

WHY WAIT FOR OPPOSITIONS?

SCOTT M. DANIELS AND KATE ADDISON*

For several years now it has been said that the enactment by Congress of a post-grant patent opposition system is imminent. Support within the patent community for such a system is substantial, the only significant disagreement being over the procedural details. Furthermore, conventional wisdom holds that the current system of *ex parte* reexamination is sadly ineffective and that *inter partes* reexamination is worse.

Congress has not yet acted, however, and indeed may never act. Even if enacted, the proposed opposition system would apply in only a carefully defined set of patent cases. Accordingly, patent practitioners, confronted with troublesome patents of questionable validity, should not wait for enactment of an opposition system. Rather, they should take a fresh look at *ex parte* reexamination.

I. THE PROBLEM

Being sued for patent infringement, or merely being threatened with suit, is a nightmare for many companies, even where the patent appears to be invalid over the prior art. Worse still is being sued for infringing an entire portfolio of patents. The legal fees and collateral costs can be substantial.¹ Less obvious, but potentially more damaging, is the disruption of the company's normal business routine and the invasion of its corporate confidentiality through discovery requests from the patent owner. If the courts find that there is infringement, damage awards can be substantial. Furthermore, the ultimate threat of injunction remains a strong possibility even after the recent *eBay* decision.²

* Mr. Daniels is a partner at Westerman, Hattori, Daniels & Adrian in Washington, D.C.; J.D., Cornell Univ.; B.A., Carleton College. Ms. Addison is an associate at the same firm; J.D., William & Mary School of Law; B.S., Univ. of Michigan. Westerman, Hattori, Daniels & Adrian (© 2006). This article contains the personal opinions of the authors, which are not to be attributed to the authors' law firm or its clients.

¹ See generally AM. INTELL. PROP. ASS'N., REPORT OF THE ECONOMIC SURVEY 22 (2005) (reporting an average of \$2 million in legal fees is typical for patent litigation with \$1–\$25 million at risk).

² *eBay Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837 (2006).

Congress has long recognized that patents of doubtful validity sometimes issue from the U.S. Patent and Trademark Office (Patent Office).³ Accordingly, it enacted the current *ex parte* reexamination system in 1980, by which the public or the patent owner itself may submit “substantial new question[s]” of a patent’s patentability to the Patent Office.⁴ Unfortunately, reexamination, particularly *inter partes* reexamination, added by Congress in 1999,⁵ is commonly regarded as being ineffective, and sometimes even dangerous, for those seeking to challenge a patent.

Two commentators have sardonically observed that “*ex parte* reexamination often serves as an avenue by which the patent owner converts an infringed but invalid patent into an infringed and valid patent.”⁶ Others suggest that it “would be legal malpractice to recommend [that] a client initiate an *inter partes* reexamination.”⁷

³ Robert H. Harmon, *Patents and the Federal Circuit 1064–65* (7th ed. 2005). Hoping to reduce the costs of patent litigation, Congress in the early 1980s established an alternative forum to the regional circuit courts of appeals in which the issue of patent validity might be more quickly and less expensively resolved. Federal Courts Improvement Act of 1982, Pub. L. No. 97–164, 96 Stat. 25 (codified as amended 28 U.S.C. § 1295(a)(1) (1995)).

⁴ Bayh-Dole Act, Pub. L. No. 96–517, 94 Stat. 3015, 3015–17 (1980) (codified as amended in 35 U.S.C. §§ 301–18 (2006)). See also H.R. REP. NO. 96–1307(I), at 4 (1980), as reprinted in 1980 U.S.C.C.A.N. 6460, 6465–68. The USPTO may institute reexamination of a patent “on [its] own initiative,” 35 U.S.C. § 303(a), but while such reexaminations are notable, they are rare. See USPTO, *Ex Parte* Reexamination Filing Data (June 30, 2006) (showing that only 2% of *ex parte* reexaminations have been initiated by the USPTO).

⁵ 37 C.F.R. § 1.913 (2006). *Inter partes* reexamination was enacted as an option for a third-party requester for “a patent which issued from an original application filed in the United States on or after November 29, 1999.” *Id.*; see also M.P.E.P. §§ 2610–11 (8th ed., rev. 4, Oct. 2005) (stating that “[a]ny third-party requester, at any time during the period of enforceability of a patent issued . . . filed on or after November 29, 1999, may file a request for *inter partes* reexamination”).

⁶ Robert T. Pous & Charles L. Gholz, *Will Inter Partes Reexamination be Embraced by Third Parties as an Alternative to Litigation?*, INTELL. PROP. TODAY, Mar. 2000, at 37, 37; see also 35 U.S.C. § 305; 37 C.F.R. § 1.552(b) (2006) (both saying that even though the claims of a patent may emerge from reexamination stronger than before, they may not be amended during reexamination to enlarge their scope).

⁷ Sherry M. Knowles, Thomas E. Vanderbloemen & Charles E. Peeler, *Inter Partes Reexamination in the United States*, 86 J. PAT. & TRADEMARK OFF. SOC’Y 611, 614, 627 (2004) (citing 147 Cong. Rec. H5359, 5360 (2001) (statement of Rep. Berman)). See also Stephen G. Kunin & Anton W. Fetting, *The Metamorphosis of Inter Partes Reexamination*, 19 BERKELEY TECH. L.J. 971, 979 n.31 (2004) (citing USPTO Round Table Meeting, *THE EQUITIES OF INTER PARTES REEXAMINATION PROCEEDINGS* 40 (Feb. 2004), available at http://www.uspto.gov/web/offices/pac/dapp/opla/comments/reexamproceed/round_tbl_transcript.pdf (quoting Michele Cimbala: “[w]ho knows what the scientists have in their files back

The reexamination system, consequently, has not been widely used.⁸

II. REEXAMINATION PROCEDURE

A person, the requester, may file a request for *ex parte* reexamination of any claim(s) of a patent on the basis of prior art patents or printed publications.⁹ The Patent Office serves a copy of the request on the patentee, who has the option of filing within two months a pre-examination statement commenting on the request. The patentee's statement may include an amendment and new claims.¹⁰

Once an *ex parte* reexamination has been filed, however, the requester has only a limited right to participate in the proceeding; the requester may file comments prior to examination, but only if the patent owner has filed the optional pre-examination statement mentioned above.¹¹

Inter partes reexamination offers three advantages over *ex parte* reexamination: (1) each time that the patentee files a substantive response to a Patent Office action, "the third-party requester shall have one opportunity to file written comments addressing issues raised by the action of the Office or the patent owner's response thereto . . .," (2) the requester may appeal an examiner's decision favorable to the patentee to the Board of Patent Appeals and Interferences and then to the Court of Appeal for the Federal Circuit (CAFC), and (3) the re-

in the office of which they've filed ten years ago and don't remember? That's a real problem for us").

