

**American Bar Association  
Section of Intellectual Property Law**

**25<sup>th</sup> Annual Intellectual Property Law Conference**

**REEXAMINATION OF PATENTS**

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**April 7-10, 2010  
Arlington, Virginia**

## **Reexamination of Patents**

A reexamination (reexam) of a patent is a proceeding in the USPTO (PTO) for the determination if there is a substantial new question as to the patentability of one or more claims of the patent based on other patents or printed publications. The reexam can *ex parte* or *inter partes*

### **Ex Parte Reexaminations**

*An ex parte reexam* can be initiated by the PTO Director on his own accord; by the patentee; or by any interested third party (corporate or individual). *The ex parte reexam* is initiated by the filing of a request. The request must be in writing and must give a statement pointing out each substantial new question of patentability (SNQ) based on prior patents or printed publications. The prior art relied upon in the request must serve as a basis for an anticipation (35 USC §102) or obviousness (35 USC § 103) rejection of some or all of the patent claims. Admissions by the patentee in a concurrent litigation can be used but only in combination with the patents or printed publications relied on in making out the SNQ. Section 112, fraud, or on-sale or public use bars cannot serve as the basis for a SNQ.

The request filing requires a fee and there is no small entity discount. The submission must include a copy of the patent with any disclaimers, Certificates of Correction, or reexam certificates issued in the patent; and copy of each patent and/or printed publication (and English translation) relied upon in the request. The request must identify the claims for which reexamination is sought and the pertinence of prior art being submitted to each such claim.

If the request is filed by a third party, a certificate of service to the patentee must be included with the request or a duplicate copy of the papers provided if service was not possible. Preferably a copy of power of attorney if filed by attorney/agent for third party should be provided with the request.

If the request is filed by patentee, the request may include a proposed amendment. The request will be considered on claims of issued patent but prosecution will begin, if reexam is granted, based on amended claims.

The request must be filed within period of enforceability of patent.

The PTO will give requestor notice and time (typically 1 month) to respond to correct defects if the request contains any defects.

The request is announced in the PTO Official Gazette (OG) and is assigned to the Central Reexamination Unit (RCU). The PTO must decide whether to grant reexam within three months of the filing of the request.

If the request is denied, i.e., there is a finding of no SNQ of patentability, an order denying reexam is sent to requestor and patentee. The requestor may petition for reconsideration

once within one month of initial decision. The initial decision and decision on petition is final and non-appealable requestor receives partial refund of the fee paid when the request was filed.

If the request is granted, the PTO will issue an order granting reexamination to requestor and patentee that states each SNQ of patentability with respect to specific claims of the patent and the prior art as well as the PTO position with respect to each issue raised by requestor. The PTO's position may be the same as or different from requestor's.

The patentee may file an owner's statement within two months of, but not before, the order granting reexamination. Any extension of time (EOT) is typically one month and is granted only if good cause is shown. The owner's statement must particularly point out why the claims are patentable over the prior art, and may include an amendment.

If an owner's statement is filed, third party requestor may file a reply brief within two months. An EOT is not available for the filing of the reply and the reply is limited to issues raised in owner's statement. The reply may include additional prior art and printed publications. The reply is the requestor's last chance to participate in the *ex parte* reexam.

Reexam proceedings are required to be conducted with special dispatch although such has not always been the experience of patentees in the past.

In the reexam all claims are examined for anticipation and obviousness issues without the statutory presumption of validity. Only new or amended claims are examined for 35 USC § 112 issues. The duty of disclosure applies in reexams.

Interviews are only allowed after the first Official Action (OA). In every instance of an interview in an *ex parte* reexamination proceeding, a complete written statement of the reasons presented at the interview as warranting favorable action must be filed by the patent owner. Patent owner's response to an outstanding OA after the interview does not remove the necessity for filing the written statement. The written statement must be filed as a separate part of the response to an Office action outstanding at the time of the interview, or as a separate paper within one month from the date of the interview, whichever is later. Failure to file the statement could cause the reexam to be terminated.

