

Strengthening and Weakening the Patent Through Reexamination and Reissue

Presented at the PLI Patent Litigation Seminar

in Atlanta, Georgia, October 23, 1997

James D. Myers and Robert W. Glatz

I. INTRODUCTION

The role of the United States Patent and Trademark Office ("Patent Office") in addressing questions of patentability does not necessarily end with the issuance of a patent. Reexamination and reissue proceedings each provide an opportunity for a determination on questions of patentability either as an alternative to, in preparation for, or in conjunction with litigation. This paper will first review the basic rules and requirements for each of these procedures and then address the strategic issues to be considered before putting an issued patent back into the Patent Office.

II. LEGAL BACKGROUND

A. Reexamination

Reexamination proceedings are authorized by statute as follows:

Any person at any time may file a request for reexamination by the Office of any claim of a patent on the basis of any prior art cited under the provisions of section 301 of this title. The request must be in writing and must be accompanied by payment of a reexamination fee established by the Commissioner of Patents pursuant to the provisions of section 41 of this title. The request must set forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested. Unless the requesting person is the owner of the patent, the Commissioner promptly will send a copy of the request to the owner of record of the patent.

35 U.S.C. § 302.

The prior art available as a basis for reexamination is substantially narrower than the categories provided by 35 U.S.C. § 102. The types of prior art which may be considered in a reexamination proceeding are limited to patents and printed publications. 35 U.S.C. § 301; 37 C.F.R. § 1.552. The reexamination requestor must submit a "statement pointing out each substantial new question of patentability." 37 C.F.R. § 1.510(b). Recent cases have emphasized the "new question" requirement and have held that the Patent Office is not authorized under the statute to grant a reexamination based on art previously considered by the Patent Office. *See In re Portola Packaging*, 110 F.3d 786 (Fed. Cir. 1997), *rehearing and re en banc req. denied*, 44 U.S.P.Q.2d 1060. If a new question is found, the Examiner issues an order for reexamination. 37 C.F.R. § 1.515.

Third party participation in a reexamination is limited. If a third party requests reexamination, the patent owner is notified and provided an opportunity to submit a statement in opposition to an order for reexamination. 35 U.S.C. § 302; 37 C.F.R. §§ 1.510(b)(5), 1.530(b). If the patent owner submits a statement, the requestor is given an opportunity to reply. 37 C.F.R. § 1.535. Otherwise, a non-patentee requestor's participation ends with the request for reexamination. *But see* 37 C.F.R. § 1.291 (right to submit protests in pending applications). However, the patentee is required to serve on the requestor a copy of all papers filed with the Patent Office. 37 C.F.R. § 1.550(e).

During the reexamination proceeding, a patentee's right to amend claims during a reexamination proceeding is limited to narrowing the claims. 35 U.S.C. § 305. A claim is broadened if it includes within its scope any subject matter which would not previously have infringed the original patent. *In re Freeman*, 30 F.3d 1459, 1464 (Fed. Cir. 1994). Also, claims are not provided any presumption of validity in the reexamination, *In re Etter*, 756 F.2d 852 (Fed. Cir. 1985), *cert. denied*, 106 S.Ct. 88 (1985), and are given their broadest reasonable interpretation during a reexamination proceeding. *In re Yamamoto*, 740 F.2d 1569 (Fed. Cir. 1984).

Reexamination proceedings differ from original examinations in that they are expedited proceedings, particularly if the patent is involved in a stayed litigation. 37 C.F.R. § 1.550(a); M.P.E.P. ¶ 2261. Accordingly, under reexamination rules, shortened periods for response apply and extensions of time are not routinely allowed. 37 C.F.R. § 1.550. While litigations are often stayed pending reexaminations, reexamination proceedings will not be stayed pending litigation.

Ethicon, Inc. v. Quigg, 849 F.2d 1422 (Fed. Cir. 1988); *Gould v Control Laser Corp.*, 705 F.2d 1340 (Fed. Cir.), *cert. denied*, 464 U.S. 935 (1983).

Intervening rights may also apply to reexamined patents. However, as claims cannot be broadened in a reexamination, intervening rights would only be at issue where a narrower valid claim is infringed but the original, broader claim was invalid. *Kaufman v. Lantech*, 1 U.S.P.Q.2d 1202, 1206 (Fed. Cir. 1986).

B. Reissue

Reissue proceedings are authorized by statute as follows:

Whenever any patent is, through error without any deceptive

intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

The Commissioner may issue several reissued patents for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued patents.

The provisions of this title relating to applications for patent shall be applicable to applications for reissue of a patent, except that application for reissue may be made and sworn to by the assignee of the entire interest if the application does not seek to enlarge the scope of the claims of the original patent.