⁸ See USPTO, REPORT TO CONGRESS ON *INTER PARTES* REEXAMINATION 5 (2004), available at <http://www.uspto.gov/web/offices/dcom/olia/reports/reexamreport.pdf> (providing Congress with the progress of *inter partes* reexamination procedure since its establishment and results of an internal USPTO evaluation relating to that procedure). In this report, the Patent Office explained that they anticipated receiving 400 *inter partes* reexamination requests in 2000, the first full year of its availability. *Id.* at 4. In fact it received none—the first was filed on July 27, 2001. In 2005, only 524 *ex parte* reexamination requests were filed with the Patent Office. See USPTO, *Ex Parte* Reexamination Filing Data (June 30, 2006). This was an increase over 2003 and 2004, when 392 and 441 *ex parte* requests were filed, respectively. See USPTO, REPORT TO CONGRESS ON *INTER PARTES* REEXAMINATION 5. This number of *ex parte* reexaminations is deceptively high, given the fact that approximately 40% were filed by the patentee rather than an adversary. See USPTO, *Ex Parte* Reexamination Filing Data. A mere 59 *inter partes* reexamination requests were filed with the Patent Office in 2005. See USPTO, *Inter Partes* Reexamination Filing Data (June 30, 2006).

⁹ 35 U.S.C. §§ 301–02, 311 (stating that other types of prior art under 35 U.S.C. § 102, such as public knowledge and commercial use, are not permitted in reexaminations).

¹⁰ 35 U.S.C. § 304.

¹¹ 35 U.S.C. § 304 (2006).

quester may participate in an appeal by the patentee of an examiner's decision adverse to the patentee.¹²

For many potential requesters, however, these advantages are clearly outweighed by the danger of estoppel. A requester whose request for an *inter partes* reexamination is granted by the Patent Office will be "estopped from asserting at a later time, in any civil action arising . . . , the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised during the *inter partes* reexamination proceedings."¹³

Indeed, both *ex parte* and *inter partes* reexamination pose several additional problems for the requester. First, they may be based only on "patents or printed publications," as alluded to *supra*.¹⁴ Also, the rules do not give the requester the right to discovery or cross-examination during the reexamination proceeding, rights available in litigation.¹⁵

As a result of these perceived problems, both types of reexamination are used rarely, contrary to the evident desire of Congress that most validity issues be resolved in the Patent Office, rather than in the district courts.

III. ANOTHER LOOK AT *EX PARTE* REEXAMINATION

On the basis of our firm's experience with *ex parte* reexaminations, we submit that the problems described *supra* can be overcome, provided that the prior art references are strong and that those references are submitted in a comprehensive reexamination request. Reexamination proceedings have the potential to come to the rescue of defendants charged with infringement. We recommend promptly requesting reexamination once litigation has begun (even before if fear of a suit is contemplated), promptly requesting a stay of district court proceedings once the reexamination request has been granted, and keeping the court advised of the progress of reexamination in the Patent Office.

¹² 35 U.S.C. §§ 314(b)(2), 315(b)(1)–(2).

¹³ 35 U.S.C. § 315(c) (emphasis added).

¹⁴ 35 U.S.C. §§ 301. *But see* M.P.E.P. § 2217 (8th ed., rev. 4, Oct. 2005) (stating: "An admission relating to *any* prior art established in the record or in court may be used by the examiner in combination with patents or printed publications in a reexamination proceeding. The admission must stand on its own. Information supplementing or further defining the admission would be improper.").

¹⁵ 37 C.F.R. §§ 1.550(g), 1.902–97 (2006).

A. *A Comprehensive Reexamination Request*

It is obvious that a requester must identify prior art and specifically point out where in that art the claim limitations of the patent to be reexamined are satisfied. The requester should do more, however. He should anticipate and address any arguments that the patentee might make to distinguish the prior art references. In particular, he should anticipate any amendments that the patentee might make to the claims and show that even such amended claims are anticipated or made obvious by the prior art. In some cases, the requester might even attack potential amended claims by showing that they fail to satisfy the requirements of 35 U.S.C. § 112, ¶1.¹⁶ Where appropriate, the requester might include expert declarations analyzing the meaning of the patent claims or demonstrating the inherent disclosure of the prior art.¹⁷ Such declarations are essential, for instance, in establishing a convincing inherency argument that will withstand the patentee's own declarations. Declarations are also useful on questions of enablement, written description, indefiniteness, and obviousness in a complex technology.

An *ex parte* reexamination is not weakened by the requester's inability to reply to the patentee's arguments, if the original request anticipates and addresses those arguments.

The need that an *ex parte* reexamination request be comprehensive was demonstrated by the recent attack on Pfizer's U.S. Patent No. 5,969,156. The '156 patent claims "crystalline Form I atorvastatin hydrate" having a specific X-ray powder diffraction pattern and is one of several important Pfizer patents related to its blockbuster drug Lipitor[®].¹⁸ The Public Patent Foundation (PUBPAT), a public interest organization, filed a reexamination request asserting that all the '156 claims were invalid as being anticipated by each of two prior art references, neither of which was before the examiner during the '156

¹⁶ M.P.E.P. § 2258(II) (8th ed., rev. 4, Oct. 2005) (examiners are permitted to consider compliance with 35 U.S.C. § 112 of amended claims and new claims (limited to the amendatory (e.g., new language) matter), but not original claims).

¹⁷ M.P.E.P. § 2258(I)(E) (8th ed., rev. 4, Oct. 2005) (affidavits or declarations are permitted to explain the content and relevant dates of a prior art reference. A rejection may be based upon the prior art as explained by the affidavits and declarations, but not upon affidavits or declarations alone).

