

Post Issuance Strategies for Patentee and Third Parties
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The goal of patent prosecution often goes beyond merely obtaining one patent. As patent attorneys, we seek to protect the market for our client's new product or service. As the market environment changes, the technology progresses, the competition increases, and most prior art is revealed, our clients will look to their patents to give them a continuing advantage in the market. The original set of patent claims sometimes fails to keep up with the changing needs.

Clients entering a market need the assistance of their patent attorneys in navigating the minefield of patents. A variety of strategies and procedures are available in the United States Patent and Trademark Office ("USPTO") for reducing the risk of bringing new products and services to market. This paper deals with strategies and procedures that are available in the USPTO by which a patentee can strengthen its position or a third party can use to weaken or eliminate the obstacles raised by patents.

I. Strategies for Patentee

A. File Continuation Applications

Patent attorneys seek to obtain broad valid claims for their clients during the original prosecution of the patent application. Despite best efforts it often proves difficult to predict the claim language that will survive the client's needs for the ensuing two decades. Technology moves quickly and in unpredictable directions. The changing law of claim construction provides further uncertainty with respect to the suitability of issued patent claims. Patentees often find undesirable limitations in their issued patents. Furthermore, discovery of prior art may alert patentee to a need for narrowing or changing the claims of an issued patent.

In order to correct a patent after issuance the USPTO offers the possibility of filing a reissue application. Reissue applications are authorized by 35 U.S.C. §251 and 252. A reissue application may be filed to correct for a number of types of errors found in a patent. Reissue may be based on patentee's failure to appreciate that the claims in the issued patent claimed too much or too little. The statute however places a limit on one's ability to broaden claims through the use of reissue. 35 U.S.C. §251 provides "No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent." Thus, if one is relying upon reissue to satisfy the ever changing needs for differing claim scope, it is necessary and highly advisable to get the reissue application on file within two years from the grant of the original patent.

Due to the limited availability of claim broadening through reissue, the preferred patent prosecution practice for maintaining a patent portfolio with utmost flexibility to adapt to unforeseen changes in the law or in the technology is the maintenance of continuing applications that can trace priority back to the original application. The use of continuations to allow patentees to target claims directed at variations within the scope of the original application was made notorious by Jerome Lemelson. The legislative response has been to limit the life of patents twenty years from the filing date. Under the previous law which allowed a term of

seventeen years from the issue date of the patent, Lemelson was able to issue patents several decades after his original filing date. Nevertheless, twenty years remains a long time. Securing an injunction for even just the last five years of a patent can be quite valuable. Thus, the ability to seek new claims ten or more years after having filed an application can be very valuable to a patentee. Maintaining a chain of continuations or continuations in part allows one to draft claims seeking priority from the original application. Although this practice raises concerns among observers of the patent system, it is now widely practiced by patentees, from individual inventors up through multinational corporations. (Lemley, Mark et al., *Ending Abuse of Patent Continuations*, BOSTON UNIVERSITY LAW REVIEW, vol. 84:63) Judicial responses, such as the emergence of prosecution laches and a stricter adherence to the written description requirement, have not seriously hampered continuation practice. Prosecution laches has only been applied in the most egregious cases, such as the one involving Lemelson himself. *Symbol Technologies, Inc. v. Lemelson Medical, Education & Research Foundation, LP*, 301 F.Supp. 2d 1147, 69 U.S.P.Q.2d 1738 (D. Nev. 2004) Until the legislature or the judiciary puts a halt to the practice, filing a continuation or a continuation in part of any important patent application and keeping that chain of priority alive for as long is practically feasible remains a useful practice. In litigation, a claim that has been particularly tailored to avoid the prior art and to capture the infringing product or method becomes an extraordinarily potent weapon.

B. Bulletproof Your Patent

It is best to make sure that the USPTO is provided with all material prior art during the prosecution of a patent application. When despite pre-filing efforts, new prior art is revealed after a patent has issued, the possibility of filing for reissue or reexamination in the USPTO may be considered. These procedures can act like a vaccine for the patent. Expose the patent to the effects of the prior art before taking the patent to court with a high risk of invalidation. Upon receiving favorable action from the USPTO, the patent is in a much stronger position for withstanding challenge in court. These procedures may thus be used to effectively pull the rug out from under the defense's prospective case. This may be one of the most effective techniques for strengthening a patentee's case in court.

Reissue and reexamination procedures each have their advantages and disadvantages. A reissue application is advantageous because one can bring more than just prior art publications and patents to the attention of the USPTO. A reissue may also consider evidence of a prior public use or sale. To the extent that claims need to be amended, a reissue has the advantage of permitting broadened claims if filed within two years of issuance of the patent. A further advantage of using the reissue process is the availability of continuation and divisional applications. A limitation on reissue filing is that an error must be identified in the original patent, but that may simply be claims that are too narrow or too broad.