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

35 U.S.C. § 251.

Only the patentee may pursue a reissue. *See* 37 C.F.R. § 1.172. Unlike reexamination proceedings, a reissue requires a declaration from the patentee establishing a reissuable error. 37 C.F.R. § 1.175; *In re Weiler*, 790 F.2d 1576 (Fed. Cir. 1986). The most common error, particularly in a litigation-related reissue proceeding, is that the claims are too broad or too narrow. However, under reissue rules, the claims must cover more or less than the patentee was entitled to based on error without deceptive intent. 35 U.S.C. § 251.

Typically, the alleged error, when a patentee determines that the claim scope is more or less than desired in light of an accused infringing product or art cited against the patent by an accused infringer, is that the patent attorney or the inventor failed to appreciate the scope of the invention or the prior art. While this "error" has often been found sufficient, care must be taken in the reissue oath to point out both the error and the claim amendment reflecting correction of the error. *See* M.P.E.P. ¶ 1402. In addition, if the claims are further amended during examination, a supplemental reissue oath is generally required to relate each change in claim scope to the reissuable error. *Nupla Corp. v. IXL Mfg.*, 114 F.3d 191 (Fed. Cir. 1997).

Claims may be broadened in reissue proceeding only if the reissue application is filed within two years of the issuance of the original patent. 35 U.S.C. § 251. Reissue may even be used to add a new class of claims. For example, product claims may be added to a patent containing only method claims so long as the added claims are supported by the original disclosure. M.P.E.P. ¶ 1412.01. However, a reissue may not be used to broaden claims in a manner which would result in "recapture" of subject matter originally cancelled in order to obtain issuance of the patent. M.P.E.P. ¶ 1412.02. In addition, failure to file a divisional application is not reissuable error. M.P.E.P. ¶ 1402.

The two-year period is not based on the priority date but on the issue date. 35 U.S.C. § 251; M.P.E.P. ¶ 1412.03. Accordingly, a broadening reissue may be filed on a continuation or divisional application more than two years after the issue date of the parent patent so long as it is filed within two years of the issue date of the continuation patent.

Reissue proceedings, like reexaminations, are subject to expedited handling. 37 C.F.R. § 1.176; M.P.E.P. ¶ 1404, 1442. However, a two-month period after publication in the Official Gazette notifying the public of the reissue application is allowed before a first action is issued. 37 C.F.R. § 1.176. This period may be waived for a patent at issue in a stayed litigation. M.P.E.P. ¶ 1441. The two-month period provides others the opportunity to submit protests attacking the

patentability of the claims pending in the reissue.

As with reexamination proceedings, no presumption of validity applies to the claims during reissue proceedings. M.P.E.P. ¶ 1445. The claims are also provided their broadest reasonable interpretation. Third parties may participate through filing of one or more protests in the reissue. M.P.E.P. ¶ 1901.06.

It is possible to stay a reissue pending litigation or the litigation pending the reissue. However, the reissue proceeding will not be stayed if the patentee wishes the proceeding to proceed. M.P.E.P. ¶ 1442.02. As with reexamination proceedings, Courts will often agree to stay a litigation, particularly one in the early stages, pending the reissue.

While it is beyond the scope of this paper to fully explore intervening rights, it is important to consider the impact of intervening rights in prosecuting a reissue. Intervening rights, which relate to those claims amended during the reissue proceeding, provide a defense to damages liability for otherwise infringing activities occurring after the reissue patent is granted. Intervening rights may be either absolute or equitable. Absolute intervening rights protect the use and sale of products manufactured before reissue which do not infringe any valid reissue claim that was also in the original patent. 35 U.S.C. § 252. Equitable intervening rights allow a court to protect investments made by an accused infringer prior to reissue. Specifically, equitable intervening rights allow an accused infringer to continue using, selling and manufacturing products identical to ones the accused infringer made, used or sold before reissue. *BIC Leisure Prods. V. Windsuring Int'l*, 1 F.3d 1214, 1220-21 (Fed. Cir. 1993). As equitable intervening rights relate to damages and are left to the discretion of the court, *BIC*, 1 F.3d at 1221, a mandatory license may be required from the patentee. *See, e.g., Mine Safety Appliances Co. v. Becton Dickinson*, 740 F. Supp. 578, 580 (S.D.N.Y. 1990).

C. Comparison Table

CONSIDERATION	REEXAMINATION	REISSUE
Who may initiate?	anyone	Patentee
Precondition?	substantial new question of patentability	reissuable error: claim more/less than right through error w/out deceptive intent
What prior art considered?	patents and publications not previously before the Patent Office	all
What right to amend claims	narrow only	broaden if within two years
Non-patentee participation	ends with request but may file further requests (maybe protests)	protests allowed

III. STRATEGIC CONSIDERATIONS

Occasionally, reissue and reexamination proceedings are utilized in circumstances unrelated to litigation. However, it is often the case that information uncovered during litigation or during an investigation of a potential infringer in preparation for litigation triggers the need for such proceedings. It is within this context that the present paper will discuss possible objectives and strategies for putting an issued patent into the Patent Office.

