishes to join that review.[2] The patent office, however, imposes its own deadline. Specifically, the party desiring to join an ongoing petition must file its request no later than one month after the patent office institutes the review.[3]

In practice, a joining party may be able to delay involvement in an inter partes review until well after the one-year deadline has passed. To itemize, it can be one year before a petition for an inter partes review is filed.[4] Then, it can be an additional half year before the patent office actually institutes the review.[5] At that point, another party wishing to join the review has one month to file its own petition for inter partes review.[6] Thus, in total, over a year and a half can pass before the joining party has to file its petition along with its request for joinder.

Awaiting the patent office's decision on instituting the first review allows the joining party to assess the likelihood of the patent's invalidity based on concrete feedback from the patent office before filing its own petition and subjecting itself to potential estoppel.[7]

In drafting its petition, a joining party will consider a range of possibilities. For example, the petition might be based on different prior art for different claims. Alternatively, its petition may target claims for which the patent office refused to institute a review in response to the earlier petition.

There is another tantalizingly inexpensive possibility that was raised during the debate on these reviews: Perhaps the joining party's petition could simply copy the originally filed petition.[8] The statute on joinder, however, is silent on duplicate petitions. In contrast, another statute, the statute on combining "multiple proceedings" explicitly states that the patent office can reject a duplicate petition.[9] Alternatively, to reduce the risk of rejection but still lower the cost of preparing a petition, the joining party may instead consider limiting the petition's number of grounds for invalidity.

Ultimately, if another party does join the review, that party will have the important advantage of maintaining settlement pressure on the patent owner, even if the original petitioner settles, because the review would terminate only with respect to the settling petitioner.[10] Further preserving settlement pressure, if a federal court had previously granted a stay of the litigation, the court may keep the stay in place until the patent office has completed its review of the patent.[11]

Joinder may have another consequence: lengthening the review. Absent joinder, for a single petition, the statute mandates that the patent office complete its review in one year, with the possibility of an additional six months in exceptional cases.[12] But the statute does not state a required deadline for completing joined reviews. Rather, the patent office can "adjust the time periods." [13] Nevertheless, since the patent office understands that the viability of these reviews as alternatives to adjudicating invalidity depends on their speed, the patent office will likely strive to complete joined reviews relatively quickly.[14] Otherwise, as demonstrated in the context of the predecessor proceedings — inter partes re-examinations — at least some federal courts may be reluctant to stay a corresponding litigation on the same patent.[15] But without a stay, a party seeking invalidity of a patent will be burdened with the expense of contesting a patent's validity in two fora.

Although the discussion so far has focused on a second party joining a review, interestingly, the joinder statute may also waive the one-year deadline for a single party filing a second petition. While on its face, the joinder statute is about another party joining an already existing review,[16] recently the PTAB applied the joinder statute to waive the one-year deadline for a party's second petition.[17]

In that case, 10 months after the patent owner, Proxyconn, served Microsoft with a complaint for patent infringement, Microsoft petitioned for inter partes review. Three months later, the patent office instituted a review on a subgroup of the requested claims. Subsequently, after the one-year deadline, Microsoft filed another petition for inter partes review on new claims and with more prior art on the same claims for which the PTAB had previously rejected review.[18] In granting Microsoft's unopposed motion for joinder with its first petition, the PTAB explained that under the joinder statute the one-year deadline did not apply.[19]

In reviewing the motion to combine the two Microsoft reviews, instead of looking to the statute on joinder, the PTAB might also have considered another statute, the statute on "multiple proceedings." [20] This statute authorizes the patent office to consolidate multiple inter partes reviews and "enter any appropriate order." [21] But neither this statute nor the associated patent office rule mentions an exception to the one-year deadline.[22] And if passage of the one-year deadline precludes petitioning for a second review, then no consolidation would be possible under this statute. That, of course, may be the reason that the PTAB in Microsoft did not rely on this statute.

Notwithstanding, however, the Microsoft decision, until the PTAB has further interpreted the applicable statutes, the conservative party will prefer to file all its petitions within the one-year deadline.

Conclusion

If a party has few resources and can ill afford to file its own comprehensive petition for inter partes review, even after the one-year deadline, joinder with a timely filed and comprehensive review may be economically feasible and also desirable. To reduce expense, the petition might include only a limited yet sufficient number of grounds for the patent office to institute the review and join it with the ongoing review.

But a party with substantial resources may consider filing not just one but two petitions for inter partes review, particularly if the patent office did not institute a review on all claims targeted by the first petition. Even if the one-year deadline has passed, at least one decision by the PTAB suggests that the party may be able to file the second petition and join it with its first.