Third parties may interfere with the progress of a reissue application in a number of ways. One is the filing of a protest. This is a single written submission presenting prior art and showing how it applies to the claims. The patent applicant may address and overcome the protest during the ex partes prosecution of the reissue application. The protestor has no further input to the process. Overcoming the prior art and the protest should make for a patent that is relatively invincible against prior art challenges. The second approach to interfering with a reissue application is the filing of an inter partes reexamination of the original patent. This

practice is discussed below in Section II.D. If the inter partes reexamination is merged with the reissue, the ability to conduct interviews with the Examiner may be lost. MPEP 2686.04 VII.

While an ex parte reexamination is limited to considering prior art patents and publications and broadening of claims is not allowed, it is more insulated from interference from a third party. The most recent version of the MPEP dated May 2004 changed the practice in the USPTO with respect to second requests for reexamination filed while a first request was pending. Under the latest practice, the subsequent request for reexamination should be ordered “only if the prior art cited raises a substantial new question of patentability which is different than that raised in the pending reexamination proceeding.” MPEP 2240 (II) Moreover, even if the second request for reexamination is granted, the patent owner may file a petition under 37 C.F.R. 1.182 and if it is made clear that the second or subsequent request was filed for purposes of harassment of the patent owner, the petition may be granted and the second reexamination suspended. Thus, patentee’s filing of an ex parte reexamination should discourage later involvement of third party requester, unless the requester can raise a substantial new question of patentability. In prosecuting a reexamination, patentee should be aware that it moves at a faster pace than ordinary prosecution. The availability of extensions of time are limited. The periods for response are typically two months rather than the three months plus extensions generally available in a reissue application.

Whichever technique is used to get all prior art examined by the USPTO, getting the second stamp of approval can be very valuable. Although the Federal Circuit indicates that having the second review does not alter the presumption of validity during infringement litigation, it is recognized that a patent that has survived two examinations in the USPTO makes it more difficult for a challenger to carry its burden of proof when challenging validity. *Kaufman Co., Inc. v. Lantech, Inc.*, 807 F.2d 970, 1 U.S.P.Q. 2d 1202 (Fed. Cir. 1986); *E.I. duPont de Nemours & Co. v. Polaroid Graphics Imaging, Inc.* 706 F. Sup. 1135, 1141 (D. Del. 1989) (Party alleging invalidity faces the additional burden in view of “the exhaustive consideration given the prior art by the PTO during [reexamination] must be weighed in determining patentability.”)

C. Test the Law

If an inter partes reexamination is filed against a patent claiming priority prior to November 29, 1999, one might consider challenging the USPTO’s authority to proceed. Relatively hidden from practitioners are the uncodified sections of the public law which introduced inter partes reexamination. SEC. 4608 of the American Inventors Protection Act of 1999 is widely recognized as limiting the applicability of inter partes reexamination to patents issuing from applications filed after November 29, 1999. This is based on the USPTO interpretation of the law which actually reads “shall apply to any patent that issues from an original application filed in the United States on or after that date.” The USPTO had to interpret the phrase “original application.” The USPTO interpretation of “original application” is set forth in a notice printed in the Official Gazette on April 11, 2000. The USPTO basically construes “original application” to include any patent application except a reissue application. The USPTO considers this to be consistent with the use of the phrase in 35 U.S.C. 251 and its own definition of “original application” in the MPEP at Section 201.04(a). However, Section 251 makes no mention of an “original application.” Instead there is mention of the term “original patent.”

The term “original application” does appear at 35 U.S.C. §121 where it is contrasted with the term “divisional application.” Thus, in view of 35 U.S.C. §121 it may be argued that the enacting legislation for inter partes reexamination is only applicable to patents that claim priority from a first-filed application dated no earlier than November 29, 1999. The legislative history should be analyzed to determine whether this is a worthwhile issue to contest. Also, in the Act, SEC. 4608 should be contrasted with SEC. 4807, which refers to “any application for patent” rather than referencing an original application. There are a number of inter partes reexaminations pending that involve continuation applications whose priority date is earlier than November 29, 1999. If a court were to disagree with the USPTO interpretation of the enabling legislation these proceedings could be severely impacted.