Correction of inventorship is allowed during the reexam. Reexaminations are never abandoned and no filing of a continuation application is allowed. Only the patent owner can appeal to the Board (not the third party requestor).

If the PTO CRU issues a final rejection, a two month period is set for the patent owner to reply or to appeal. If the first response to a final rejection is a reply, the patent owner gets automatic one month EOT. If there is no final rejection or appeal, the PTO CRU will issue a notice of intent to issue a reexam certificate (NIRC) which states reasons for allowance.

There is the possibility of multiple requests for reexamination in the case of *ex parte* reexams. If a subsequent request involves the same prior art cited in first reexam, the subsequent request for reexam is automatically granted. If the subsequent request for reexam involves

different prior art than that cited in first reexam, a decision whether to grant is made on its own merits. If there is a more than a three month difference between the date of a second request and the expected issue date of a reexam certificate in the first proceeding, the CRU group director will merge the first and subsequent reexams and suspend issuance of reexam certificate from first proceeding. When merged, the patent owner must file original, identical papers in both files; same claims must be pending in both files; and the PTO CRU will issue an identical OA in both files; but multiple reexam certificates will issue. If the date of the second request is within three months of expected issue date of reexam certificate in first proceeding, the CRU group director will not normally merge proceedings, but any subsequent request will be decided with respect to new claims issuing from first reexam.

During the *ex parte* reexam, the patent owner must disclose any other proceedings to the PTO (e.g., litigation, reissue and interference). Reexams are typically not stayed for the resolution of interference. In the case of a co pending reexam and reissue, typically the two proceedings are merged. Reissue rules apply and the reissue patent also serves as a reexam certificate.

If there is litigation which is stayed pending reexam or if Court orders reexam, then certain time periods are shortened in the reexam proceedings.

### **Inter Partes Reexams**

*What is the difference between ex parte and inter partes reexams? An inter partes reexam is applicable only to patents issuing from applications filed on or after November 29, 1999. If the inter partes request is granted, the first OA is mailed with the order granting request. If the request is denied, a partial refund of the filing fee is made to the requestor. No interviews are permitted during inter partes reexam and the third party requestor may respond to patent owner's reply to each office action. The third party requestor may appeal to the Board or participate in patent owner's appeal to Board in an inter partes reexam. A party who has previously requested an inter partes reexam in which there is a final decision favorable to the patentability of a claim is estopped from later Court action on the basis of issues raised or issues that could have been raised in the inter partes reexam.*

The patent owner may not request an inter partes reexam. A party who previously lost in a court action on a validity challenge to the patent on the basis of issues raised or issues that could have been raised also cannot request an inter partes reexam. A party who has previously requested an inter partes reexam which has been granted and is still pending similarly cannot be a requestor. A party who has previously requested an *inter partes* reexam in which a final decision favorable to the patentability of a claim was made on the basis of issues raised (or could have been raised) in a previous request cannot request another proceeding.

The request for, and service of, Inter Partes Reexamination is essentially the same as *ex parte* reexam, except a much higher fee is required and there must be a certification that estoppel does not apply. While in *ex parte* reexams the identity of the requestor need not be divulged, the real party who is making request in the *inter partes* request must be identified.

The third party requestor may file written comments, once, to patent owner's reply to each OA and this reply must be filed within thirty days of receiving service of patent owner's reply to OA. The patent owner may obtain an EOT for cause to file the reply the third party requestor cannot obtain an EOT. The written comment must be limited to issues raised in the OA and reply citations of additional prior art are limited to those necessary to respond to patent owner's reply and issues raised by the PTO CRU in the OA.

