

## Articles

### Post-Grant Review Aspect of New Patent Law

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Post-grant review provisions of the new patent law may affect a potential patent infringement defendant's strategies in filing a declaratory judgment (DJ) action.

Under the new patent law, any third party can challenge the validity of an issued patent using either post-grant review under 35 U.S.C. § 321 or inter partes review under 35 U.S.C. § 311. Both proceedings are effective September 16, 2012.

Briefly, under 35 U.S.C. § 321 and 35 U.S.C. § 311, respectively, both post-grant review and inter partes review proceedings can be initiated by anyone "who is not the owner of a patent" by filing a petition with the United States Patent and Trademark Office (USPTO). Post-grant review must be initiated within nine (9) months of the issuance of a patent, and permits *any patentability issue to be raised*, which can be based on any evidence. In contrast, inter partes review cannot be initiated until the later of nine (9) months after a patent issues or after post-grant review is complete. Further, inter partes review is limited to the grounds of novelty or non-obviousness, which can only be supported by patents or printed publications.

While both provisions provide non-litigation tools to a potential patent infringement defendant to challenge the validity of a patent, notably these provisions may significantly affect a DJ action.

A DJ action is typically initiated by a potential patent infringement defendant to secure a more desirable venue (*e.g.*, a venue other than the patentee friendly Eastern District of Texas). However, under 35 U.S.C. § 325 and 35 U.S.C. § 315, respectively, a potential defendant seeking to utilize a DJ action to secure venue will foreclose a later filed post-grant review or inter partes review.

Further, if a potential defendant (or real party in interest) files a DJ action on or after the potential defendant files a petition for post-grant review or inter partes review, the DJ action is automatically stayed until:

- (A) the patent owner moves the court to lift the stay;
- (B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or
- (C) the petitioner or real party in interest moves the court to dismiss the civil action. (35 U.S.C. § 325 (a)(2) and 35 U.S.C. § 315 (a)(2)).

In order to secure both a review by the USPTO and a favorable venue for a DJ action, a potential defendant may file a request for either post-grant review or inter partes review at the same time as filing a DJ action in a favorable district court.

The DJ action will be automatically stayed, and a final decision of the post-grant review or inter partes review will have an estoppel effect on later proceedings raising grounds of invalidity "that the petitioner raised or reasonably could have raised during the post-grant review or inter partes review." (35 U.S.C. § 325 (e) and 35 U.S.C. § 315 (e)).

In summary, a potential patent infringement defendant should consider developing and implementing a comprehensive strategy that utilizes the various tools offered by the new patent law to defend against patent infringement claims. The new post-grant review provisions, in particular, provide a significant new tool that should be wielded. We are always happy to discuss available strategies that fit your particular situation.

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