



Bench and Bar Discussion of IPR Strategies and Practical Tips

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Strategic Considerations for IPRs in a Rocket Docket

- Burden of proof now varies in IPRs
 - Preponderance vs. clear and convincing vs. compelling merits
 - Challenges to meet compelling merits in a fast docket with complex references
 - No presumption of validity
 - Specialized patent judges vs. judge/lay jury
 - APJs are more likely to appreciate the challenges that Examiners face during prosecution
- Start early on your prior art search
 - Ideally before case is filed if you have advanced notice
 - Hard to justify a litigation budget before the client is actually sued



Petitioner-Side
Representation
Patent Owner-Side



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Phase 1: Prior Art Searching & Analysis

- Choice of prior art grounds and issues
 - 99% of winning an IPR is good prior art
 - Prior art needs to cover all non-infringement grounds & all claim constructions
 - Is it prior art? Can you prove it?
 - Publications, provisional applications, foreign filing dates
 - Dynamic drinkware analysis
 - For old references, how close is it? Can they swear behind it?
 - To the extent a reference looks like the accused product, you may lose IPR but it can still be a win in corresponding litigation
- Identify weakest arguments and discard them or make them stronger
- Overall goals:
 - Win
 - Preserve non-infringement
 - Generate helpful admissions for litigation

Phase 1: Prior Art Searching & Analysis

- Anticipate Patent Owner arguments on prior art
 - Build counter arguments right into IPR and initial case strategy
 - If the Petition is discretionarily denied, you may never get a reply
 - Outline a response to your own Petition
- Understand non-infringement arguments when you file the Petition so you don't negatively impact non-infringement case
- Whatever non-infringement defense is, make sure prior art covers it
- Find good references with built-in motivations to combine, and without excessive embodiments
 - Excessive embodiments makes it so much harder to establish motivations to combine

Phase 1: Prior Art Searching & Analysis

- Strategy to win regardless of what claim constructions is adopted
- Multi-variable problem in the selection of prior art:
 - Create a matrix of claim limitations vs. features in prior art
 - Create a matrix of prior art and motivations to combine
 - Select the prior art that has more limitations for more claims and has the necessary motivations to combine
 - Has the prior art been used in an IPR before?
 - Consider means-plus-function
- Pick what you think is right – plain meaning/specialized
- Some references may have better pictures/jury appeal (best litigation references), and some may have better motivations to combine (best IPR references) – find references that work in both

Phase 1: Prior Art Searching & Analysis

- Selecting the right team:
 - Someone who can search prior art
 - Someone who can write – persuasive writing, attention to detail
 - Someone with strong technical background to review all motivations to combine

Phase 2: Drafting IPR Petitions

- Petition drafting is key, avoid common procedural missteps
- Identify claim construction for all potential means-plus-function terms
- Analyze art under any known or potential dispositive claim construction
 - Identify grounds and evidence with particularity
 - Don't "throw in the kitchen sink," catch-all phrases won't help you
 - Inherency requires showing necessity – don't rely on inherency if you don't have to
 - Mixing embodiments requires careful attention
 - Address clear discretionary issues and reasons why the Petition shouldn't be denied
- If you only have one good Petition, just file one
 - If there's a strategic reason to file three Petitions with good references that come from different angles, file three Petitions

Motivation to Combine

- Explain why a skilled artisan would combine references with a reasonable expectation of success
- Ideally obtain the motivation for adding in the feature within the reference
 - If you can't, you need to have the expert provide the motivation, but this is not ideal (battle of the experts)
- The mere existence of prior art elements is not sufficient to render a claimed invention obvious; rather, there must be a clear reason or rationale for a person of ordinary skill in the art to combine those elements in the claimed manner
- Impermissible hindsight in obviousness analysis rebutted by existing motivation to combine

Expert Declaration Support

- Offer supporting evidence and technical detail and explanation
- Avoid making conclusory and unsupported assertions
 - Avoid repeating the Petition's content
- Expert should be involved from the very beginning of the drafting, bring them along the entire time – reasons for selecting references, reasons for combining them
 - Will be a far better deponent if they understand WHY references are selected, the advantages, and the motivations to combine
 - Expert should really be an expert in the field, not just a testifying expert
- Never stretch an expert's credibility – protect lawyer's and expert's credibility
 - Board makes credibility determination one way or another

Preserving Arguments on Appeal

- District court construction currently favored by PTAB
 - If the PTAB bases claim construction on District Court case and you weren't part of it, it may make no sense for your case but litigants are stuck with it
- If issues are not raised in the IPR, you cannot argue on appeal – build your record for appeal
 - Claim construction issues must be raised
 - Chevron Deference arguments must be raised

Phase 3: Depositions, Motions, & Briefing

- The goal of depositions is to confirm the opposing experts' opinions to preclude them from changing positions in their reply declarations, expose inconsistencies or flaws, and seek admissions and concessions
- Avoid giving opposing experts opportunities to fill in gaps in their declarations
- Consider asking the Board for replies – if you don't ask, you don't get
- POPRs allow added preparation of experts prior to deposition