In the inter partes reexam, the PTO CRU will issue a notice of right to appeal which is a final action setting forth the final grounds for rejection and/or patentability for each claim. No amendments are allowed after the issuance of notice of right to appeal. The parties may then appeal within 1 month of date of notice of right to appeal and the parties may stipulate and request issuance of notice of right to appeal anytime after patent owner's reply to initial OA. If no party appeals, the reexam is terminated and an inter partes reexam certificate will issue

If a party appeals by filing notice of appeal, all other parties may file a notice of cross appeal within 14 days. If a party is dissatisfied with the Board decision and Judgment, an appeal may be taken to the Federal Circuit.

Like in the case of an ex parte reexam, the patent owner in an inter partes reexam must disclose any other proceedings to the PTO. Multiple reexams may be merged or one proceeding suspended until the other concludes. If an inter partes reexam is merged with an ex parte reexam, inter partes rules govern, but the ex parte requestor gets no additional rights, and one reexam certificate will issue.

If the patent being reexamined is also involved in an interference proceeding, the Director is empowered to suspend one proceeding until the other is concluded. In the case where a reissue of the patent has been instituted the reexam and reissue may be merged or one proceeding suspended until the other concluded. If the reexam is merged with the reissue, then *inter partes* rules govern, but requestor can participate. Identical papers are filed and the same claims must be pending in both files, and the reissue patent also serves as the reexam certificate. The Director has discretion whether to suspend a *inter partes* reexam in view of litigation in which the patent is involved and the patent owner may seek a stay of court action until reexam is terminated.

### **General Comments on Reexams**

Both *ex parte* and *inter partes* reexaminations can be filed at any time during period of enforceability of patent. The period of enforceability is the length of the term of the patent plus the six years under the statute of limitations for bringing an infringement action (35 U.S.C. § 286). For *ex parte* reexaminations, multiple requests for serial and/or concurrent reexamination requests can be filed by the same party, provided that the prior art forming the basis for a proposed SNQ in subsequent requests is not cumulative to the prior art previously considered. There is no legal limit on the number of *ex parte* reexamination requests that can be filed. However, the bar for establishing a valid SNQ may become higher with each reexamination request. For *inter partes* reexaminations, once a request for inter partes reexamination has been granted, the same third party requester cannot file a subsequent request for *inter partes* reexamination while the prior inter partes reexamination is pending. 37 C.F.R. § 1.907(a).

However, the third party requester can file a concurrent *ex parte* reexamination. Additionally, the third party requester may file a serial *inter partes* reexamination request following conclusion of a prior *inter partes* reexamination if new prior art is uncovered.

### **The SNQ**

As part of the reexamination statutes, Congress struck a balance between curing allegedly defective patents and preventing the harassment of patent owners. To perform this gate keeping function, Congress adopted a standard requiring a request for reexamination to raise a substantial new question of patentability.

35 U.S.C. § 303 for *ex parte* and § 312 for *inter partes* require the Commissioner to “determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request.” Congress intended these statutory provisions to limit reexamination to references that raise new information about pre-existing technology which was not raised at the time of the initial examination of the patent.

An SNQ is not a proposed ground of rejection (a “prima facie” case of unpatentability). The existence of an SNQ 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. However, not all previously considered references (“old art”) or unconsidered references (“new art”) may raise an SNQ. Old art can only be used to support an SNQ only if shown in a new light. New art can be used to support an SNQ only if the technological teaching relied upon in the art is not cumulative to technological teaching previously considered by the Office.

Presentation of a proper SNQ is the most important component of a reexamination request. Some requestors treat the SNQ as a mere formality. However, one of the most common reasons that reexamination requests are denied by the PTO is the failure to adequately present an SNQ.

To adequately establish an SNQ, the request must demonstrate that a patent or printed publication that is relied on for the SNQ presents a new, non-cumulative technological teaching that was not previously considered and discussed on the record during prosecution of the application that resulted in the patent for which reexamination is requested.

