In Ex Parte Reexamination, Challenger to a Patent's Validity Can Recycle Arguments That Failed at Trial

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The Federal Circuit Court of Appeals recently affirmed the rejection of claims in reexamination, despite having previously affirmed the validity of those claims on appeal from a district court litigation, in which the very same prior art was at issue.

In pursuing a reeexamination of an issued patent before the US Patent and Trademark Office, the essential requirement has always been to present prior art patents or publications that raise a substantial new question of patentability. The Federal Circuit had previously construed this requirement to allow reliance only on references that had not been before the patent examiner in the original examination.

Legislation was enacted in 2002 to counter this judicial approach. The law provides: "The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office."

In the case of *In re Swanson*, decided September 4, 2008, the court announced a new guiding principle for patent reexaminations. Reexamination can be based on references previously considered by the patent examiner or even references previously considered and finally adjudicated by a federal court.

The striking outcome of the legislative and judicial innovations is that the "substantial new question of patentability" requirement offers little, if any, obstacle to obtaining reexamination in the USPTO.

Here is a summary of the Court's holdings, which focused on whether a patent by one Deutsch anticipated a patent that had already been found not invalid and infringed after trial.

I. Prior court decisions regarding patentability are irrelevant to whether a substantial new question of patentability exists in reexamination

The Court acknowledged that the question of anticipation over the Deutsch reference being presented in reexamination had previously been addressed. The federal trial court had rendered a judgment, based on a jury verdict, that the patent claims were not invalid and the Federal Circuit had affirmed that judgment several years ago.

In reexamination, the examiner and the Board rejected the patent claims over the same Deutsch reference despite the court judgment. The patent holder argued that the USPTO did not have authority in a reexamination to make a rejection on the basis of a patentability issue previously resolved by an Article III court's final judgment.

The Federal Circuit, for the first time, interpreted the reexamination statute such that "substantial new question of patentability" relates only to whether the question is new to the USPTO. Previous court decisions are not relevant.

As for whether an executive agency, the USPTO, can render void a federal court's judgment of "not invalid," without violating the US Constitution's provision that judgments of Article III courts are final, not advisory, the Federal Circuit simply held that the judgments of the court and USPTO did not conflict.

The court held that the defendant did not meet its burden of showing invalidity of the patent claims in court. The USPTO, on the other hand, held that the claims, given their broadest reasonable interpretation, should not have issued as written.

II. A substantial new question of patentability may remain as to a reference previously used in a rejection during the original prosecution

The patent holder gave the court the opportunity to rule that, when the USPTO issues a notice of allowance, it has addressed the question of whether the claims were patentable over the references that were used in rejections during the prosecution.

The argument was that, while all references listed on the patent and in the requisite Information Disclosure Statements might not have received thorough consideration, at least those used in rejections should be deemed to have been thoroughly considered by the USPTO.

The Court ruled it was not enough that Deutsch had been used as one of several references in a claim rejection. The question of anticipation over Deutsch alone was a new question of patentability and could be the basis of a rejection in reexamination.

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