

## How To Prepare Patents That Can Survive AIA Reviews

By **Matthew Bultman**

*Law360, New York (November 15, 2016, 2:02 PM EST)* -- The passage of the America Invents Act and the new proceedings it created to challenge patents has had a marked impact on patent prosecution, attorneys say, forcing inventors to take a hard look at ways to draft new patents that can survive review at the Patent Trial and Appeal Board.

In the five-plus years since the AIA was enacted, PTAB reviews have emerged as an effective tool for challenging patent validity. As of Sept. 30, there were 1,214 final written decisions in inter partes or covered business method reviews. Just over 1,160 of those decisions, or 85 percent, resulted in at least one claim being found invalid, according to U.S. Patent and Trademark Office stats.

“Accused infringers have a lot of tools in the tool box,” said Ryan Schultz, a principal at Robins Kaplan LLP. “If you are going to attempt to protect your intellectual property through a patent, then you really need to take the time to make sure that the patent application is as good as you can make it.”

While there is no way to make a patent invincible, attorneys say there are several ways applicants can better prepare themselves for an AIA review.

### **Lots of Claims**

One thing that some applicants have done is include more claims in their patents. While this can make prosecution of the patent more expensive, the upside for owners is that accused infringers have a more difficult time challenging a large number of claims in AIA reviews.

There are, for instance, limits on the number of words that petitioners can include in their request for review, and it can be difficult to get everything into one petition if the patent has a bunch of strong claims, according to Brenton Babcock, a partner at Knobbe Martens Olson & Bear LLP.

“Either you’re going to have the petitioner maybe do a little short shrift on some of the claims, a little hand wave, which you can then exploit, or you’re going to force the petitioner to bring” multiple challenges, he said.

For example, a Paice LLC patent covers hybrid vehicle technology, which has a total of 306 claims, and to date, Ford Motor Co. has filed 13 separate petitions with the PTAB challenging different parts of the patent. Hyundai Motor America Inc. has also filed five.

But not all companies have the resources to mount this number of petitions, and having a large number of claims could serve as a deterrent to potential challengers. Along those same lines, having a large web of patents can be advantageous for the owner.

“The more claims you have and the more patents you have, the more expensive [the challenge will be] and the more likely it is that one or two or a half-dozen claims, or more, will survive,” Babcock said.

Having multiple related patents also means that even if one were to be knocked out in review, there are others that remain to protect your intellectual property. This can be beneficial for litigation but also preserving royalty payments in licensing agreements.

“There are a lot of reasons to have a number of patents with a number of claims,” said Eric Steffe, a director at Sterne Kessler Goldstein & Fox PLLC.

### **Smart Dependent Claims**

Lots of claims can be a good thing, but Timothy Bianchi, a principal at Schwegman Lundberg & Woessner PA, said patent drafters sometimes have a tendency to focus on the independent claims and whip out dependent claims without as much thought. One problem that attorneys see are patents that have drastic variations in claim scope, where claims jump from very broad to very narrow in a hurry.

“Typically, claim 1, if it's too broad and it's invalid, it's going to be lost in review,” Bianchi said. “And then claim 2 is going to be so narrow that it might be valid, but it might be not infringed.”

Bianchi said it's preferable to start with a broad claim and then follow it with claims that gradually narrow the scope of claim coverage, like a funnel. This can help applicants find that middle ground, with claims narrow enough to survive AIA review but also broad enough that infringement can be proven in court.

Attorneys said these sorts of things weren't given as much thought before the enactment of the AIA, when challenges took place in district court and it was much harder to prove a patent claim was invalid. But this is a new era.

“The smart patent prosecutors and the smart patent owners these days are prosecuting claim sets that have very clear and unambiguous limitations that have the effect of narrowing the scope of the claim coverage but provide clear and easy-to-understand distinctions over the known prior art,” said Donald Puckett, a partner at Nelson Bumgardner PC and adjunct professor at the Texas A&M University School of Law.

Schultz also cautioned adding dependent claims with limitations that are already well-known in the prior art, saying that's not the purpose of dependent claims.

"Dependent claims are to add additional novel limitations to the independent," he said. "Be thoughtful as to what other novel limitations can you add to that independent claim to give additional grounds to fight potential IPR challenges in the future."

### **Prior Art Searches**

During patent prosecution, inventors and their attorneys are required to disclose to the patent examiner all information "known ... to be material to patentability." But exactly how much prior art searching an applicant should perform has been the subject of some debate.

Puckett said the tide appears to be shifting toward the idea that more rigorous prior art searching is preferable.

"Once that patent is issued, if it's ever going to be enforced, someone is going to do all that prior art searching, and they're going to bring it to bear, either in district court litigation or at the PTAB," he said.

Many times, PTAB decisions turn on the issue of whether the invention would have been obvious at the time of the invention. As an applicant, it's important to tell the story of your invention that makes clear why it is novel and not obvious, keeping in mind the prior art that you're aware of, said Sangeeta Shah, co-chair of the Post-Grant Proceedings practice at Brooks Kushman PC.

"That fundamentally requires you to have a real good mastery of the relevant prior art and then write the specification with that in mind," Shah said.

But for many companies, it might be financially impractical to do an extensive prior art search for every patent. Determining which inventions are most important to the future of your business, or which might be used in litigation, then becomes critical.

"If it's strategically important, you're going to want to roll up your sleeves and understand the state of the prior art so that you can draft a better, more robust specification," Shah said.

### **Continuation Patent Applications**

Still, no matter how hard you try, there can still be prior art references that slip through the cracks. Babcock said it's fairly common to see new things surface in patent challenges at the PTAB.

"It's pretty likely the accused infringer or the petitioner in the [inter partes review] is going to have better prior art than you have. They're going to find stuff that you didn't find," he said.

As such, it can be beneficial for the patent owner to have a pending continuation application. This allows patent owners to modify claims based on what arises in the proceedings, whether it be coming up with claims of a different scope or avoiding discovered prior art references.

“You don’t really know what the issues are going to be until someone challenges your patent,” said James Stein, an attorney with Finnegan Henderson Farabow Garrett & Dunner LLP. “It’s helpful to keep the family open so that way you can react to what happens in the IPR.”

### **Precise Claim Terms**

One of the core parts of IPRs, the most widely used kind of AIA review, is claim construction. This makes it all the more important that inventors be precise about what claim terms mean, especially if they’re using a variation on the meaning that is accepted in the industry.

One way to do that is to submit expert declarations with an application, explaining why a term has a particular definition. The applicant might also want to consider including with the application a glossary that defines key terms.

Again, these strategies weren’t all that common pre-AIA, when applicants saw it as beneficial to have some flexibility about what claim terms meant.

“In district court litigation, sometimes, litigators would actually consciously want to have the opportunity to play around with claim terms and what the construction would be,” Shah said. “Here, in most instances, there is first going to be an IPR or post-grant that you’re going to have to go through before you delve into the infringement side of litigation.”

--Editing by Christine Chun and Kelly Duncan.

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