II. Third Party Challenges in the USPTO

A. Reexamination Differs from Litigation

Reexamination, whether ex parte or inter partes, differs significantly from litigation. The USPTO is not bound by the claim construction applied by a court to the claims of a patent. Indeed, the USPTO in conducting a reexamination is required to give the claims “their broadest reasonable interpretation.” *In re Yamamoto*, 740 F.2d, 1569, 222 U.S.P.Q. 934 (Fed. Cir. 1984); *In re Hiniker*, 150 F.3d 1362 (Fed. Cir. 1998); *In re American Academy of Science Tech Center*, 367 F.3d, 1359,1364, 70 U.S.P.Q. 2d 1827 (Fed. Cir. 2004). Unlike litigation, the patentee can amend the claims during reexamination. Broadening amendments are not permitted. The USPTO is charged with imposing amendments on claims so that the broadest interpretation patentably distinguishes over the prior art. Given that the broadest reasonable interpretation of the claims is applied during reexamination, a rejection of the claims in the USPTO is more likely than invalidating the claims in court.

Another reason claims are more susceptible to rejection in a reexamination than invalidation in court is that the claims do not carry a presumption of validity in reexamination. *In re Etter*, 756 F.2d 852, 225 U.S.P.Q. 1 (Fed. Cir. 1985). In litigation before a court, the claims are presumed valid and invalidity must be proved by clear and convincing evidence. During reexamination before the PTO, there is no presumption of validity and only a preponderance of the evidence is needed to support the unpatentability of obvious claims. *Xerox Corp. v. 3Com, Corp.*, 69 F.Supp.2d 404, 406-07 (W. D.N.Y. 1999).

Requesters are typically seeking more than just a simple rejection of the claims. The requester wants the claims cancelled or significantly narrowed. The most common outcome of an ex parte reexamination is the amendment of one or more claims. We do not have enough experience with inter partes reexamination to know whether that procedure affords patentee an ample opportunity to make amendments. Amended claims may allow requester to easily design around the patent. Moreover, amendments and arguments during reexamination may contribute to a narrowing of the claim scope sufficient to warrant a non-infringement verdict in summary judgment or at trial.

Another benefit from forcing amendments to the claims is patentee’s inability to seek damages for amended claims for that time period prior to the issuance of the reexamination

certificate. When the claims received upon a reexamination certificate are not substantially identical to original claims those claims cannot be enforced prior to issuance of the reexamination certificate. *Fortel Corp. v. Phone Mate, Inc.* 825 F.2d 1577, 3 U.S.P.Q. 2d 1771 (Fed. Cir 1987). Moreover, the requester will be entitled to absolute intervening rights if none of the infringed claims of the reexamined patent or a reissue patent were present in the original patent. Absolute intervening rights allow the sale of things in existence prior to issuance of the reexamination certificate or the reissue patent. *BIC Leisure Products, Inc. v. Windsurfing, Intern., Inc.* 1 F.3d, 1214, 27 U.S.P.Q. 2d 1671 (Fed. Cir. 1993); *Intest Corp. v. Reid-Ashman Mfg., Inc.*, 66 F.Supp. 2d 576 (D. Del. 1999).

B. Anonymous Ex Parte Reexamination

Ex parte reexamination may be filed anonymously. The patent owner does not learn the identity of the party concerned about the patent. As such, ex parte reexaminations can be used early in the development of a new product. Without knowing the product or the party, the patent owner is left without guidance as to how to amend the claims to best cover the opponent's product. The requester derives guidance from the USPTO that can be used in the design of the product to significantly reduce the risk of patent infringement. If a limitation is added to the claims, requester may be able to omit that limitation from its competing product. Thus, prosecution history estoppel may provide a significant shield against protracted patent litigation.

C. Claim Construction and Prosecution History Estoppel

A reexamination proceeding can be a trap for the patent owner and conversely offers a variety of ways for the requester to benefit. These benefits go far beyond canceling claims. Any amendment and, indeed, any argument made by patentee during reexamination to overcome the cited prior art becomes part of the intrinsic evidence considered for claim construction. Narrowing claim amendments result in prosecution history estoppel. Arguments may create prosecution history estoppel, and in any case, are considered part of the record for claim construction. Thus, even if a claim is not amended during reexamination, its claim scope may be significantly impacted.

Consider the case of *C.R. Bard, Inc. v. U.S. Surgical, Corp.* 388 F.3d 858, 867-869 (Fed. Cir. 2004). Arguments were made during a reexamination proceeding. In litigation these arguments were used to determine the scope of a disputed claim term. Limitations were placed on the claim terms during reexamination that might be otherwise unattainable in litigation without the reexamination. In construing claim terms "surface of said hollow plug being conformable" and "said hollow plug being extremely pliable," the District Court limited the claim terms to require a plug with a pleated surface based on statements made during reexamination. The final judgment of non-infringement was affirmed by the Federal Circuit.