### **Prosecution of a Reexam**

The prosecution of a reexamination has several fundamental differences from the prosecution of a normal application. One of these differences relates to the patent owners options after a final rejection. During prosecution of an application, an applicant may file one or more requests for continued examination (RCEs) to continue prosecution of the application before the Examiner. An equivalent to RCE practice is not provided for by the rules in reexamination proceedings. The patent owner thus has a limited window during which to present evidence of patentability to the PTO. Failure to present available evidence in support of patentability in response to the First Office Action may foreclose the entry of that evidence after a final action has been issued.

The PTO requires the patent owner to provide sufficient grounds why the evidence sought to be entered after the final action could not have been entered earlier. If the patent owner cannot meet this standard, the evidence will be excluded. The patent owner must consider what evidence may be required for a potential appeal to the Board of Patent Appeals and Interferences or the Federal Circuit when responding to the first Office Action in a reexamination.

### **Problems in a Reexam**

The requestor must consider certain disadvantages to the reexamination process. One important consideration is that the process gives the patentee the opportunity to amend its claims and add new claims. While the patentee may not broaden the scope of its claims, the patentee may amend the claims to (1) make them patentable in view of the prior art, including the new prior art cited by the challenger, and (2) make them more clearly cover the challenger's allegedly infringing product. Another disadvantage to the challenger, in the *Inter Partes* process, is that the requestor is estopped from challenging the patent in court, except in very limited circumstances. Thus, the *Inter Partes* requestor must be prepared to do its best job before the PTO because it is unlikely to get another opportunity if it fails to achieve the results it desires there.

A comprehensive strategy should be in place before filing a reexamination request. The requestor should have a clear objective and should be fully aware of the consequences of filing a reexamination request. Once filed, the request cannot be withdrawn as part of a settlement with the patent owner. After the reexamination is instituted, it will take on a life of its own. Many pitfalls await the unwary requestor who has not fully thought out the consequences of filing a reexamination request.

A patent reexamination can be used effectively as part of a defendant's litigation strategy. It opens up a new front in the case that can create many new levels of uncertainty for the patentee in terms of time to trial, estoppels, claim construction, and intervening rights. There is the real possibility that some or all of the claims in the patent may be found to be unpatentable.

The requestor should have a significant amount of procedural knowledge and should coordinate the reexam request with litigation strategy. Serious consideration should be given to the question of whether or not the reexamination request should be filed. If a request is to be filed consideration must be given as to what type of reexamination to file as well as to how to prepare a request with the highest chances of success. The request must be drafted in a way as to best drive important claim construction issues in the litigation, and when to file the request. Also consideration must be given what effect the reexamination might have on litigation defenses including inequitable conduct, on-sale bar, or prior public use.

Serious consideration must be given to the possibility that the PTO may not grant the request for a particular claim. The patentee may be able to amend the claims to improve their likelihood of being found valid while maintaining their likelihood of being found infringed. In summary, the task of deciding whether to file a reexam and the preparation of the request should involve a joint effort between litigation counsel and prosecution counsel. Litigation counsel may

not have sufficient knowledge of prosecution tactics and prosecution counsel may be familiar with the PTO but may not be versed in litigation strategy.

Reexamination provides the opportunity to invalidate the claims of a patent through a proceeding in which invalidity need only be established by a preponderance of the evidence. Successful reexamination may cause complete cancellation of the patent in view of the prior art or result in the claims being amended in such a way that they are no longer be infringed.

Arguments by the patentee during reexamination may provide valuable prosecution history estoppels that significantly narrow the claim scope. Remarks constituting prosecution history estoppel during reexamination, as well as statements made by the examiner during reexamination, may be submitted as evidence for consideration by the judge in a Markman proceeding.

Intervening rights can arise when claims have been amended during reexamination so as to permit a certain level of infringement to occur without the liability of damages.

Reexamination can stay litigation. For an accused infringer, a stay may be advantageous to promote settlement or to provide time to implement a design-around.

In complicated technologies, the patent examiner may better appreciate the prior art than a jury or a judge. If the technology is relatively difficult to understand or appreciate; it may be more desirable to have the validity issues resolved by an Examiner who is considered to be technically competent.