--By Andrew Piatnicia and Daniel Bedell, Piatnicia Legal

Andrew Piatnicia is the founder of Piatnicia Legal in San Jose, Calif. Daniel Bedell is special counsel in the firm's San Jose office.

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[1] 35 U.S.C. § 315 (b).

[2] 35 U.S.C. § 315 (c).

[3] 37 C.F.R. § 42.122(b).

[4] Although in practice, the petitioner would recognize that waiting until the deadline carries some risk. While the Patent Office will allow a petitioner to cure minor deficiencies, the possibility remains that a filing date will not be accorded for more significant failings. 37 C.F.R. § 42.106; Comment 45 and Response, 77 Fed. Reg. 48700-701 (Aug. 14, 2012).

[5] 35 U.S.C. § 314 (b) (establishing 3-month window between receipt of patent owner's preliminary response and Patent Office's determination whether to institute inter partes review); 37 C.F.R. § 42.107(b) (setting 3-month due date for preliminary response after the date of a notice indicating that the request to institute an inter partes review has been granted a filing date).

[6] 37 C.F.R. § 42.122(b).

[7] 35 U.S.C. § 315(e).

[8] Senator Kyl's comments during AIA (American Invents Act) debates: "The Office anticipates that joinder will be allowed as of right—if an inter partes review is instituted on the basis of a petition, for example, a party that files an identical petition will be joined to that proceeding, and thus allowed to file its own briefs and make its own arguments. If a party seeking joinder also presents additional

challenges to validity that satisfy the threshold for instituting a proceeding, the Office will either join that party and its new arguments to the existing proceeding, or institute a second proceeding for the patent.” 157 Cong. Rec. S1376.

[9] 35 U.S.C. § 325(d) (“In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31 [inter partes reviews], the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.”) (emphasis added).

[10] 35 U.S.C. § 317(a). The statute on joinder does not state that the remaining party’s arguments are limited to those in its own petition. 35 U.S.C. § 315(c).

[11] Settlement does not automatically terminate an inter partes review. Even if no petitioner remains in the review, the Board may terminate the review or proceed to a final written decision depending on the particular facts of each proceeding. 35 U.S.C. § 317(a); 37 C.F.R. § 42.72; Comment 205 and Response, 77 Fed. Reg. 48648 (Aug. 14, 2012).

[12] 35 U.S.C. § 316(a)(11); 35 U.S.C. § 141(c) (appeals are directly to the Federal Circuit).

[13] 35 U.S.C. § 316(a)(11) (“the Director ... may adjust the time periods in this paragraph in the case of joinder under section 315(c)”); 37 CFR § 42.100(c).

[14] 37 C.F.R. 42.1(b) (“This part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.”).

[15] *Fresenius USA, Inc. v. Baxter Int'l, Inc.*, 582 F.3d 1288, 1305-1306 (Fed. Cir. 2009) (“I remain a strong supporter of the principle of reexamination ... However, if routinely available to delay the judicial resolution of disputes, the procedure is subject to inequity, if not manipulation and abuse, through the delays that are inherent in PTO activity. The statistical data of the Patent and Trademark Office place this aspect in sharp relief, for the number of reexamination requests is increasing, as is the time for completion of reexamination and appeal in the PTO, as well as the right of judicial review ... The pendency of inter partes reexamination is reported to average 41.7 months.”) (Newman, J., concurring and addressing Judge Dyk’s separate opinion suggesting consideration of a stay pending resolution of an inter partes reexamination).

[16] 35 U.S.C. § 315(c) (“the Director ... may join as a party to that inter partes review any person who properly files a petition....”).

[17] *Microsoft Corp. v. Proxyconn Inc.*, No. IPR2013-00109, Paper 15 (P.T.A.B. Feb. 25, 2013) (order granting motion for joinder).

[18] *Microsoft Corp. v. Proxyconn Inc.*, No. IPR2013-00109, Paper 14 at 2-3 (P.T.A.B. Feb. 25, 2013) (order instituting inter partes review); *Microsoft Corp. v. Proxyconn Inc.*, No. IPR2013-00109, Paper 7 (Jan. 11, 2013 Motion for Joinder).

[19] *Microsoft*, No. IPR2013-00109, Paper 15 at 4.

[20] 35 U.S.C. § 315(d) (“MULTIPLE PROCEEDINGS.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the

patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.”).

[21] 37 CFR § 42.122(a).

[22] 35 U.S.C. § 315(d); 37 CFR § 42.122(a).

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