Consider also *Acco Brands, Inc. v. Micro Security Devices, Inc.* 346 F.3d, 1075, 1077-79 (Fed. Cir. 2003). Arguments from the reexamination proceedings were used to determine the disputed claim term. In construing the claim term regarding "a pen" the District Court properly limited the claim term to require specific "extending" action based on statements made during reexamination. The defendant achieved summary judgment of non-infringement which was affirmed on appeal.

In *CVI/Beta Ventures, Inc. v. Tura, LP*, 112 F.3d 1146, 42 U.S.P.Q. 2d 1577 (Fed. Cir. 1997). Patentee sought to avoid being limited to the preferred embodiment. The Federal Circuit held that Patentee can make statements during prosecution or reexamination that commit to a particular meaning for a term, which meaning becomes binding in litigation. The Federal Circuit reversed the jury verdict of infringement and instead ordered a judgment of non-infringement based on the corrected claim construction. In this way, reexamination provides the perfect complement to litigation --- at times achieving a narrowed claim construction that would otherwise be unsupported by intrinsic evidence without the reexamination proceeding.

D. Interrupting Patentee's Attempt to Strengthen Its Patent

As discussed above with respect to Patentee post-prosecution tactics for strengthening a patent, Patentee will often seek to strengthen its patent through a second examination in the USPTO in either a reissue application or an ex parte reexamination. The filing of reissue applications and ex parte reexaminations are announced in the Official Gazette each week by the USPTO. Upon being alerted to one of these proceedings on a patent of interest, a third party competitor should consider the advisability of seeking to participate in the proceeding. Rather than to allow Patentee to strengthen its patent without restraint from a concerned competitor, it may be advantageous to participate.

In a reissue proceeding, participation may be achieved through the filing of a protest. Protests are described in Chapter 1900 of the MPEP. A protest is a limited opportunity for a third party to participate in the examination of an application. With respect to reissue applications, the protest should be filed within two months of the announcement of the reissue in the Official Gazette. A petition may be filed to submit a protest late. Protests should explain the relevance of the prior art to the claims. A well presented and well reasoned protest will make reasons for rejections of the claims readily available to the examiner. The protest may prevent the issuance of broader claims that concern the protestor. The disadvantage of a protest is that the protestor has no further input to the proceeding.

An alternative approach is to file an inter partes reexamination of the original patent. The USPTO will address the question of whether to merge the inter partes reexamination with the reissue application. If there are issues being addressed in the reissue which cannot be addressed in the inter partes reexamination, merger is unlikely to be granted. For example, if the reissue is a broadening reissue, merger will not be possible. *In re Allan*, 71 U.S.P.Q. 2d 1751 (Dir. USPTO 2004). If the issues are similar and can be addressed in both procedures, and if the reissue has not proceeded too far along, merger becomes more probable. In the merged proceeding, the requester will then have obtained the right to comment on responses filed by the patent owner. The procedure will be conducted without interviews. MPEP 2686.04 (VII). There will be no inter partes interviews and neither of the parties will be entitled to interview with the Examiner individually. With respect to all issues within the scope of the inter partes reexamination, the requester will have all the rights of a requester including the right to appeal right up through to the Federal Circuit Court of Appeals. If merger is not granted, one of the proceedings will be suspended pending completion of the other.

If merger is achieved, the inter partes reexamination gives the requester the opportunity to participate, the opportunity to appeal and denies Patentee the opportunity to conduct

interviews with the Examiner. On the other hand, Requester needs to be aware that Requester will be estopped from challenging the validity of the reissue patent on any ground that could have been raised during the inter partes reexamination and will be estopped from challenging any facts determined during the reexamination proceeding. By filing a request for inter partes reexamination, Requester has made a choice of forum for invalidity challenges based on published prior art, selecting the less expensive USPTO proceeding over the U.S. district court.