If a court finds that a patent is valid over the prior art, and the Patent Office finds that a patent is invalid over the same or different art in a reexam, the patent will be deemed invalid. Likewise, if a court finds that a patent is invalid over the prior art, and the Patent Office finds that a patent is valid over the same or different art, the patent will also be deemed invalid. In effect, the accused infringer may have two chances to invalidate the patent (not including appeals).

### **Reasons Not to Request Reexamination**

There are situations in which the filing of an *ex parte* or *inter partes* request for reexamination by an accused infringer may not be advisable. Patents are presumed valid in infringement litigation. However, an argument could be made that, had the Examiner seen a new prior art reference, the patent would not have been allowed. Reexamination removes this argument, if the Examiner allows the claims over the new prior art. In these cases, certain references can be asserted in reexamination and others are reserved for the litigation. If only *ex parte* reexaminations are being requested, then it may be desirable to limit the requests for reexamination to specific pieces of prior art, and to hold other prior art for trial. This approach is not be permissible in an *inter partes* reexamination situation. In an *inter partes* reexamination, the requester is not permitted to assert invalidity based on patents and printed publications in a later civil action which could have been raised in the reexam. This does not prevent the assertion

of invalidity based on newly discovered prior art unavailable to the requester and the PTO at the time of the *inter partes* reexamination.

This means that all prior art searching and analysis must be completed before filing the request is filed. Although a later filed reexamination (either *inter partes* or *ex parte*) can be combined with an earlier filed request for *ex parte* reexamination, the same is not true for an earlier filed request for *inter partes* reexamination by the same third party requester.

Since multiple *ex parte* reexaminations can be filed by the same third party, it may be desirable to request an *ex parte* reexamination at first, and when the searching and analysis are completed, to then file an *inter partes* reexamination presenting different arguments. The initially filed *ex parte* reexamination(s) can be used to support various trial aspects, such as a motion to stay the litigation. The later-filed *inter partes* reexamination can then be used to allow the requester to become more involved in the reexamination process.

The patent owner may add limitations to the claims by amendment that enhance the claim validity yet still read on the accused infringer. In reexamination, the patent owner can amend the claims to make them more narrow, thereby potentially making the claims patentable over the prior art.

It may also be possible for the patent owner to add limitations to claims or to add new claims that still result in the claims covering the accused device. This provides an opportunity for the patent owner that they would not normally have in litigation.

If a party did not infringe before the amendment, it will not infringe after the amendment. Therefore the requester's arguments for non-infringement in the litigation cannot get worse, but they may improve. However, patentee may have the opportunity to add claims which could be infringed by the accused infringer. If the new and/or amended claims are later found to be valid and infringed, the accused infringer may have intervening rights to use existing products without payment of monetary damages.

Statistics provided by the PTO show that it is rare that reexamination results in full cancellation of all claims. In most cases, the claims are initially rejected and then amended. In a majority of *ex parte* reexams, the PTO issues a certificate affirming the patentability of the claims and the patent survives in at least amended form. The opposite is true of *inter partes* reexams where patents generally do not survive reexamination and the patent claims are cancelled.

The fact that, in an *ex parte* reexam, the patent owner can request an interview with the CRU examiners to explain the patentee's position is very important in achieving a successful result. An interview in the prosecution of a reexam can provide a better chance that the claims will be granted. The same opportunity does not exist in the *inter partes* process, where interviews with the CRU examiners are prohibited. by the current PTO rules but are even more critical due to the fact that there is a third party involved who can repeatedly rebut the positions taken by the patent owner. An interview gives patentee the chance to give CRU examiners a

fuller understanding of the story of the invention, the technology, the details of the patent, the SNQ and the rejections so that they can make a fully informed and justified decision.