¹⁸ U.S. Patent No. 5,969,156 (filed Sept. 29, 1997).

prosecution.¹⁹ According to PUBPAT's request, each of the two references disclosed crystalline atorvastatin, thereby anticipating the '156 claim limitations.²⁰

The PUBPAT request attempted to anticipate the arguments that Pfizer would make to distinguish its claims from the references.²¹ First, PUBPAT noted that the '156 specification had characterized the prior art as being limited to *amorphous* atorvastatin as opposed to the *crystalline* atorvastatin recited in its claims.²² PUBPAT then argued that the disclosed atorvastatin was also crystalline.²³ Second, PUBPAT stated that the '156 specification "discloses 'atorvastatin in a pure and crystalline form to enable formulations to meet exacting pharmaceutical requirements and specifications.'"²⁴ PUBPAT argued that the '156 claims fail to recite such "pharmaceutical requirements and specifications," and that, in any event, both references disclosed "atorvastatin in the form of a pharmaceutical product."²⁵

Those arguments were PUBPAT's last words to the Patent Office on the subject of the '156 patent. The Patent Office granted PUBPAT's reexamination request, finding a

substantial new question of patentability affecting claims 1–44 of United States Patent Number 5,969,156 is raised by the request for ex parte reexamination.

Specifically, prior art references of Mills '104 and Roth '995 teach different forms of Lipitor not considered during prosecution of the Briggs '156 patent in question.²⁶

Soon thereafter, the Patent Office rejected all 44 claims as being obvious over each of the two cited prior art references.²⁷ The examiner trenchantly advised Pfizer that the "question is whether the prior art compounds of Roth and Mills et

¹⁹ The Public Patent Foundation, Request for *Ex Parte* Reexamination of U.S. Patent No. 5,969,156 at 1 (App. No. 90/007209 Sept. 14, 2004) (on file at USPTO).

²⁰ *Id.* at 3.

²¹ *Id.* at 5.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ U.S. Patent & Trademark Office, Order Granting/Denying Request for *Ex Parte* Reexamination of U.S. Patent No. 5,969,156 at 2 (App. No. 90/007209 Dec. 12, 2004) (on file at USPTO).

²⁷ U.S. Patent & Trademark Office, Office Action in *Ex Parte* Reexamination of U.S. Patent No. 5,969,156 at 2 (App. No. 90/007209 June 13, 2005) (on file at USPTO).

al. teach amorphous or crystalline forms of atorvastatin”²⁸ The examiner also suggested the possibility of Pfizer submitting experiments showing any superior properties that its claimed compounds might have as compared to the prior art compounds.²⁹

Predictably, Pfizer traversed the rejection by amending its broadest claims to recite atorvastatin hydrate having a more specific x-ray powder diffraction pattern.³⁰ It also added new claims 45–117 to guard against the possibility of future prior art attacks.³¹ Finally, and most importantly, Pfizer submitted declarations showing: (1) that the x-ray powder diffraction patterns of the atorvastatin compounds disclosed in the Roth and Mills references were amorphous as compared to the compounds within the scope of the now amended claims, and (2) that crystalline atorvastatin is superior to amorphous atorvastatin in terms of chemical stability, impurity levels, and particle size and dissolution profiles.³²

The Patent Office accepted Pfizer’s arguments and confirmed the patentability of Pfizer’s new and amended claims.

Claims 1–117 are allowed because they are directed to crystalline forms of atorvastatin which are not found in the prior art. More specifically, the prior art form of atorvastatin found in Mills et al. . . . and Roth . . . are amorphous compared to the instant claims which are crystalline forms of the same compound.³³

The ’156 patent emerged from reexamination with claims having a more narrow scope but far stronger against future prior art challenges. If the ’156 patent is ever challenged again, Pfizer’s lawyers will advise the court that the Patent Office paper confirming the validity of its claims was signed by four examiners, attesting to its strength.³⁴ The patent expires in 2017.

²⁸ *Id.*

²⁹ *Id.* at 3.

³⁰ Francis J. Tinney, Warner-Lambert Co., Amendment Pursuant to 37 CFR § 1.530 for U.S. Patent No. 5,969,156 at 9–11 (App. No. 90/007209 Oct. 10, 2005) (on file at USPTO).

³¹ *Id.* at 11–21.

³² See Facsimile from Francis J. Tinney, Pfizer, Inc., to Deborah C. Lambkin, USPTO Examiner, regarding Reexam of U.S. Patent No. 5,969,156 App. No. 90/007209 (Oct. 14, 2005) (on file at USPTO).

³³ U.S. Patent & Trademark Office, Notice of Intent to Issue *Ex Parte* Reexamination Certificate for U.S. Patent No. 5,969,156 (App. No. 90/007209 Nov. 23, 2005) (on file at USPTO).

³⁴ See U.S. Patent & Trademark Office, Notice of Intent to Issue *Ex Parte* Reexamination Certificate for U.S. Patent No. 5,969,156 at 2 (Nov. 23, 2005) (on file at USPTO) (displaying signatures from two primary examiners, a supervisory patent examiner, and a special program examiner).

B. Other Advantages and Considerations

Although the opening remarks of this article focused on the disadvantages of reexamination, there are also many widely appreciated advantages over litigation of the validity issue in district court. First, the requester does not face the presumption of validity and the burden of proving invalidity in the Patent Office by “clear and convincing evidence,” as it does in a district court.³⁵ This advantage is enhanced by the fact that patent claims under reexamination “are given the broadest reasonable interpretation, consistent with the specification”³⁶ In a district court, however, claims are construed narrowly, if possible, to uphold their validity.³⁷ In the most famous reexamination case, the dispute between Research in Motion and NTP, the Patent Office was clearly a more favorable forum for the accused infringer than was the court.³⁸

Second, reexamination requests are considered by patent examiners, rather than a less technically astute, and sometimes more impressionable, judge or jury. Indeed, the recent drive to reduce the number of frivolous patents makes the Patent Office a favorable forum for attacking patents.³⁹ In the past, it was generally known that reexamination requests were commonly sent to the

³⁵ 35 U.S.C. § 282; *Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041, 1045–46 (Fed. Cir. 2001).

³⁶ M.P.E.P. § 2258 (I)(G) (8th ed., rev. 4, Oct. 2005). See 37 C.F.R. § 1.555(b)(2)(ii) (2006) (“A prima facie case of unpatentability of a claim pending in a reexamination proceeding is established when the information compels a conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification.”); see also *In re Yamamoto*, 740 F.2d 1569, 1571 (Fed. Cir. 1984).

³⁷ *Harris Corp. v. IXYS Corp.*, 114 F.3d 1149, 1153 (Fed. Cir. 1997); *Whittaker Corp. v. UNR Indus., Inc.*, 911 F.2d 709, 712 (Fed. Cir. 1990).

