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CAN A DECLARATORY JUDGMENT PLAINTIFF FILE A CBM PETITION?

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While the Transitional Program for Post Grant Review of Covered Business Method (“CBM”) proceedings and Post Grant Review (“PGR”) proceedings are governed by many of the same statutory and regulatory provisions, several distinctions exist between them. One of those appears to be whether a declaratory judgment plaintiff in a corresponding civil suit may file a petition.

The statute and regulations on PGR make clear that a declaratory judgment plaintiff may not file a petition for PGR. In particular, 35 U. S. C. § 325(a)(1) states that a “post-grant review may not be instituted . . . if, before the date on which the petition for such review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.” 37 C. F. R. § 42. 201(a), which governs “[w]ho may petition for a post-grant review,” mirrors this language.

By contrast, 37 C. F. R. § 42. 302(a), which governs “[w]ho may petition for a covered business method patent review,” provides:

patent review of the patent *unless* the petitioner, the petitioner's real party-in-interest, or a privy of the petitioner has been *sued for infringement of the patent or has been charged with infringement under that patent*. Charged with infringement means a real and substantial controversy regarding infringement of a covered business method patent exists such that the petitioner would have standing to bring a declaratory judgment action in Federal court.

(Emphasis added). This regulation does not preclude a declaratory judgment plaintiff from filing a petition for CBM.

Of note, the AIA, in section 18(a)(1) provides that CBM proceedings "shall be regarded as, and shall employ the standards and procedures of, a post-grant review" subject to certain exceptions. Section § 325(a) of the statute, which provides that declaratory judgment plaintiffs may not file for PGR, is not among the listed exceptions.

In contrast, the USPTO's rules covering CBMs do except the rule precluding a declaratory judgment plaintiff from filing a PGR. Specifically, 37 C. F. R. 42. 300(a) provides that a "covered business method patent review is a trial subject to the procedures set forth in subpart A of this part and is also subject to the post-grant review procedures set forth in subpart C except for §§42. 200, 42. 201, 42. 202, and 42. 204." (emphasis added). As a result, the USPTO's rules do not bar a declaratory judgment plaintiff from filing a CBM petition. The USPTO has commented that it believes "[t]his is consistent with section 18(a)(1) of the AIA, which provides that the transitional proceeding shall be regarded as, and shall employ the standards and procedures of, a post-grant review with certain exceptions." See 77 Fed. Reg. 48693.

To date, only one DJ plaintiff has filed a CBM petition. [See *SAP America, Inc. v. Pi-Net International, Inc.*](#), CBM2013-00013 (filed Mar. 22, 2013). The patent owner has not yet filed a preliminary response in that proceeding, nor has the USPTO issued a decision regarding grant.

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