

Results of Inter Partes Reexaminations Trend Heavily Against Patent Owners

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Bromberg & Sunstein's recent update of our website at www.reexamination.com reveals that *inter partes* reexamination at the United States Patent and Trademark Office ("USPTO") is proving to be an effective weapon for challenging patents. Created in 2000 and improved in November 2002, *inter partes* reexamination is a relatively new procedure available for attacking recent patents filed since November 1999.

We are following the proceedings in the first 250 *inter partes* reexaminations. Of the 29 such proceedings that have resulted in issuance of a reexamination certificate (or that are pending issuance), we have seen 23 result in a cancellation or amendment of all the claims challenged in the request. Meanwhile, only 3 of the 29 have resulted in a confirmation of all the claims challenged in the request and 3 others have resulted in some other mixed outcome.

We have looked also at pending appeals and make the assumption that the more disgruntled party is the one who files the appeal. Of the 46 *inter partes* reexamination proceedings currently on appeal, the patent owner filed 33 of the appeals and the requesters filed only 13.

Whereas we last reported *inter partes* reexaminations were favoring the requester by a ratio of 2-to-1, we now see these proceedings favoring the requester by a ratio of better than 3-to-1. The wave of patent owners clamoring to sue in the Eastern District of Texas has been much noted in recent years. Will we now witness a similar surge, this time of patent challengers filling the halls of the USPTO's reexamination group?

By way of background, anyone may challenge a patent by filing a request for reexamination in the USPTO along with prior art publications or patents believed to anticipate

or render obvious the claimed invention. In an *ex parte* reexamination, the requester's participation typically ends with the filing of the request. The proceedings involve the USPTO and the patent owner. With an *inter partes* reexamination, the requester is not only permitted to comment on filings made by the patent owner, but can appeal an adverse ruling favoring the patent.

Curious, isn't it, that the USPTO, the agency charged with granting patents, is becoming one of the most effective forums for eliminating patents? A principal reason for this is that, in court, a patent carries a presumption of validity. This is not the case in the USPTO, where the patent claims of unexpired patents are viewed as if in a patent application seeking approval for the first time.

Thus, unlike in court, the claims of a patent are given the broadest reasonable interpretation during reexamination. This expanded scope is more likely to encompass prior art and incur a rejection. Once a claim is rejected in *inter partes* reexamination, amendments can be made to the claims but neither party is permitted to speak with the examiner about possible amendments. The proceeding is handled on an entirely written record. Unlike ordinary prosecution, continuations are not possible, so the patent owner has a very limited opportunity to get it right.

Given the astounding success rates, and costs that are dramatically lower than litigation, we expect to see continued growth of *inter partes* reexaminations. For more information on reexamination strategies, see our website and publications. ✧

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