The reexamination system is weighted heavily against the patent owner in the instance of an *inter partes* reexam. Approximately 90% of requests for *inter partes* reexamination are granted. In almost all those proceedings, all of the claims are initially rejected in the first Office Action. There is no page limits on the size of the reexamination request in an *inter partes* proceeding. However, the patent owner is limited to 50 pages to respond to the Office Actions. This is a fundamental flaw in the *inter partes* process because it may not allow the patent owner an opportunity to provide full and complete arguments to refute rejections. Third, the delays and backlog inherent in the reexamination process through appeal from the CRU to the BPAI to the Federal Circuit work against the patent owner much more than against the third party requester. This delay problem is especially egregious where the third party requester is able to get a court in concurrent patent litigation to stay the litigation until the reexamination process is completed. Patents in concurrent litigation can be easily tied up in reexamination proceedings for years, often for a period longer than the useful life of the technology.

Legislative proposals have been introduced to reduce the time it takes to complete a reexamination and to reduce the PTO backlog. Another consideration for patentee involved in a reexam whether patentee requested or third party requested to the consideration of claim construction.

Another consideration for patentee involved in a reexam whether patentee requested or third party requested is the consideration of claim construction. The standards for claim construction are very different in district court litigation as compared to patent reexamination proceedings. During reexamination proceedings, claims are construed with their broadest reasonable interpretation, consistent with the specification. For this reason, a Markman order in district court has no preclusive effect on the PTO and is not binding on the PTO. A broad claim construction draws in more potential prior art.

In U.S. district courts, claims are construed so that they remain valid in view of prior art. The court looks to get the “correct” claim construction after reviewing the parties’ respective positions. Such a construction will typically be narrower than that used by the PTO and may thus limit the world of available prior art.

A successful end for a patentee in infringement litigation could lead to a subsequent challenge of the patentability of the same patent in the PTO by reexam. The PTO uses a broader construction and, in effect, creates a different scope for the claims, and possibly a different intellectual property right. In such cases, the patent owner is not permitted to adopt the claim construction of the court. Because of the different claim construction standards, a patent owner may be forced to amend claims to incorporate the court’s construction and potentially lose past damages.

It is true that the patent owner may amend claims during reexamination, provided the amendments do not enlarge the scope of the claims. Substantive amendment of asserted claims could literally wipe out a district court or ITC Markman ruling. If the litigation or ITC

investigation has progressed to trial, substantive amendment of asserted claims could result in an enormous waste of judicial and party resources. If a patent owner is forced to amend claims to preserve patentability, there is the risk of losing any claim to past damages under the intervening rights doctrine.

In *inter partes* proceedings, the patent owner is not allowed to interview the examiner. There is little room for the type of negotiation necessary to arrive at claim amendments to overcome pending final rejections.

An *ex parte* reexamination may also give the patentee an advantage in dealing with the prior art. Once begun, the third party requester is excluded from the reexam process and the patent owner can interview the CRU Examiner. A court can find a patent invalid even if it survives reexamination. However, most courts are likely to defer to the administrative expertise of the PTO, CRU, and BPAI.

The reexamination allows the patent owner to correct defects in the patent, such as ambiguous claim language, antecedent basis problems, or other perceived issues with the claims. This is especially true with newly issued patents where the potential for damages lies in the future, rather than with past damages. The patentee can also add claims during reexamination, provided that the added claims are not broader in scope than the original claims.

The added claims could cover aspects of the accused infringing products not included in the original patent claims. A reexam request filed early in the litigation could impact the trial. There are questions and concerns as to the admissibility of any non-final PTO action at trial.

### **When to Request a Reexam**

One of the most important considerations is deciding when to file the reexam request. Early filing should be considered where the goal is to stay the district court litigation until the validity of the asserted patent is determined by the PTO. Most courts will not consider staying the litigation until at least a first office action rejection is received. The issuance of the first office action could be one year or more after the request is granted. In an *inter partes* reexamination, the rules state that “[t]he order for *inter partes* reexamination will usually be accompanied by the initial Office action on the merits of the reexamination” [37 C.F.R. § 1.935]. However, this is not always the case, particularly with the recent increased popularity of *inter partes* reexaminations.

