Insights: Alerts

3 Key Takeaways: Navigating the Post-Grant Landscape

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Kilpatrick Townsend's John Alemanni, Allison Dobson, Matthew Holohan, and Wab Kadaba recently presented on navigating the Post-Grant landscape. Here are three key takeaways from their presentation.

The STRONG Patents Act of 2015 gives way to the STRONGER Patents Act of 2017.

- Perception among some Senators, patent practitioners, and other interested parties is that AIA post-grant proceedings, along with recent high court patent decisions, have hurt the U.S. patent system and decreased the value of issued U.S. patents.
- Pro-patent owner changes are proposed to the statutes and rules for IPR and PGR, such as, for example, provisions that allow for easier claim amendments, strengthen the estoppel provisions, defer to district court findings of validity, raise the standard for review to clear and convincing evidence, and allow interlocutory appeal of institution decisions by patent owners, among others.
- While the bill as it stands may not pass, it does potentially signal a caucus in Congress pushing back against the perceived weakening of the patent system.

The Supreme Court will hear a constitutional challenge to IPRs.

- *Oil States Energy Services, LLC v. Greene's Energy Group, LLC* - *certiorari* granted June 12, 2017 and argument expected fall 2017.
- Petitioner argues that IPR extinguishes private property rights through a non-Article III forum without a jury, in violation of 7th amendment to Constitution.
- The Supreme Court has reversed the Federal Circuit often lately but here may merely intend to end the debate or clarify an important question of administrative law.
- The Supreme Court has also granted certiorari on *SAS Institute Inc. v. Matal* to consider whether the language "shall issue a final written decision with respect to the patentability of **any patent claim challenged by the petitioner**" in 35 U.S.C. § 318(a) requires that the Board issue a final written decision as to every claim challenged in the petition.

The application of IPR estoppel varies.

- In an IPR "that results in a final written decision" on a patent claim, the petitioner may not assert invalidity in a USPTO, district court, or ITC proceeding "on any ground that the petitioner raised or reasonably could have raised **during that inter partes review**."
- In *Shaw Industries Group v. Automated Creel Systems*, the Federal Circuit held that "during that IPR" in the statute means that estoppel only applies to grounds that were actually instituted. "The IPR does not begin until

it is instituted."

- District courts applying Shaw have found that references not presented to the Board at all cannot be estopped, while acknowledging that this interpretation renders the phrase "reasonably could have raised" superfluous. In contrast, the Board finds estoppel where a party knew of or reasonably could have known about prior art.
- The district courts have also applied what amounts to practical estoppel, holding that statements made during IPR can be relied upon to narrow claims and that findings of invalidity by the Board may inform analysis of invalidity in the district court.

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