

Post-Grant Proceedings in the U.S. – A Strategic Comparative Analysis of IPRs, PGRs, and EPRs

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The America Invents Act (AIA) created several new administrative proceedings for challenging the validity of issued patents at the United States Patent & Trademark Office (USPTO), including *Inter Partes* Reviews (IPRs) and Post-Grant Reviews (PGRs). Effective September 16, 2012, these proceedings rapidly became important and often used tools to challenge patents asserted against a party in a parallel context, e.g., in litigation or licensing, and are still important proceedings to consider in these contexts.

Prior to the commencement of these AIA proceedings, the USPTO held both *ex parte* reexamination (EPR) and *inter partes* reexamination proceedings for the same purpose. While the later proceedings were abolished by the AIA, EPR proceedings were left intact, although with reduced popularity. However, in recent years, as IPR institution rates have declined, there has been a renewed interest in EPRs as an alternative, or in some cases, a backup, to IPR proceedings. This article will discuss and compare IPR, PGR, and EPR Proceedings, providing insight into the pros and cons of using each proceeding.

Background

The USPTO Patent Trials and Appeals Board (PTAB) oversees both IPRs and PGRs.¹ As explained in more detail below, a party may be able to file either an IPR or PGR to challenge a given patent, depending on timing. IPRs and PGRs are typically used by parties as offensive measures to challenge the validity of one or more claims of a patent of interest, either because the patent was previously asserted against the party in litigation or licensing or otherwise presents a risk to a present or future product

of the party, or in some cases based on an assertion of public interest.

In contrast, the Central Reexamination Unit (CRU) of the USPTO oversees EPRs,² which may thereafter be appealed to the PTAB.³ While an EPR can be used offensively by a third party as an alternative to an IPR or PGR to attack the validity of patent claims, an EPR can also be used defensively by a patent owner to strengthen patent claims against newfound prior art uncovered after issue.⁴

Timeline

Timing is one of the most important considerations in choosing a post-grant proceeding, both respecting when a petition can be filed and the overall length of proceedings. A PGR petition must be filed within the first nine months following the grant of the challenged patent.⁵ This nine-month, post-grant challenging period is reserved to the exclusion of an IPR petition on newly issued patents at the PTAB.⁶ An IPR petition can be filed after this period or after the termination of a PGR, whichever is later.⁷ As such, based on the timing of the challenge, a potential petitioner may file either an IPR or a PGR, but not both at the same time. Additionally, an IPR petition cannot be filed following one year from being serviced with an alleged infringement complaint.⁸

In contrast to the time limits governing IPR and PGR proceedings, EPRs can be filed “at any time” during the enforceable life of the patent.⁹ Likewise, an EPR can be filed after (or even during pendency of) a PGR or IPR petition, typically in the event that the PTAB does not institute proceedings.¹⁰

Regarding the length of proceeding, the PTAB will determine whether or not to grant an IPR or PGR petition and institute proceedings typically within three months following a preliminary response or the last date on which this response may be filed.¹¹ This usually takes an average of six months after filing a petition.¹² An IPR or PGR will be completed within a year of the institution decision but may be extended an extra six months

for good cause.¹³ The time from petition to completion is, on average, eighteen months.¹⁴ By comparison, EPR proceedings have slightly shorter spans. A decision to institute an EPR proceeding is typically made within three months following the filing of an EPR request, but it often only takes a month and a half.¹⁵ The average time from filing to completion EPR proceedings is around fifteen months.¹⁶ Moreover, note that while settlement of an IPR or PGR typically results in termination of proceedings, settling an EPR does not.¹⁷

Either way, post-grant proceedings are typically shorter than a district court patent litigation, which has a median time from filing to trial of slightly over two years depending on the district.¹⁸

Scope of Review

IPR and EPR petitions are limited to challenges on novelty (35 U.S.C. § 102) and obviousness (§ 103) based on patents and printed publications.¹⁹ A PGR petition has can be broader and additionally assert challenges on patent eligibility (§ 101), description and enablement (§ 112), and double patenting (§ 121).²⁰

In IPR and PGR proceedings, the scope of review is limited to the grounds asserted in the petition.²¹ In EPR proceedings, the USPTO can consider any prior art, even those independently found by the Patent Office and not the basis of request for reexamination, which raises a substantial new question of patentability.²²