Avoiding IPR Estoppel: Petitioner Tips

- Is Patent Owner relying on hindsight bias?
- Check all motivations to combine

Phase 4: Oral Arguments

- Make case in chief
- Address all of opponents arguments and any weak points in your own arguments
- You know what questions the Board is going to ask – same questions that opponent will point out
 - Be prepared to answer those questions and explain motivations to combine off the cuff
 - The Board can and often does ask questions that neither party thought of in the briefing



Patent Owner-Side



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Patent Owner's Challenges

- The best defense is keeping the PTAB from instituting IPRs in the first place
 - Petitioner has high burden for institution
 - Attack Petitioner where they're weak
 - Detailed technical analysis regarding the claimed subject matter
- Patent Owner's biggest concern is pending cases related the challenged case
- Pre-institution vs. post-institution issues
 - Be wary of lock-in effect on issues that need more development, leave room for argument and declaration support – don't argue all your issues

Patent Owner Strategy

- Pre-institution:
 - Discretionary doctrines
 - Dispositive procedural missteps
 - Missing claim elements
 - Missing motivations to combine
 - Unexplained inferences and POSITA understandings
 - Conclusory analyses
 - Means-plus-function claims without analysis
- Post-institution:
 - Raise technical fact issues backed by expert testimony and consider fallback positions
 - **Re-raise it or waive-it:** re-raise important issues post-institution
 - Consider it waived at the Board and on appeal; can't fix challenges if PO doesn't raise them, they can't raise them in oral argument or at the Board

Phase 1: Patent Owner Preliminary Response

- Early analysis of case is important
 - Claim construction disputes
 - Gaps and procedural missteps
 - Key factual disputes on art and arguments
- Overall goals:
 - Avoid institution
 - Survive final decision
 - Preserve infringement
 - Do not undermine ongoing prosecution efforts
- Strategy may include:
 - Arguments on discretionary denial
 - Arguing that Petitioner failed to meet its burden or satisfy the necessary legal criteria
 - Arguing claim limitations are not adequately addressed in Petition
 - Seek inconsistent positions
 - Arguing Petitioner's expert opinions are conclusory
 - Challenging an expert usually is unsuccessful

Phase 1: Patent Owner Preliminary Response

- If you think you have a good response, and think you could get discretionary denial, include it in POPR
 - If not, maybe wait until after expert deposition
 - If you include everything, you've basically given the Petitioner a road map to your arguments before taking expert's deposition
 - Keeping some arguments quiet make sense
- Will create a ton of estoppel if PO replies to every Petition
 - Have to maintain litigation position, sometimes the best offense is to keep quiet and let the Board do the work for you
 - Board will dismiss some Petitions under discretionary denial anyway
 - When you argue around references, create delta between what you are doing and what everyone else is doing
 - POPR might claim the Petitioner has too many combinations, or didn't use particularity – this is so they avoid lots of estoppel, and counting on Board to make those decisions

Phase 2: Patent Owner Response

- Establish trust and credibility with the Board up front
- Identify and exploit issues that the Petition glossed over and bring those to the attention of the Board
- Don't water down strong position with weak positions
- Selecting the right team:
 - Someone who can write – persuasive writing and attention to detail
 - Someone who is very good at claim construction – searching for a potential construction not addressed in the Petition
 - Someone with strong technical skills that can identify different embodiments in the prior art

Expert Declaration Support

- Use the expert declarations to identify the gaps left by Petitioner's expert
 - Don't allow Petitioner's expert to fill in the gaps during deposition
 - Allows Patent Owner to have the last word, and effectively direct the Board to the Petitioner's failure to carry their burden of proof
 - Can do a lot of damage if the deposition of your Petitioner's expert is not handled correctly
 - Use the knowledge and industry experience of an expert to not only persuade, but also educate the Board about a POSITA at the time of the invention, the status of the industry, and why a POSITA would not have found the patent claims to be anticipated or obvious at that time

Phase 3: Post-Response and Oral Hearing

- Preparation for oral argument should begin before the PO Statement is filed
 - New arguments at the oral hearing stage are strictly forbidden
- Most panels will not typically spend time discussing case law with the attorneys, but rather concentrate on key points in the technology
- More questions may be directed at Petitioner as the party bearing the burden of proof

Avoiding IPR Estoppel

- Applies to patent office proceedings and other civil actions
- *CalTech v. Broadcom Ltd.*, 25 F.4th 976 (Fed. Cir. 2022)
 - “[E]stoppel applies not just to claims and grounds asserted in the petition and instituted for consideration by the Board, but to **all grounds** not stated in the petition but **which reasonably could have been asserted against the claims included in the petition.**” *Id.* at 991.
- *Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274 (Fed. Cir. 2023)
 - W]e hold that[] ... § 315(e)(2) estops a petitioner as to invalidity grounds a **skilled searcher conducting a diligent search reasonably could have been expected to discover[.]**” *Id.* at 1298.
 - Make sure you do a “diligent search”

