Lowes, Emerson in ACC Docket: Five Years Later: Lessons Learned from the First Inter Partes Review

May 9, 2018 J. Andrew Lowes, Russ Emerson

RELATED PRACTICES Intellectual Property Litigation, Patents, Patent Prosecution and Counseling, Intellectual Property

Managing patent infringement assertions has changed dramatically since the September 2012 introduction of *inter partes* review (IPR) proceedings, trial proceedings conducted by the U.S. Patent and Trademark Office (Patent Office) based on patents or printed publications. Before IPRs, a patent demand letter or district court complaint, whether a close call or a meritless nuisance lawsuit, began a long process that could cost millions of dollars and untold business uncertainty.

Once engaged, it was often prudent to consider a cost-of-defense settlement rather than seek litigation based on the merits. This created an industry of non-practicing entities (NPEs) that could assert even questionable patents — just for the cost of filing a district court complaint — with the hope that many defendants would settle without challenging the patents' validity.

With the advent of the IPR, the cost of asserting any patent, particularly those of questionable validity, has risen. And those costs, as well as the risk of patent invalidity, can now be front-loaded in the dispute. IPRs have reduced the cost to challenge questionable patents and also reduced their settlement value. …

Co-authored by Ryan Damon. To read the full article, click here.