Parties Involved

While IPR and PGR petitioners can participate throughout the entire proceedings, EPR petitioners have only limited opportunity for participation after the petition is filed.²³ IPR and PGR petitioners must also identify all so-called real parties in interest, that is, other parties that are clear beneficiaries of the proceedings and have a preexisting, established relationship with the petitioner, e.g., a party that funds, directs and controls the petition behind the scenes.²⁴ By contrast, EPR petitioners can be any party, including the patent owner, and may remain anonymous throughout the proceeding.²⁵

Standard

Regarding standard of review, a PGR petition must show that it is “more likely than not” that at least one challenged claim is unpatentable.²⁶ An IPR petition must show a “reasonable likelihood” that the petitioner will prevail with respect to at least one claim.²⁷ EPR petitions

are reviewed under a different standard; a petition must raise a “substantial new question of patentability” affecting any claim.²⁸ Notably, all these standards for challenging patents at the PTO are easier to meet than the standard for challenging patents in district court, where one must defend invalidity with “clear and convincing” evidence.²⁹

Institution and Grant Rates

IPR and PGR petitions have comparable institution rates by petition (67%) and percentage of unpatentable claims found after institution (50.6%), although the number of PGR petitions filed to date is a much less than as for IPRs.³⁰ IPRs and PGRs also have roughly the same percentage of patentable claims found after institution (14.9% and 14.5%, respectively), disclaimed claims found after institution (6.9% and 6.6%, respectively), and settled claims that were not addressed (27.5% and 28.3%, respectively).³¹

EPRs, conversely, have a much higher request grant rate (92.2%).³² EPRs result in 21% of claims being confirmed, 66% of claims being amended, and the remaining claims being cancelled.³³

Estoppel

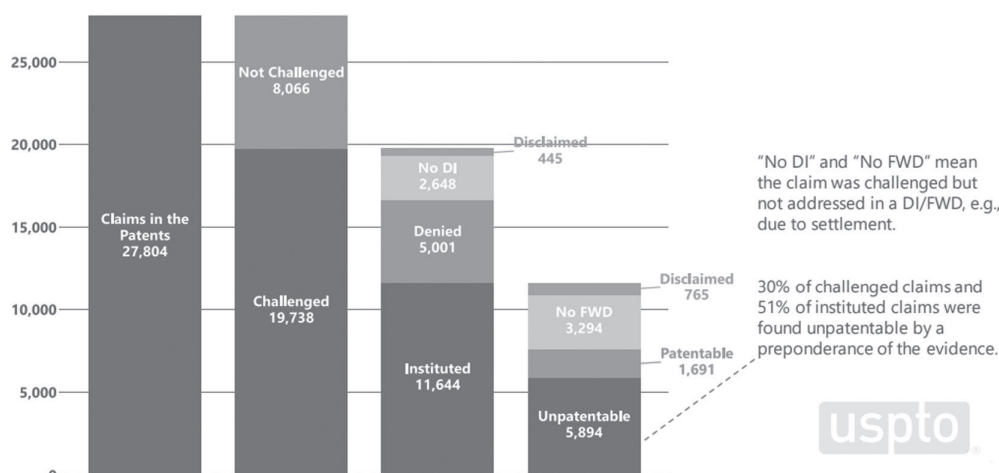
IPR and PGR proceedings may not be instituted if the petitioner has already filed a civil action challenging a patent claim’s validity.³⁴ Here, counterclaims are not considered civil actions.³⁵ Further, petitioners (or other real party in interest or privy of the petitioner) are barred from bringing any civil action or requesting other PTO proceedings on grounds that could have reasonably been raised during PTAB post-grant proceedings.³⁶ This elicits the strategic decision of whether to raise all potential issues before the PTAB (via a PGR if available) or save some for challenges in district court by foregoing a PGR and filings an IPR – this preserving 112 and other issues. There is no estoppel for EPRs.³⁷ An IPR filed on a patent that is in EPR proceedings will likely result in a stay of the EPR in favor of the IPR.³⁸ Moreover, EPRs can be used where an IPR or PGR is not instituted.³⁹

Practical Considerations and Strategies

Patent owners should consider strategies to maximize IP protection, such as reviewing related counterparts and

Claim outcomes

(FY23: Oct. 1, 2022 to Sept. 30, 2023)



families for prosecution and disclosure and considering proactive EPRs for high value patents when new prior art is discovered.

Potential petitioners should consider strategies to minimize IP risks, such as monitoring competitors' prosecution and grants, evaluating infringement risks and values of competitors' patents, identifying available positions to challenge competitors' patents, and strategically

determining the best forum for each position (i.e., PGR vs. IPR vs. EPR vs. District Court). Moreover, the scope of potential estoppel, timing requirements, and claim construction issues should be evaluated. Ultimately, the growing trend towards using post-grant proceedings in connection with both offensive and defensive litigation strategies holds benefits for both patent owners and potential petitioners.