³⁸ There, the jury issued a verdict finding plaintiffs’ five patents to be valid and infringed. The trial court denied the motions of the accused infringer for judgment as a matter of law or alternatively for a new trial. *NTP Inc. v. Research In Motion Ltd.*, 261 F. Supp. 2d 423, 439 (E.D. Va. 2002). The case was appealed to the CAFC which reversed the District Court on construction of a single claim term which appeared in three of the five patents, but affirmed the remainder of the District Court’s judgment. *NTP Inc. v. Research In Motion Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005). The parties ultimately settled the litigation, with the accused infringer paying the patentee \$612.5 million for a license. See Yuki Noguchi, *Blackberry Patent Dispute is Settled*, THE WASH. POST, Mar. 5, 2006, at A11. The accused infringer fared much better in the Patent Office, however, which has subsequently issued final rejections in reexamination proceedings of several of the patents.

³⁹ U.S. Patent & Trademark Office, Strategic Plan 2007–2012 at 11 (Draft #6 Aug. 21, 2006), available at <http://www.uspto.gov/web/offices/com/strat2007/> (indicating that the Office is continuing to allocate the resources necessary to keep the reexamination process current).

original examiners, who were sometimes perceived as being reluctant to reverse their earlier conclusions of patentability. Now, though, requests are handled by an elite group of reexamination specialist examiners.⁴⁰

Third, the costs of reexamination are modest compared with those of litigation. Even for the type of comprehensive reexamination request proposed herein, the costs may range from \$20,000 to \$100,000.⁴¹ One commentator has calculated that the cost of *inter partes* reexamination (with its additional expenses for rebutting the patentee's remarks and amendments) is only 3–10% of the cost of a district court case.⁴² Staying litigation until reexamination amendments emerge also reduces expense by eliminating the need to re-litigate in view of altered claims. In one recent case “[b]oth parties present[ed] statistics from the PTO indicating that 64% of *ex parte* reexamination[s] result in changes to the patent claims.”⁴³

Fourth, the time for resolution of *ex parte* reexamination is relatively short, with a median period of less than 18 months.⁴⁴ This compares favorably with litigation in most district courts.

⁴⁰ Press Release, U.S. Patent & Trademark Office, USPTO Improves Process for Reviewing Patents (July 18, 2005), available at <http://www.uspto.gov/web/offices/com/speeches/05-38.htm>.

⁴¹ Figures stated are estimates provided to clients by the authors' firm. See also AM. INTELL. PROP. ASS'N., REPORT OF THE ECONOMIC SURVEY 18 (2005) (presenting median charges for *ex parte* reexamination services in 2005).

⁴² Lance G. Johnson, *Inter Partes Reexamination: The USPTO Alternative to Patent Litigation*, SCITECH LAWYER, Fall 2004, at 12, 13–14 (listing the advantages and disadvantages of a requester of an *inter partes* reexamination). Aware of the procedure's advantages before others, Mr. Johnson boldly filed the first *inter partes* reexamination request on July 27, 2001. See Joseph D. Cohen, *What's Really Happening in Inter Partes Reexamination*, 87 J. Pat. & Trademark Off. Soc'y 207 (2005) at 207 n.3.

⁴³ *Watlow Elec. Mfg. Co. v. Ogden Mfg. Co.*, No. 4:05CV2094 CDP, 2006 U.S. Dist. LEXIS 46431, at *5 n.2 (E.D.Mo. July 10, 2006).

⁴⁴ See Stuart J.H. Graham, et. al, *Post-Issue Patent "Quality Control": A Comparative Study of US Patent Re-Examinations and European Patent Oppositions* 31, t.1 (Feb. 9, 2002), available at http://www7.nationalacademies.org/step/hall_et_al_paper.pdf (noting the time between the first challenge and final outcome in the USPTO for all reexamined patents between 1974–2000 as 1.28 years or 15.4 months). Patent Office rules such as those described at MPEP 2241 and 2263 assist to expedite the *ex parte* reexamination process by placing limits on the time allotted to both the Office and the requester. See Memorandum from the Antitrust Modernization Comm'n Staff (AMC) to the Commissioners 13, n. 64 (June 14, 2006), available at <http://www.amc.gov/pdf/meetings/NewEcon-Patents%20DiscMemo060614-final.pdf> (noting the length of resolution through litigation to be 7.8 years and the median length of time between patent application filing and resolution of validity challenges in court litigation was 11.3 years) (citing National Research Counsel of the National Academies, National Academies' Board on Science, Technology, and Economic Policy, *A Patent System for*

Fifth, once reexamination has begun, an applicant is under the same duty as during the original prosecution to “disclose to the Office all information known to the individual to be material to patentability in a reexamination pro-

the 21st Century at 67 (Stephen A. Merrill, Richard C. Levin & Mark B. Myers eds., The National Academies Press 2004)).

But, in fact, very few patent suits actually go to trial, as reported in Lanjouw and Schankerman (2002), who find that approximately 95 per cent of all patent suits settle either before or during trial. 78 per cent settle even before the pre-trial hearing, an additional 16 per cent settle before trial, and one per cent settle during trial. The median length of time to settlement is 8 months, 16 months, and 25 months, respectively

Bronwyn H. Hall et. al, Prospects for Improving U.S. Patent Quality via Post-grant Opposition 8 (Dep’t of Econ., Univ. of Cal., Berkeley, Working Paper No. E03-329, May 2003), available at <http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1054&context=iber/econ> (citing Lanjouw, J. O., and M. Schankerman, *Enforcing Patent Rights: An Empirical Study*, (Brookings Inst. & LSE Aug. 2002)).

In Graham et al. (2003), we compared the operation of the post-issue reexamination and opposition systems for challenging patent validity in the U.S. and drew some conclusions about the differences between an ex parte system such as is currently found in the U. S. and an inter partes system used in Europe. First, the U.S. reexamination procedure differs dramatically from the EPO opposition procedure in virtually all of its features. The two most important are that re-examinations are much less common, with an overall average rate of 0.2%, in contrast to the European opposition rate of about 8%, and that the identity of the party requesting a reexamination is the patent owner in at least 44% of the cases, lowering the effective rate even more. This characteristic of reexamination hardly qualifies it as the sort of adversarial procedure that EPO oppositions represent.

We also found that EPO oppositions resolved validity challenges more slowly than USPTO reexamination proceedings. Indeed, opposition proceedings in some cases (and almost certainly in important, complex cases with numerous opponents, appeals, etc.) may well take as much time to be resolved as litigation in the U.S. system.