Early filing is also highly recommended where the reexam is requested as an insurance policy against an adverse district court decision. At least 2 years may be necessary for a final decision from the CRU. Waiting too long to file a request could reduce the effectiveness of such a strategy.

### **Further Considerations in a Reexam**

The clearest risk for an accused infringer and an advantage for the patentee is that at least one asserted patent claim survives the reexamination process without amendment and without

any adverse prosecution history estoppel. The reexam allows the patentee to have the CRU consider all of the prior art in the litigation and to present arguments and declarations that support patentability of the claims over this prior art.

The benefits of a successful reexamination are clear. If a litigation stay can be obtained, the accused infringer could minimize costs of litigation. Before filing a reexamination request, however, a comprehensive strategy should be in place. The requester should have a clear objective and should be fully aware of the consequences of filing a reexamination request. Once filed, the requester cannot “unfile” the reexamination as part of settlement with the patent owner.

After the reexamination is instituted, it will take on a life of its own. Many pitfalls await the unwary requester who has not fully thought out the consequences of the filing and how to settle most effectively the underlying dispute.

Some district courts are amenable to stay requests based on a reexam request. Some are not. A review of the possibility of a stay by the court should be made before requesting a reexam. Courts generally analyze three factors when considering a litigation stay based on a reexamination: (1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether discovery is complete and whether a trial date has been set. There is no guarantee that litigation will be stayed pending outcome of a reexamination. Those seeking a stay should file early to maximize their chances.

Some litigation counsel take the view that, if the prior art relied upon in a reexam request is not successful before the CRU, it will be even less successful before the court. This is based on the use of *KSR* at the PTO and the broader claim construction rules and the lower burden of proof of invalidity at the CRU. If the requestor can't prevail at the CRU, then the chances of winning in court are even smaller.

The reexamination allows the patent owner to have the CRU deal with all of the art in the litigation and to present arguments and declarations that support patentability of the claims over this art. This could include possible secondary (objective) considerations of non-obviousness that were not present when the claims were originally prosecuted.

Where a requestor has the choice in filing an *ex parte* or *inter partes* reexamination request, what considerations go into this choice? One factor to consider is that there is no legal limit on the number of *ex parte* reexamination requests that can be filed. However, the bar for establishing a valid SNQ may become higher with each reexamination request. The CRU makes a determination of whether a reference alleged to support an SNQ is cumulative to earlier considered art. The more references already considered raises the bar for references in subsequent reexamination requests.

The ability to file more than one request can be a valuable tool where the patent owner is seen to mischaracterize the prior art, to make inconsistent statements between the reexamination and the parallel court proceeding, or where there is newly discovered prior art that surfaces after the previous reexamination request has been filed. However multiple reexamination requests

may have a negative impact on the judge and could impact an already granted litigation stay. Additionally, the patentee can file a petition arguing that subsequent reexamination requests are being filed for the purposes of harassment. This should also be a consideration when determining whether to file multiple reexamination requests.

Multiple *ex parte* reexaminations on the same patent will generally be merged. However, the decision is at the sole discretion of the PTO, which will take into account its statutory mandate of “special dispatch.” If one of the multiple co pending reexamination requests is *inter partes*, then the merger decision proceeds under the *inter partes* rules. According to the MPEP, merger decisions are made by the Office of Patent Legal Administration (OPLA). After multiple reexaminations have been ordered, the CRU will forward the multiple orders to the OPLA, and OPLA will determine whether and how the reexamination should be merged. OPLA will thereafter issue a merger order that will govern the merged proceedings. The merged proceedings will then proceed under the *inter partes* rules, except that the third party requester will maintain its rights under the *ex parte* rules—e.g., the third party requester would maintain its right to respond to any patent owner’s statement. No *ex parte* rights appear to remain with the patent owner and the right to interview any *ex parte* issues appears to be foreclosed as a general rule. If a party feels its *ex parte* rights have been unfairly terminated by a merger, then it may consider a Rule 181 petition to preserve *ex parte* rights.