- The PTAB previously addressed Covered Business Methods, but such reviews were discontinued on September 16, 2020. The PTAB also handles Derivation Proceedings ("DERs"), which are proceedings conducted to determine whether an inventor named in an earlier application (filed without authorization) derived the claimed invention from an inventor named in the petitioner's application. 37 CFR § 42.405(b).
- See *Central Reexamination Unit*, USPTO, <https://www.uspto.gov/about-us/organizational-offices/office-commissioner-patents/central-reexamination-unit> (last visited Dec. 8, 2023).
- See M.P.E.P. § 2259.
- In this regard, an EPR can serve as a faster alternative to reissue proceedings. This can strengthen claims against invalidity challenges in later or parallel AIA, district court, or US International Trade Commission ("ITC") trials.
- 35 U.S.C. § 321(c).
- 35 U.S.C. § 311(c).
- Id.*
- 35 U.S.C. § 315(b).
- 35 U.S.C. § 302; M.P.E.P. § 2209.
- M.P.E.P. § 2210 (noting that estoppel provisions for IPR and PGR proceedings only prohibit the filing of a subsequent request for EPR proceedings once estoppel attaches).
- 35 U.S.C. § 314 (b); 324(c).
- PTAB Timing, Lex Machina (last visited Dec. 8, 2023).
- 35 U.S.C. § 316(a)(11).
- PTAB Timing, *supra*.
- 35 U.S.C. 303(a); M.P.E.P. § 2241; *Reexaminations - FY 2022*, USPTO (updated Mar. 2022), <https://www.uspto.gov/sites/default/files/documents/reexamination-op-stats-FY22Q1.pdf>.
- Reexaminations - FY 2022*, *supra*.
- See 35 U.S.C. § 317, 327; but see M.P.E.P. § 2209.
- PTAB Timing, *supra* (showing a median of 742 days).
- 35 U.S.C. § 311(b); M.P.E.P. § 2209.
- 35 U.S.C. § 321(b).
- See 35 U.S.C. § 318(a), 328(a).
- See M.P.E.P. § 2258.
- 37 CFR § 42.101, 42.201; see also 35 U.S.C. § 311-12, 316, 321-22, 326 ([t]he petitioner participates throughout the proceeding, including via a Reply to the Patent Owner's Response, discovery, an Oral Hearing, and any appeal); but see 35 U.S.C. § 304-05.
- 35 U.S.C. § 312, 322; see *Samsung Electronics Co., Ltd. v. Netlist*, IPR2022-00615, Paper 62, at 7-8 (PTAB 2023).
- See M.P.E.P. § 2209; 35 U.S.C. § 304-05 ([i]f the patent owner files a statement, petitioner can file a reply); M.P.E.P. § 2255 ([t]he proceeding then becomes ex parte); M.P.E.P. § 2214 (the petitioner may remain anonymous by utilizing a registered practitioner).
- 35 U.S.C. § 324(a).
- 35 U.S.C. § 314(a).
- 35 U.S.C. § 303.
- Microsoft Corp. v. i4i Limited Partnership*, 564 U.S. 91 (2011).
- PTAB Trial Statistics FY23 End of Year Outcome Roundup IPR, PGR, USPTO* (updated Sep. 30, 2023), https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2023_roundup.pdf.
- Id.*
- Ex Parte Reexamination Filing Data - September 30, 2020*, USPTO (updated Mar. 2021), https://www.uspto.gov/sites/default/files/documents/ex_parte_historical_stats_roll_up_21Q1.pdf.
- Id.*
- 35 U.S.C. § 315(a)(1), 325(a)(1).
- 35 U.S.C. § 315(a)(3), 325(a)(3).
- 35 U.S.C. § 315(e), 325(e).
- M.P.E.P. § 2259.
- See, e.g., *CBS Interactive Inc. v. Helferich Patent Licensing*, IPR No. 2013-33 (Nov. 6, 2012 Order Staying Reexamination); *Motorola Solutions v. Mobile Scanning Techs.*, IPR No. 2013-93 (Jan. 31, 2013 Order Staying Reexamination); *Scotts Co. LLC v. Encap, LLC*, IPR No. 2013-110 (May 13, 2013 Order Staying Reexamination).
- M.P.E.P. § 2286.01.