. . . .

It is clear from the table that patent revocation is much more likely when a patent is opposed in Europe (one in three is revoked) than when a patent is reexamined in the United States (only one in ten is revoked). Combined with the lower probability of reexamination, the overall probability that a patent is revoked via a post-grant administrative challenge is 3 percent in Europe and essentially zero (0.02 percent) in the United States. Conversely, reexamination is more likely than opposition to lead to amendment of the patent, whether or not the patent owner initiated the process.

Id. at 11–12.

ceeding.”⁴⁵ This reactivation of the original duty to disclose provides a means for a challenger-type requester to place a patentee under increased scrutiny.⁴⁶ A patentee that has found a strong patent or printed publication after the issuance date of its patent is required to disclose that reference during reexamination; the alternative, withholding the reference, would create an inequitable conduct problem for the patentee.⁴⁷ Absent such a pending reexamination, a patentee that becomes newly aware of material prior art, has no such obligation to disclose it to the Patent Office.

Sixth, and not surprisingly, a comprehensive *ex parte* reexamination request may have a tremendous effect without even being filed. Our firm once sent an opponent patentee a draft reexamination request, with the result that the patentee was persuaded to negotiate a reasonable resolution of its dispute with our client, rather than permit the reexamination request to be filed.⁴⁸

One advantage of *ex parte* reexamination is that it has no requirement that “the real party in interest” be identified, whereas *inter partes* reexamination does have such a requirement.⁴⁹ *Ex parte* reexamination thus permits a company who is reluctant to antagonize the patentee to maintain its anonymity.

IV. THE DESIRABLE OPTION TO STAY CO-PENDING LITIGATION

Either party in a district court case has the option of requesting reexamination and then moving to stay the litigation. Indeed, numerous courts have mentioned the “liberal policy in favor of granting motions to stay proceedings

⁴⁵ 37 C.F.R. § 1.555(a) (2006). See 37 C.F.R. § 1.555(b) (copied from 37 C.F.R. § 1.56(b)).

⁴⁶ 37 C.F.R. § 1.555(a) (“The individuals who have a duty to disclose to the Office all information known to them to be material to patentability in a reexamination proceeding are the patent owner, each attorney or agent who represents the patent owner, and every other individual who is substantively involved on behalf of the patent owner in a reexamination proceeding. The duty to disclose the information exists with respect to each claim pending in the reexamination proceeding until the claim is cancelled.”).

⁴⁷ However, this inequitable conduct issue would not be addressed in the reexamination proceeding but only during later litigation or prosecution of a reissue application in accordance with 37 C.F.R. §§ 1.552(c), 1.555(c) (2006) (during reexamination, the Examiner will simply note any such issue brought to its attention as an “unresolved issue” in the next Office Action).

⁴⁸ One problem with use of reexamination requests as a negotiating tool is that once filed, they are in the hands of the Patent Office and may not be withdrawn even if there is a settlement.

⁴⁹ 37 C.F.R. § 1.915(b)(8) (2006) (“A statement identifying the real party in interest to the extent necessary for a subsequent person filing an *inter partes* reexamination request to determine whether that person is a privy.”).

pending the outcome of USPTO reexamination . . . proceedings.”⁵⁰ This liberal policy reflects Congressional intent to encourage resolution of certain patent validity issues in the Patent Office, rather than in district court.⁵¹

The determination of whether to grant a stay pending the outcome of the . . . reexamination is . . . within the Court’s discretion. . . . When ruling on [a requested] stay, courts consider . . . : (1) the stage of the litigation, including whether discovery is or will be almost completed and whether the matter has been marked for trial; (2) whether a stay will unduly prejudice or tactically disadvantage the nonmoving party; and (3) whether a stay will simplify the issues in question and streamline the trial, thereby reducing the burden of litigation on the parties and on the court.⁵²

⁵⁰ *Baxa Corp. v. Forhealth Techs. Inc.*, No. 6:06-cv-0353-Orl-19JGG, 2006 U.S. Dist. LEXIS 28583, at *5 (M.D. Fla. May 5, 2006) (quoting *ASCII Corp. v. STD Entertainment*, 844 F. Supp. 1378, 1381 (N.D. Cal. 1994)); *KLA-Tencor Corp. v. Nanometrics, Inc.*, No. C 05-03116 JSW, 2006 U.S. Dist. LEXIS 15754, at *5 (N.D. Cal. Mar. 16, 2006) (also quoting *ASCII Corp.*).

⁵¹ *Broad. Innovation, L.L.C. v. Charter Commc’ns, Inc.*, No. 03-cv-2223-ABJ-BNB, 2006 U.S. Dist. LEXIS 46623, at *11 (D. Colo. Jul. 11, 2006) (citing *Robert H. Harris Co. v. Metal Mfg. Co.*, 19 U.S.P.Q.2d (BNA) 1786, 1788 (E.D. Ark. 1991)); *Baxa Corp. v. Forhealth Techs. Inc.*, No. 6:06-cv-0353-Orl-19JGG, 2006 U.S. Dist. LEXIS 28583, at *4–5 (M.D. Fla. May 5, 2006).

⁵² *Baxa Corp.*, 2006 U.S. Dist. LEXIS 28583, at *5 (M.D. Fla. May 5, 2006) (citing TAP; ASCII).

Early versions of what became the reexamination statute, 35 U.S.C. §§ 301–307 (Supp. V 1981), expressly provided for a stay of court proceedings during reexamination. S. 1679, 96th Cong., 1st Sess. § 310 (1979); H.R. 5075, 96th Cong., 1st Sess. § 310 (1979); S. 2446, 96th Cong., 2d Sess. § 310 (1980). An express provision was deemed unnecessary, however, as explained in the House report:

The bill does not provide for a stay of court proceedings. It is believed by the committee that stay provisions are unnecessary in that such power already resides with the Court to prevent costly pretrial maneuvering which attempts to *circumvent* the reexamination procedure. It is anticipated that these measures provide a useful and necessary *alternative* for challengers and for patent owners to test the validity of United States patents in an efficient and relatively inexpensive manner.

