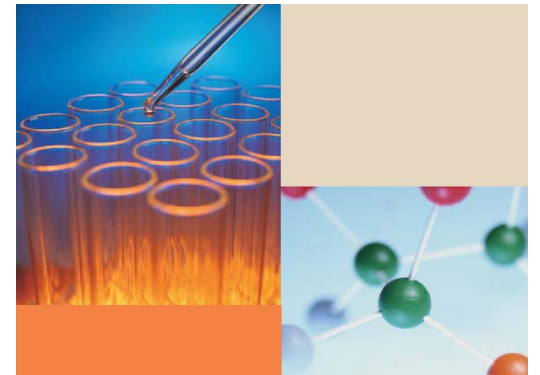


# The Proposed Post-Grant Opposition Proceeding

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MCANDREWS, HELD & MALLOY



# Introduction

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- ▶ Why this topic is of interest to you
- ▶ Roadmap for what will be covered
  - Status of legislation
  - How the procedure works
  - How to take advantage of the proceeding and use it as a strategic planning tool

# Status of Reform Legislation

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- ▶ Patent Reform Act of 2005 introduced June of last year, revised several times
- ▶ Despite activity, legislation stalled in the House
- ▶ House began hearings again this year – two held so far
- ▶ Rep. Berman introduced PDQ Act in April 2006
- ▶ Senator Hatch making noise about competing bill

# How It Works: Opposition Request

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- ▶ File within 9 months of grant
- ▶ Any person may file
- ▶ Any ground for validity may be raised
- ▶ Request must set forth invalidity position in detail
- ▶ Request must include supporting evidence

## How It Works: Second Window Debate

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- ▶ Six month “second” opposition window triggered by notice of infringement
- ▶ Window only triggered for party that receives the notice
- ▶ Was in original bill, omitted from subsequent revisions
- ▶ Appears again in PDQ Act

# How It Works: Institution of Proceeding

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- ▶ Proceeding instituted if “substantial question of patentability” exists
- ▶ Three judge panel assigned
  - Likely drawn from the Interference Trial Section
  - Experienced in handling interference proceedings
  - “Contested Case” Rules already in place

# How It Works: Patent Owner Response

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- ▶ Response to validity issues raised in request
- ▶ Must include any supporting evidence
- ▶ May file request to amend (but not broaden) claims

# How It Works: Limited Discovery

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- ▶ Evidence presented by way of declaration
- ▶ Discovery limited to cross of declarants by deposition
- ▶ Exception: “in the interests of justice”

## How It Works: Decision

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- ▶ Oral hearing optional
- ▶ Opposer bears burden of proving invalidity by preponderance
- ▶ Written decision on each issue of patentability raised
- ▶ May be appealed to the Federal Circuit

# How It Works: Limited Estoppel and Duration

## Limited Estoppel

- Opposer barred from raising in any subsequent proceeding:
  - ▶ “any issue of fact or law actually decided by the panel”
  - ▶ “and necessary to the determination of that issue”
- Exception if additional factual evidence arises

## Duration

# Pros/Cons

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1. Procedure itself is not for every occasion
  - More expensive than reexamination
  - Subject to estoppel
  - No opportunity for full discovery
  
2. On the other hand . . .
  - Less expensive than litigation
  - Lower burden of proof than litigation
  - Experienced panel of patent judges
  - Can be used selectively as a strategic planning tool

# Taking Advantage of It: Set Up a Review System

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- ▶ Must conduct patent searching to take full advantage of opposition procedure
- ▶ Searching system can be anywhere from simple to complex
  - Search firms
  - Online searching services
  - PTO website databases

# Taking Advantage of It: Prepare to Move Quickly

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- ▶ Process is very front-end loaded
- ▶ Must put forward best arguments and evidence in initial request – might not get another chance
  - Fully develop invalidity theory
  - Factual evidence
  - Expert evidence
- ▶ Search pending applications

# Taking Advantage of It: Strategic Planning Tool

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- ▶ Heightened Willful Infringement Standard
  - Threat of treble damages often viewed as deterrent to patent searching and strategic planning
  - Reform proposal – patent owner required to send written notice
  - No risk of willful infringement liability by simply searching

# Taking Advantage of It: Strategic Planning (cont.)

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- ▶ Change to Publication Rules
  - All applications now published after 18 months
  - “Opting out” no longer an option
  - Patent application searching is more effective

## Taking Advantage of It: Strategic Planning (cont.)

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- ▶ Conduct patent and application searches throughout the product development process as part of a strategic planning effort
- ▶ Use the post-grant opposition proceeding to attack poor quality patents identified through searching
- ▶ Results of searching can be used in other ways to help guide your client to a successful product commercialization
  - Design around
  - Partnering/licensing opportunities
  - Guidance for patenting strategy

# Conclusion

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- ▶ Post grant opposition proceeding is coming
- ▶ Set up patent review systems in order to take advantage of proceeding
- ▶ Familiarize yourself with the procedure and be prepared to act quickly
- ▶ Opportunity for improved strategic planning

# Questions?

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