Avoiding IPR Estoppel: Patent Owner Tips

- Patent Owner has the burden
- Provide affirmative evidence that a skilled searcher exercising reasonable diligence would have located the prior art
 - Document search methodology (e.g., terms used, resources searched)
- Include expert testimony supporting why certain terms or phrases would be included in a search
- Avoid hindsight bias when arguing why a skilled searcher would have located the reference

IPR Best Practices

- Combination of prosecution and litigation experience is helpful in crafting a winning Petition
- PTAB judges are very detailed and technical
- Don't hold anything in reserve or make assumptions
 - Show all elements regardless of importance
- Explain obviousness on a feature-by-feature basis and at a reference level
- Select the strongest positions
 - Avoid detracting from strong positions or losing credibility

Impact on Patent Prosecution

- Avoid applicant admitted prior art (AAPA)
 - Can be combined with prior art patents and publications to form Petition grounds
- AAPA can be used to:
 - Supply missing claim limitations generally known in the art
 - Support motivation to combine
 - Demonstrate POSITA knowledge
- Whether a statement qualifies as AAPA is fact specific
 - Parties can present evidence to dispute significance and meaning of statement

Loper Bright and the PTAB

- Supreme Court overruled Chevron, stating:
 - “Courts must exercise their independent judgment in deciding whether an agency has acted within its statutory authority.”
- *United Therapeutics Corp. v. Liquidia Technologies, Inc.*
 - UTC petitioned the Supreme Court to review the Federal Circuit affirmance of FWD
 - UTC argues that Federal Circuit improperly *deferred* to the PTAB in determining whether evidence could be used in an IPR
 - Supreme Court has requested a response to writ of certiorari

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Jacqueline Bonilla

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Deputy Chief Administrative Patent Judge Jacqueline (Jackie) Wright Bonilla is serving as the Senior Legal Advisor to the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (USPTO). As the Senior Legal Advisor, she counsels the Director of the USPTO on a wide range of patent-related legal and policy issues, including those relevant to America Invents Act (AIA) proceedings at the Patent Trial and Appeal Board (PTAB); the process for Director review of PTAB decisions; litigation before the Federal Circuit and Supreme Court; and PTAB and patent-related precedent, Director guidance, and rulemaking.

Since her appointment as an administrative patent judge in January 2012, she has conducted numerous post-grant patent trials under the AIA, heard appeals from adverse examiner decisions in patent applications and reexamination proceedings, and rendered decisions in interferences. She has served in several leadership positions at the PTAB, including as the Deputy Chief Administrative Patent Judge since March 2019, helping to shape agency policy as it relates to PTAB practice and lead the PTAB as it handles cases and renders decisions in all areas of jurisdiction.

Prior to joining the USPTO, Judge Bonilla worked for 12 years in private practice, including as a partner at Foley & Lardner, LLP. She also served as a judicial law clerk to the now-retired Chief Judge Randall Rader at the U.S. Court of Appeals for the Federal Circuit.

Judge Bonilla graduated from the University of Virginia School of Law, and holds a Ph.D. in Pharmacology from the University of Virginia, and a B.A. in Biochemistry from the University of California, Berkeley.



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Fred has more than 25 years of experience handling intellectual property matters in primarily the cable, telephony, solar, satellite, Internet, electronic program guide, LTE, and automotive industries. Fred has served as lead counsel in a large number of patent litigations and over 170 IPRs.

Fred has a significant post-issuance practice including IPRs, interferences, and reexaminations. He also has handled a number of large Section 337 investigations at the United States International Trade Commission.



Lestin L. Kenton, Jr.
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Lestin L. Kenton, Jr. is a director in Sterne Kessler's Electronics Practice. As a leading PTAB litigator, Lestin has demonstrated unparalleled proficiency in challenging and defending patents before the Patent Trial and Appeal Board. He has spearheaded numerous inter partes review (IPR), post grant review (PGR) and covered business method review proceedings under the America Invents Act, delivering favorable outcomes for both petitioners and patent owners. Over the last decade, Lestin has been counsel in over 100 PTAB proceedings spanning the electronics, mechanical and life-sciences arts. In 2023, Patexia ranked Lestin as one of the most active and best performing PTAB attorneys over the five-year period from July 1, 2018 – June 30, 2023. Notably, he was ranked in the top 50 of the Best Performing Attorneys Representing Patent Owners and ranked within the 100 best active and performing attorneys overall during this five-year period.

Lestin's strategic prowess and technical acumen have solidified his reputation as a formidable advocate in high-stakes PTAB disputes across diverse industry sectors. Lestin has been instrumental in advancing legal education and professional development, leading Sterne Kessler's PTAB Roundtables since 2014 and serving as an adjunct professor at George Mason University Antonin Scalia Law School since August 2021, where he imparts invaluable insights on PTO litigation.



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Ethan is an associate in Sterne Kessler's Electronics Practice Group, where he assists in patent preparation and prosecution. His technical background includes artificial intelligence (AI), machine learning, networking, operating systems, robotics, software-defined radios, and user interfaces.

Ethan earned his J.D. from the University of Maryland Francis King Carey School of law, and holds both a B.S. and M.S. in computer science



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