Gould v. Control Laser Corp., 705 F.2d 1340, 1341-42 (Fed. Cir. 1983) (quoting H.R. Rep. No. 1307 Part I, 96th Cong., 2d Sess. 4 (1980) (emphasis in original)); see also *Kla-Tencor Corp. v. Nanometrics, Inc.*, 2006 U.S. Dist. LEXIS 15754, at *4-5 (N.D. Cal. Mar. 16, 2006) (granting stay even where the patent could expire during the reexamination proceeding, eliminating the possibility of injunctive relief for the plaintiff) (citing *Tap Pharm. Prods., Inc. v. Atrix Labs., Inc.*, No. 03 C 7822, 2004 U.S. Dist. LEXIS 3684, at *3–4, n.2 (N.D. Ill. Mar. 4, 2004)).

Among these, the stage of the district court proceeding seems to be the most commonly cited factor in the courts' determination to grant a stay.⁵³ Even where the litigation has progressed, however, the courts are inclined to stay their proceedings in favor of the reexamination. One court acknowledged that substantial litigation activity had already occurred but granted a stay because the issues would necessarily be simplified, regardless of whether defendant's claims were invalidated or reaffirmed, and the court would have the benefit of the expert analysis established by the reexamination.⁵⁴ This case shows some courts will even grant a stay to the party that filed suit (in this case plaintiff sought a declaratory judgment of invalidity), even when the request for reexamination in the Patent Office was filed after the complaint in district court. Another court granted a stay, even though discovery was closed and the case was set for trial, because of the potential judicial economy resulting from the reexamination and because the plaintiff was not currently selling products related to the patent.⁵⁵ When a plaintiff is not adjudged to be actively selling any products covered by a patent, money damages are considered sufficient compensation for any harm infringement may cause. This philosophy deems a plaintiff not prejudiced when a stay is granted prior to the court's consideration of the merits of a motion to enjoin. Both of these cases illustrate that, more important than the time elapsed from the start of litigation to the filing of a reexamination, request with the Pat-

⁵³ Photoflex Prods., Inc. v. Circa 3 LLC, No. C 04-03715 JSW, 2006 U.S. Dist. LEXIS 37743, at *4-5 (N.D. Cal. May 24, 2006) (denying the motion to stay proceedings of the non-patent related causes (copyright infringement, unfair competition, and false designation of origin) since the parties had served interrogatories and requests for production of documents, but no depositions had been taken or scheduled); CNS, Inc. v. Silver Eagle Labs, Inc., No. 04-968 (MJD/JGL), 2004 U.S. Dist. LEXIS 28960, at *3 (D. Minn. Nov. 29, 2004) (denying the bond request accompanying decision to stay since the case was in the early stages of discovery); Snyder Seed Corp. v. Scrypton Sys., Inc., No. 98-CV-87S(H), 1999 U.S. Dist. LEXIS 12149, at *6-7 (W.D.N.Y. Jun. 11, 1999) (granting motion to stay since, under 35 U.S.C.S. § 303(a) (1980), the initial reexamination determination on patentability would be completed within three months from the time the request was made).

⁵⁴ Softview Computer Prods. Corp. v. Haworth, Inc., No. 97 Civ. 8815 (KMW)(HBP), 2000 U.S. Dist. LEXIS 11274, at *9-10 (S.D.N.Y. Aug. 9, 2000).

⁵⁵ Middleton, Inc. v. Minn. Mining & Mfg., No. 4:03-cv-40493, 2004 U.S. Dist. LEXIS 16812, at *26-28 (D. Iowa Aug. 24, 2004) (citing *Emhart Industries, Inc. v. Sankyo Seiki Mfg. Co.*, 1987 U.S. Dist. LEXIS 15033 at *8, 3 U.S.P.Q.2d 1889 (D. Ill. 1987) (granting the stay despite a rather late filing of a request for reexamination even where one of the prior art references asserted was the requester's own patent which it must have known about for a long time: "[I]f the Court finds that the benefits of granting a stay in the present proceedings outweigh the burdens, it need not decide whether the defendant could actually have filed its request at an earlier date.")).

ent Office seems to be the time elapsed from the grant of a reexamination request by the Patent Office to the filing of a request to stay litigation.

On the other hand, one court denied a stay request because it suspected the defendants of dilatory tactics, specifically, in not filing its reexamination request until days after the court denied its earlier summary judgment motion.⁵⁶ In that case, the defendants took to heart the cliché of perseverance: if at first you don't succeed, try, try again. In the same case, *Xerox v. 3Com Corp.*,⁵⁷ after the court denied defendants' motion for a stay as to expert discovery and trial, the parties moved for a Markman hearing, and plaintiff separately filed a motion for summary judgment.⁵⁸ Defendants once again moved to stay, this time having more substance with which to persuade, based on favorable preliminary results from the reexamination proceedings.⁵⁹ They argued that a stay was warranted on the motion for summary judgment (as opposed to the earlier issue of stay on expert discovery and trial) since the Patent Office indicated an initial intention to reject all claims of the patent. The court this time granted their request.⁶⁰

In summary, the Patent Office's grant of reexamination may not be enough to convince a court to stop the continuation of already initiated litigation, but it may be enough to convince a court to stop short of resolving the proceedings. An early grant has the advantages of potential avoidance of discovery expenditures for both sides, but a later grant may be much more welcome than having to pay damages if simultaneous reexamination proceedings are more favorable than what is happening in the district court.

Even if the reexamination proceeding ultimately validates the claims of the patent, as was the case in *Xerox*, an initially skeptical reaction by the Patent Office during reexamination may be enough not only to have a motion to stay granted but to take the fire out of the patentee's case altogether and set the court off in another direction. Despite the Patent Office's validity decision on reex-

⁵⁶ *Xerox Corp. v. 3Com Corp.*, 69 F. Supp. 2d 404, 407 (W.D.N.Y. 1999). *But see* *Sovereign Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 663 (E.D. Tex. 2005) (denying a stay because substantial discovery had occurred after the parties had already produced hundreds of thousands of documents and millions of lines of source code).

⁵⁷ No. 97-CV-6182T, 1999 U.S. Dist. LEXIS 9977 (W.D.N.Y. June. 25, 1999).

⁵⁸ *Id.* at *3.

⁵⁹ *Id.*

⁶⁰ *Id.*

amination of the patent,⁶¹ the dDistrict cCourt eventually granted defendant's motion for summary judgment as to invalidity on May 21, 2004.⁶²

The dDistrict cCourt, however, was corrected on appeal to the CAFC.⁶³ Nonetheless, the fact that, post-reexamination decision, courts are even considering validity issues that one would think should have been raised (and possibly were raised) in reexamination shows that favorable reexamination, can be used as a persuasive tool for leverage during litigation and settlement negotiations, without being *de facto* binding.

