

Inter Partes Review Proves To Be Useful Mechanism To Invalidate U.S. Patents

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Last week, the Patent Trial and Appeal Board of the U.S. Patent Office (PTAB) issued eight decisions in *Inter Partes* review and Covered Business Method proceedings, in each case invalidating at least some of the challenged claims of the patent at issue. That brings to 15 the total number of patents invalidated in an *Inter Partes* review or Covered Business Method proceeding since those proceedings became available on September 16, 2012, and keeps at 0 the number of proceedings decided in favor of the patent holder.

While many aspects of post-grant proceedings are still evolving, we have seen enough interim rulings and final decisions to draw a few general conclusions.

- The vast majority of petitions to institute a proceeding are granted, with 85% being a generally reported grant rate.
- The PTAB interprets the claims in accordance with the "broadest reasonable interpretation" standard that applies during original examination.
- The PTAB has interpreted the definition of "covered business method" patent broadly.
- The patent holder's ability to amend claims during a post-grant proceeding is very limited.
- Most claims are being found invalid for obviousness.
- The PTAB is hewing closely to the statutory time period for completing these types of proceedings, and usually issuing its final written decisions close to but in advance of the one year deadline.

The threshold for instituting a proceeding may tilt the result in favor of the petitioner, since the PTAB only will grant a petition if it shows "a reasonable likelihood" that the petitioner will prevail on invalidating at least one claim. Nevertheless, it will be interesting to see whether any of the patents that are the subject of the over 900 pending petitions and over 350 pending proceedings will withstand challenge.

Entities who may face charges of infringing a U.S. patent should consider taking advantage of these new post-grant proceedings as an efficient and economical way to invalidate the patent.