The PTO and the CRU use a preponderance of the evidence standard for determining patentability. For this reason, challenging patentability of a patent should be easier before the PTO than in the district court. Nevertheless, a patent owner faces many practical limitations in its ability to amend claims during reexamination. If claims are substantively amended, liability for past damages is put at serious risk.

### **Disclosure and Protective Order**

Patentee remains under a duty of disclosure while the patent is in reexamination p under 37 C.F.R. Sections 1.555 and 1.933. Further, a third party requestor participating in an *inter partes* reexamination owes a duty of candor and good faith to the PTO under 37 C.F.R. Section 10.18. The ongoing duty of disclosure for the patentee raises some interesting strategic questions.

For instance, who should handle the reexamination? Options include using patent attorneys from the trial team, or prosecution attorneys from the litigating law firm. Outside patent attorneys or patent attorneys inside the patent owner’s company could be used. Critical issues to consider include efficiencies, maintenance of privilege, and compliance with protective orders. Best practices may warrant use of outside patent attorneys for the prosecution of the reexamination who are walled off from the litigation team, especially where the protective order includes a non-prosecution clause.

One unresolved issue in this regard is the extent to which the PTO’s duty of disclosure under Rules 555 and 933 would apply to a patentee’s trial counsel. The trial team may be barred by the protective order from participating in the prosecution of a concurrent reexamination. How high and impervious must the wall be between the trial team and the reexamination team to avoid implicating the disclosure rules?

The interplay between the duty of disclosure in a reexamination proceeding and a protective order in a concurrent litigation is an important factor facing a patent owner. Is it possible for a patent owner to satisfy its duty of disclosure while adhering to the guidelines of a protective order? What limitations does a protective order place on the resources available to a patent owner to prosecute the reexamination proceeding?

No party having access to another party's highly confidential technical information under a protective order should be allowed to draft or supervise the drafting of pending claims in applications under reexamination. Knowledge of a competitor's highly confidential technical information, combined with the ability to amend claims, would often convey a dangerously unfair advantage to the recipient of such information. This applies equally to patent infringement plaintiffs and defendants, and applies equally whether the highly confidential information is received from an adversary or a party with temporarily aligned interests such as a co-defendant.

A question facing the patentee is who can be called upon to prosecute and/or consult on strategy for the reexamination proceeding. To what extent may the patent owner's trial team participate in prosecution of its pending reexaminations using information derived from the litigation?

In the specific context of reexamination practice with concurrent district court litigation, the protective order should specifically address the issue of patent prosecution both of applications and of reexamination proceedings. The patent owner's trial team would presumably have access to the accused infringer's highly confidential technical material regarding the accused products and, barring a prosecution ban, would be able to supervise and/or directly control claim amendments. The patent owner may also be sharing highly confidential technical information about its own products, and any non-prosecution clause should be reciprocal.

Accused infringers contemplating reexamination should ensure that the patent Litigation counsel is prohibited from participation in any requested reexamination. Accused infringers should also insure that the protective order bars the sharing of highly confidential information with individuals prosecuting reexaminations in the same subject matter as the patents in suit.

In sum, the possibility of concurrent reexamination requires both parties to a patent litigation to pay close attention to the protective order. Patentee must understand the disclosure obligations under the reexamination rules. The patentee should also carefully consider the duties and restrictions imposed upon it by receipt of such confidential or classified information. Accused infringers likewise need to be concerned about the impact of disclosing highly confidential technical information to other parties capable of drafting and amending patent claims.

### **Conclusion**

Reexamination is not appropriate in every case. However and under the right circumstances reexamination provides substantial benefits in the defense of a patent lawsuit as part of the overall litigation strategy and could provide substantial benefits to the patentee. However, the decision to begin a reexam must be carefully considered and appropriate strategy must be thought out prior to the filing of a reexamination request.