

PROFESSIONAL INSIGHT

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PATENT REEXAMINATION PRACTICE AND STRATEGY



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Patent reexamination practice and strategy | BY EDGAR R. CATAXINOS

Reexaminations can be requested by a patent owner or a third party to: (i) strengthen a patent owner's own patent; (ii) eliminate third party infringement / invalidity threats; and (iii) defer or terminate litigation of an asserted patent. Reexamination is limited in scope to review of prior art patents and publications. A reexamination is initiated when a requester submits these documents to the United States Patent and Trademark Office (USPTO) with an analysis of how they relate to the claims of the challenged patent. A 'substantial new question of patentability' must be raised for the USPTO to initiate a new examination. The reexamination procedures have been created so that the USPTO can participate in eliminating invalid patents and improving the quality of enforceable patents. Reexaminations are conducted by an assigned group of patent examiners. A reexamination proceeding is conducted with 'special dispatch', and this generally means it can be completed in about two years. If a substantial new question of patentability is raised, a reexamination is ordered within three months from the filing date of the request.

A reexamination resembles a regular patent prosecution, including Office Actions and related responses/amendments, but with compressed timelines and no opportunity for continuation practice. Two types of reexaminations exist: ex parte reexamination and inter partes reexamination. An ex parte reexamination is handled by the patent examiner and the patent owner, without participation of the requester after the original arguments are filed. If the USPTO orders reexamination, the patent holder is given the opportunity to file a statement concerning the new question of patentability, including amendments or new claims they want to propose. If the patent holder files such a statement, the statement must be served on the third party requester, and the requester is given two months to file a reply to the patent owner's statement. From that point on, the claims are examined without participation by the requester. Following the ex parte reexamination, the USPTO issues a certificate cancelling any claim determined to be unpatentable, confirming any claim determined to be patentable, and incorporating in the patent any new claim or amended claim determined to be patentable.

In contrast, an inter partes reexamination allows the requester to com-

ment on all patent owner submissions in response to each amendment and/or argument presented by the patent owner in response to an Office action. It also permits the requester to appeal adverse decisions and limits the patent owner to written communications with the patent examiner. The third-party requester will then be provided with a copy of Office Actions issued by the USPTO and with a copy of the patent owner's responses to Office Actions. In an inter partes reexamination, unlike an ex parte proceeding, the third-party requester may reply to the Office Actions and to the patent owner's responses. After the Examiner has reached a final decision in an inter partes proceeding, either the patent owner or the requester may appeal an adverse finding to the USPTO Board of Patent Appeals and Interferences ('Board'). After the Board reaches its decision, either party may appeal to the US Court of Appeals for the Federal Circuit ('Court') from an adverse determination. In an ex parte case, comparable appeal options are not available.

A request for ex parte reexamination can be made anonymously to hide the identity of the real client in interest. However, in an inter partes proceeding, the filing of the request must include a statement identifying the 'real party in interest'. In contrast to an ex parte requester, an inter partes requester will be estopped in subsequent district court litigation or in a subsequent inter partes proceeding to assert the invalidity on the same grounds (finally determined to be valid) which were raised or could have been raised in the inter partes reexamination (but not one based upon previously undiscovered prior art). Thus, the requester in an inter partes reexamination must present its best case before the USPTO, as it is unlikely to get another opportunity if it fails to achieve its desired goals.

The third-party requester must also evaluate potential disadvantages to the reexamination process. For example, the process provides the patent owner the opportunity to amend its claims and add new claims. While the patent owner may not broaden the scope of its claims, it may amend the claims to: (i) make them patentable in view of the prior art, including the new prior art cited by the challenger; and (ii) make them more clearly cover the requester's allegedly infringing product.

Not all reexaminations involve a third-party requester; a patent owner

can also use a reexamination to strengthen its own patent. When prior art that was not considered during the original prosecution is identified, the prior art can be brought to the attention of the USPTO for the purpose of obtaining a second review of the patent. For example, a patent owner may find prior art and recognize that he needs to narrow the claims in the original patent. He might then submit a request to amend his claims to specifically avoid the prior art. Because it is more difficult to attack a patent in court where the prior art has already been considered by the USPTO, the validity of the patent can be bolstered. A patent owner may pursue ex parte reexamination, which should prevent third parties from seeking to bring a reexamination based on the same prior art in the future.

Patent reexamination can be particularly valuable where a potential threat of litigation exists. Of particular concern in litigation is a patent's 'presumption of validity', which is a significant obstacle for an accused infringer to overcome. The presumption of validity must be overcome with clear and convincing evidence in court, but does not apply to the patent reexamination process. This procedural difference allows the USPTO to correct its own mistakes and additionally allows for review of validity factors by an examiner having technical expertise under more liberal evidentiary standards. For entities concerned about patents

owned by competitors, reexaminations can be initiated to disarm the patentee. This tactic is particularly significant with potential product lines having long product development cycles. In most patent litigation, two major issues exist: (i) validity of the patent in view of the prior art; and (ii) the scope of the claims of the patent for purposes of determining infringement. During the reexamination process, patent claims can be cancelled, amended, and/or narrowed on reexamination, thereby allowing reevaluation of the risk of infringement and evaluation of potential design alterations. In particular, narrowing due to amendment or arguments during the reexamination can strengthen a non-infringement case. This is particularly significant since the patent owner will not be able to recover any damages for past infringement of any claims that are cancelled or narrowed during the reexamination process.

Reexamination is a potent tool in the patent attorney's arsenal, but is not without its limits. Experienced counsel should draw on their experience in patent practice and patent litigation to evaluate successful reexamination and/or litigation options. Many factors come into play including the prospects of success in the USPTO or the court, the timing, business considerations, the financial amount at stake, and the financial strengths of the parties. ■



Edgar R. Cataxinos is a director and the managing shareholder of TraskBritt. He can be contacted at +1 (801) 994 8722 or by email: ercataxinos@traskbritt.com.

Mr. Cataxinos practice emphasizes patent preparation and prosecution and patent related litigation. Mr. Cataxinos performs patent and technology portfolio evaluations and audits for clients. He regularly advises clients on intellectual property licensing, trademark cancellations and oppositions, and patent interferences. In addition, Mr. Cataxinos has litigated numerous intellectual property matters through trial and has successfully argued appeals before the Federal Circuit in patent matters. Mr. Cataxinos is a registered pharmacist with twenty years of industry experience in intravenous medications, pharmacokinetics, and general laboratory analysis. As the Director of Pharmacy Services for a specialty pharmacy services provider, Mr. Cataxinos created protocols and procedures for accreditation and ongoing compliance for state and federal health care agencies. He has written in the area of Drug and Dietary Supplements and drafted model protocols for FDA approval of new drugs. Mr. Cataxinos is currently an Adjunct Professor at the University of Utah College of Law and has written and lectured extensively on the subjects of patent litigation and patent prosecution. He is named as one of The Best Lawyers in America in the field of Intellectual Property, ranked in Chambers, USA, listed among the "Utah Legal Elite" by Utah Business Magazine, and named by Mountain States Super Lawyers as among the top five percent of lawyers in the state.