For another court, delay in filing a reexamination request for a year and nine months from the commencement of the law suit was the basis for denial.⁶⁴ For manufacturer defendants presently supplying a tangible beneficial commodity to the public that are forced to fight suits against passive "patent trolls," reexamination may offer hope. The stage of litigation at which reexamination is requested appears to be a less critical factor when the plaintiff is not actively selling products on the market.⁶⁵ Moving for reexamination at a later date in the

⁶¹ See *id.* (discussing the PTO's affirmation of U.S. Patent No. 5,596,656 (issued April 25, 2000) after undergoing an *ex parte* reexamination)

⁶² Xerox Corp. v. 3Com Corp., No. 97-CV-6182T, 2004 U.S. Dist. LEXIS 9717, at *8 (W.D.N.Y. May 21, 2004).

The mere fact, however, that the PTO has issued a patent, or affirmed a patent's validity on reexamination clearly can not preclude this court from conducting an examination into the validity of the '656 Patent. Moreover, the fact that the PTO deemed the '656 patent valid in light of the prior art does not mandate a finding of validity by this court, particularly where the Court of Appeals has, by its own admission, given a *broad construction* to the claims at issue. There is no evidence that the PTO considered the prior art in light of the claims *as construed* by the Court of Appeals, and therefore the PTO's previous finding of validity is neither conclusive nor determinative of the issue of validity currently before the court.

Id. (emphasis added). See also *Motson v. Franklin Covey Co.*, No. 03-1067, 2005 U.S. Dist. LEXIS 34067, at *3 (D.N.J. 2005) (noting that "stays to enable reexamination do not foreclose review on the merits by federal courts"); *Gonnocci v. Three M Tool & Mach., Inc.*, No. 02-74796, 2003 U.S. Dist. LEXIS 24423, at *15 (E.D. Mich. Oct. 7, 2003) (noting that "[t]he PTO's decision is presumptively valid, but not binding on the district court," additional evidence may be submitted to the district court, and validity is a question of law "within the conventional experience of judges.").

⁶³ Xerox Corp. v. 3Com Corp., 458 F.3d 1310, 1324 (Fed. Cir. Jun. 8, 2006) (vacating and remanding-in-part (invalidity due to anticipation and obviousness) after finding genuine issues of material facts to be tried with respect to the prior art and reversing-in-part (indefiniteness) after finding the district court too eager to classify as ambiguous language which was subject to construction).

⁶⁴ Agar Corp. v. Multi-Fluid, Inc., 983 F. Supp. 1126, 1128 (S.D. Tex. 1997).

⁶⁵ *Middleton, Inc.*, 2004 U.S. Dist. LEXIS 16812, at *31-32.

proceeding when the plaintiff is not actively selling products on the market does not provide a basis to allege greater damages, whereas had the plaintiff been actively selling and delayed such a request, it would be more likely to prejudice the defendant. Also influential to a court's determination of whether to grant a stay is the marginal value that an additional reexamination proceeding could offer when a court already has before it the results of an earlier reexamination.⁶⁶

Potential prejudice to the patentee rarely has much effect in the courts' analysis. Courts have concluded that "[g]ranted a stay does not cause the non-moving party undue prejudice when that party has not invested substantial expense and time in the litigation."⁶⁷ The court explained that a party invoking the protection of the patent statute "may not 'complain of the rights afforded [to] others by that same statutory framework.'"⁶⁸ The patentee was unable to persuade the court of the delay, "given the slow pace of PTO reexamination proceedings," despite the fact that the governing statute itself provides that, "[a]ll reexamination proceedings . . . including any appeal to the Board of Patent Appeals and Interferences, *will be conducted with special dispatch.*"⁶⁹ The case

⁶⁶ Agar Corp. v. Multi-Fluid, Inc., 983 F. Supp. 1126, 1127 (S.D. Tex. 1997).

⁶⁷ *Kla-Tencor Corp.*, 2006 U.S. Dist. LEXIS 15754, at *7 (citing *Methode Elecs., Inc. v. Infineon Techs. Corp.*, No. 99-21142, 2000 U.S. Dist. LEXIS 20689, at *7 (N.D. Cal. Aug. 7, 2000)).

The expertise of the Patent Office is an important factor for the district court to consider in determining whether to stay its proceedings. Usually, a court will grant a stay when the Patent Office is perceived as the institution best able to assess the validity of the patent in view of the prior art. However, a court will be inclined to proceed to trial when it already has the benefit of a technical evaluation from the Patent Office arising out of a prior reexamination.

In this case, the '680 patent involves technical claims which might be better suited for examination by the Patent Office. However, this Court has the benefit of a technical evaluation from the Patent Office arising out of a prior reexamination of the '680 patent. The Patent Office reexamined the '680 patent and found it to be valid. Although there may be some duplication of effort by the Court in assessing the validity of the patent with respect to the current Patent Office proceeding, this fact is of less concern when the Patent Office is conducting a second reexamination and the case is in the late stages of litigation.

Agar Corp. v. Multi-Fluid, Inc., 983 F. Supp. 1126, 1127 (D. Tex. 1997) (internal citations omitted).

⁶⁸ *Kla-Tencor Corp.*, 2006 U.S. Dist. LEXIS 15754, at *7 (citing *Pegasus Dev. Corp. v. Directv, Inc.*, No. 00-1020-GMS, 2003 U.S. Dist. LEXIS 8052, at *8 (D. Del. May 14, 2003)).

⁶⁹ *Kla-Tencor Corp.*, 2006 U.S. Dist. LEXIS 15754, at *3 (quoting 35 U.S.C. § 305 (1984) (emphasis added)).

also made clear that reexamination need not be granted for all patents in suit in order for the court to stay litigation.⁷⁰ This rule has important ramifications for the now popular multi-patent suits, because so long as reexamination has been granted for at least one patent, the court may stay proceedings. *Pegasus Dev. Corp. v. Directv, Inc.*⁷¹ and *Pacesetter Inc. v. Cardiac Pacemakers, Inc.*⁷² are other examples of the application of the “one granted reexamination is enough” rule for staying multi-patent infringement suits.⁷³

Other courts have justified granting a stay based on the evident complexity of the case, which might be simplified by reexamination.⁷⁴ In one case,

⁷⁰ *Kla-Tencor Corp.*, 2006 U.S. Dist. LEXIS 15754, at *12–13.

⁷¹ *Pegasus Dev. Corp.*, 2003 U.S. Dist. LEXIS 8052.