E. Reexamination in Aid of Patent Infringement Litigation Defense

The USPTO offers ex parte reexamination and inter partes reexamination as a first attack on a patent asserted in litigation. It is often possible to bring a patent litigation to a standstill by filing a reexamination. It is well recognized that courts have the inherent power to stay litigation proceedings pending conclusion of a USPTO reexamination. *Ethicon, Inc. v. Quigg*, 849 F. 2d 1422, 1426-27, 7 U.S.P.Q. 2d 1152 (Fed. Cir. 1988). A stay is more likely to be granted if the reexamination is sought in the early stages of litigation. *Gould v. Control Laser Corp.*, 705 F.2d 1340, 217 U.S.P.Q. 985 (Fed. Cir. 1983). (Affirming district court order staying proceedings until conclusion of reexamination). As the case gets closer towards trial, the court is more likely to deny a stay. *Xerox Corp. v. 3Com Corp.*, 69 F.Supp. 2d 404, 406-7 (W.D.N.Y. 1999). (Court employed three factor balancing tests: 1) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party; 2) whether a stay would simplify the issues in question and trial of the case; 3) whether discovery was complete and a trial date had been set.) While judicial opinions have established case law supporting stays for ex parte reexaminations, a statute has been passed on behalf of inter partes reexamination. 35 U.S.C. §318 weighs in favor of a stay of litigation pending inter partes reexamination. §318 reads “the patent owner may obtain a stay of any pending litigation..., unless the court before which such litigation is pending determines that a stay would not serve the interests of justice.”

Reexamination is a particularly valuable tactic when the best printed prior art references are those which have already been cited before the Examiner in the prosecution of the patent. The 2002 Judicial Improvements Act authorized reexaminations based on previously considered references so long as a substantial new question of patentability is identified. According to the USPTO Official Gazette notice of July 1, 2003, “A substantial new question may be based solely on old art where the old art is being presented/viewed in a new light or in a different way, as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request.” Thus, a challenge on old art to a patent can be made in the USPTO where there is no presumption of validity and the claims are given their broadest reasonable interpretation. Correspondingly, in court the presumption of validity would be especially difficult to overcome because of a tendency to defer to the USPTO’s granting of the patent in view of the prior art.

As a general matter, reexamination can be used to either cancel the claims of concern or force an amendment or arguments sufficient to alter the scope of the claims. The reexamination proceeding expands the intrinsic evidence essential to the determination of claim construction. The arguments and amendments made during reexamination can achieve a narrowing of the claim scope that would otherwise be less likely in litigation based on the prosecution of the original patent. As seen above in section II.C., reexamination has been effective in narrowing

the claims so that the accused infringer can achieve a judgment of non-infringement either through summary judgment or a trial. Improving the record with respect to claim construction and prosecution history estoppel are significant benefits to reducing the risks posed by the litigation.

Even if the reexamination does not achieve cancellation of the claims or summary judgment of non-infringement, infringement liability prior to issuance of the reexamination certificate will be avoided for substantively amended claims. Absolute intervening rights for such amended claims allow third parties to sell products already in existence prior to the reexamination certificate. Equitable intervening rights are also possible in those situations where the third party expended huge amounts of capital in reliance on the patent as originally issued.

Ex parte reexamination has the disadvantage of only allowing a single written submission by the requester. There is no further participation at the examination level nor is there any participation in an appeal. Importantly though, ex parte reexamination relieves the requester of any of the estoppel burdens imposed by inter partes examination.

Inter partes reexamination has the advantage of allowing participation throughout the examination all the way up through the Federal Circuit Court of Appeals. Moreover, inter partes reexamination deprives patentee of the opportunity to interview with the Examiner. In my view, this will necessarily result in a higher percentage of claims being canceled and fewer patents getting through with successfully amended claims. On the other hand, inter partes reexamination is a new procedure and has estoppel provisions that have yet to be construed by the courts. The requester is estopped from asserting in a civil action, the invalidity of any claim finally determined patentable on any ground which the third party requester raised or could have raised during the inter partes reexamination proceedings. This subsection allows the assertion of invalidity in court based on newly discovered prior art unavailable to the third party requester and the USPTO at the time of the inter partes reexamination proceedings. No court has yet decided what was meant by the term “unavailable.” The requester is further “estopped from challenging at a later time, in any civil action, any fact determined during the process of such reexamination, except with respect to a fact determination later proved to be erroneous based on information unavailable at the time of the inter partes reexamination.” 1999 Public Law 106-113 §4607.

Reexamination of either variety complements litigation, particularly for bolstering a non-infringement defense. Rather than accept the court’s claim construction based on a presumptively valid patent, reexamination gives the litigant two opportunities to attack the patent from different vantage points. The reexamination is conducted against the broadest reasonable interpretation of the claims and without a presumption of validity. The patent claims may be canceled, amended or otherwise narrowed. If the litigation continues, the non-infringement defense is in much better shape. The intrinsic evidence has been expanded to include the reexamination, thus improving the chances of a narrow claim construction. Prosecution history estoppel may make summary judgment more probable. Thus, with reexamination, defendant can hit at the patent broadly construed in the first round and evade the patent narrowly construed in the second round. Typically, patent litigation involves many issues beyond infringement making the analysis of whether reexamination is appropriate a more difficult one. Certainly though

consideration should be given to the propriety of taking advantage of reexamination to bolster a defense against patent infringement.

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