⁷² No. 02-1337 (DWF/SRN), 2004 U.S. Dist. LEXIS 2699 (D. Minn. Feb. 19, 2004).

⁷³ *Contra Synopsys, Inc. v. Magma Design Automation, Inc.*, No. C-04-3923 MMC, 2006 U.S. Dist. LEXIS 21662 (N.D. Cal. Mar. 30, 2006) (enjoining one party from filing a reexamination request pending resolution of an ownership dispute).

⁷⁴ *Watlow Elec. Mfg. Co. v. Ogden Mfg. Co.*, No. 4:05CV2094 CDP, 2006 U.S. Dist. LEXIS 46431 (D. Mo. Jul. 10, 2006) (finding that the impending expiration date of the patent did not render stay unduly prejudicial because loss of right to injunctive relief was speculative and where, according to statute PTO reexamination, proceedings are themselves expedited, should the practical realities of timing fail to meet the statutory goal the court always maintains the authority to lift the stay if it finds the PTO is taking too long, and once reexamination is completed, courts have the discretion to call for expedited discovery); *Motson v. Franklin Covey Co.*, No. 03-1067, 2005 U.S. Dist. LEXIS 34067, at *3–4 (D.N.J. Dec. 16, 2005) (granting the stay because “if the PTO upholds the validity of plaintiff’s patent, ‘the plaintiff’s rights will only be strengthened, as the challenger’s burden of proof becomes more difficult to sustain’” and thus the result may simplify or even eliminate the need for trial on the remaining validity challenge in the matter (quoting *Pegasus Corp.*, 2003 U.S. Dist. LEXIS 8052, at *2)); *Cygnus Telecomms. Tech., L.L.C. v. United World Telecom, L.C. (In re Cygnus Telecomms. Tech., L.L.C.)*, 385 F. Supp. 2d 1022, 1024 (N.D. Cal. 2005) (finding that a stay would promote the goal of the multi-district litigation scheme because it would facilitate more consistent outcomes in the litigations transferred to the court consistent with the duties imposed by and goals of the Judicial Panel on Multidistrict Litigation); *Pacesetter Inc. v. Cardiac Pacemakers, Inc.*, 2004 U.S. Dist. LEXIS 2699, at *3 (N. Minn. Feb. 19, 2004) (finding “that the four patents in question, although unrelated, [were] inextricably intertwined,” and justifying stay of proceedings of all four patents); *Pegasus Dev. Corp.*, 2003 U.S. Dist. LEXIS 8052, at *4–5, *9–10 (focusing on the immense volume of materials to be reviewed given the number of claims, columns in patent, and related patents relevant to the issues, and finding that reexamination requesters were successful in rebutting the accusation of dilatory tactics by pointing out the patentee had flooded the PTO with prior art references which took time to review thus investing substantial resources in filing lengthy reexamination request documents). *Contra IMAX Corp. v. In-Three, Inc.*, 385 F. Supp. 2d 1030 (C.D. Cal. 2005) (finding a myriad of independent issues existing, unrelated to what would be considered by the PTO during reexamination in its consideration of prior art, and that a period of dormancy to the active resolution of these issues in court during the potentially two year reexamination process could not be justified).

the court was persuaded to grant a stay by the prospect of simplification and the possibility of encouraging the parties to settle, despite the fact that substantial discovery had been conducted, and the parties submitted witness lists and three lengthy summary judgment motions.⁷⁵ *A fortiori*, in *Motson v. Franklin Covey Co.*,⁷⁶ the court granted the stay even when discovery was complete and summary judgment was decided, although a trial date had not been set nor had a pre-trial order issued.⁷⁷ The simplification of issues for argument, however, is not persuasive where many other issues will remain unaddressed by the reexamination.⁷⁸ This balancing test logic provides incentives for plaintiffs who wish to avoid stays and maintain momentum once litigation begins to include causes of action which produce issues for trial reexamination cannot solve.

V. CONCLUSION

We do not propose that an accused infringer should resort to *ex parte* reexamination in lieu of defending in district court in every case. There are many cases in which the courts are preferable to the Patent Office, for instance where the prior art is weak. We also do not suggest that *ex parte* reexamination is superior in all cases to *inter partes* reexamination. In some instances the right to participate fully in the reexamination will outweigh the potential estoppel problem.⁷⁹

⁷⁵ *Gonnocci v. Three M Tool & Mach., Inc.*, No. 02-74796, 2003 U.S. Dist. LEXIS 24423, at *12–13, 15 (E.D. Mich. Oct. 7, 2003) (the Court noted: “This action has been pending for less than a year. . . . Yet far more time and resources remain to be spent before this matter is concluded” and that “[a]lthough not binding on the court, the PTO’s decision would be admissible and carry a presumption of validity.”). *Accord Xerox Corp.*, 2004 U.S. Dist. LEXIS 9717; *Motson*, 2005 U.S. Dist. LEXIS 34067. *See also* *Gonnocci Revocable Living Trust v. Three M Tool & Mach., Inc.*, No. 02-74796, 2006 U.S. Dist. LEXIS 21534, at *10–19, 24–33 (E.D. Mich. Mar. 28, 2006) (noting that once the PTO affirmed the patent’s validity with the reexamination certificate, defendant’s argued invalidity based on theories that could not have been presented during reexamination (§ 112 failure to disclose best mode and § 102(b) public use), and, being unpersuaded by defendants’ counter-claims seeking a summary judgment for invalidity based on these theories, finding infringement based on the shop right defense).

⁷⁶ No. 03-1067, 2005 U.S. Dist. LEXIS 34067, at *3 (D.N.J. Dec. 16, 2005).

⁷⁷ *Id.* at *4.

⁷⁸ *IMAX Corp.*, 385 F.Supp. 2d at 1032–33.

⁷⁹ For instance, in a chemical or pharmaceutical case in which the patentee is expected to submit experimental data to establish the nonobviousness of its claimed invention, the requestor may wish to file an *inter partes* reexamination request to preserve the right to submit rebuttal experimental data or to critique the patentee’s experimental procedure.

We do propose, however, that *ex parte* reexamination should always be considered. The absence of a presumption of validity, the expertise of the examiner corps, the lower cost, the speed of the proceeding, the reactivation of the patentee's duty of disclosure, the possibility of merely threatening reexamination, and the likelihood of staying any district court case, make *ex parte* reexamination a strong alternative or supplement to the conventional defenses against litigation.