A. OBJECTIVES

1. Patentee

A patentee may choose to pursue a reissue or reexamination proceeding in light of newly discovered prior art or information discovered about an infringer's product or process. This information may be obtained prior to litigation, either in the marketplace or during communications with a competitor after sending a cease and desist letter. It may also

come to light after litigation has commenced. However, patentees must take care not to utilize confidential information in Patent Office proceedings if the protective order in place limits the use of the information to the litigation itself. (But *see*, M.P.E.P. ¶ 724.03).

If the information discovered relates to prior art, the patentee's objective may be to obtain a determination of the effect on patentability of the art in the Patent Office before the litigation. While the patentee loses the benefit of the presumption of validity and the clear and convincing evidentiary standard, the patentee gains a largely *ex parte* forum and the ability to amend the claims. The patentee may not even wish to change claim scope but merely to "strengthen" the presumption of validity. As a practical matter, it is almost impossible for an accused infringer to prevail on an invalidity defense based entirely on art already considered by the Patent Office.

Another objective for a patentee is to clean up suspect claims. While, during litigation, a patentee must live with the range of claim scope provided by the patent, the claims may be narrowed in the Patent Office. The patentee is only limited by the requirement that the original disclosure support the amendment as new matter may not be added in either reissue or reexamination proceedings.

A broadening reissue proceeding further provides the patentee the opportunity to expand claim scope. Broadening reissues, if available, provide the patentee the ability to craft a claim to assert against a competitor with, effectively, 20-20 hindsight. The patentee can even broaden the claim scope to specifically target the accused infringer's product while at the same time narrowing scope in other aspects of the claim to avoid any prior art available to the accused infringer.

In addition to affecting claim scope directly if claims are amended, Patent Office proceedings influence claim scope indirectly in light of the *Markman* decision. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 116 S.Ct. 1384 (1996). Under *Markman*, a court is obligated to consider the prosecution history of a patent in determining the scope of the claims. *Markman*, 52 F.3d at 979. This provides a patentee the opportunity to reinforce its desired claim interpretation through statements made in amendments filed in a reissue or reexamination. Because new matter limits do not extend to arguments made by the patentee, the ability to affect claim scope through arguments in the Patent Office may provide an ability to influence claim scope not available directly through claim amendments. In theory, a patentee could expand claim scope without ever amending a claim.

2. Accused Infringer

The most common objective for an accused infringer in initiating a reexamination or protesting a reissue is to invalidate any claim of the patent covering the product or process of the accused infringer. The hope for an accused infringer is that the claims can be invalidated without the expense of litigation. The accused infringer may also be willing to accept the limits on its participation in the Patent Office to avoid the clear and convincing evidence standard associated with the presumption of validity in Court.

Another objective for an accused infringer is to limit the scope of a claim. By influencing the file history of the patent and, potentially, forcing the patentee to make amendments to the claims, the accused infringer may avoid literal infringement of its product or process or, alternatively, establish a prosecution history estoppel and create a design around opportunity. Even if the accused infringer fails to invalidate the patent or cause a claim amendment creating an estoppel, there is still the possibility that a patentee may make a statement in an amendment to distinguish over the prior art which would effectively limit the literal scope of the claims.

B. WHETHER OR NOT TO INITIATE PROCEEDINGS

A litigation party must determine whether a reexamination or reissue would improve its position in the litigation. Factors to consider are whether there is a right to a reissue or reexamination, the likelihood of success in the Patent Office and the flexibility to amend the claims.

1. Right to Initiate

The threshold question is whether a reexamination or reissue is available. As described above, reissue proceedings are only available to the patentee. Broadening reissues are only available if filed within two years of the issue date of the patent. Furthermore, a reissuable error is required to entitle the patentee to initiate such a proceeding.

Either the patentee or the accused infringer may initiate a reexamination proceeding, unless the prior art at issue is a prior use or sale, rather than a patent or printed publication. In addition, the patentee is required to take the position in a reexamination request that a reference not previously considered by the Patent Office raises a substantial new question of patentability. This is particularly a problem if the evidence indicates that the inventor or the inventor's patent attorney

was aware of the reference during the original prosecution. If so, the reexamination request itself will likely be used by the accused infringer in support of an inequitable conduct defense.

2. Likelihood of Success

If reexamination or reissue is available, the critical question is whether proceeding in the Patent Office is a better venue for a party than the Court. Factors to consider include the strength of the prior art at issue, the extent of any objective evidence of non-obviousness (which is, at least in theory, considered by the Patent Office), M.P.E.P. ¶ 716, and the stage and status of any ongoing litigation.

While the capabilities of patent Examiners vary, as a general rule they pay more attention to the specifics of the rules for finding a claim anticipated or obvious and are less influenced by stories of the parties' behavior. For example, where an accused infringer faces evidence of copying or bad conduct that may not even be relevant to non-obviousness, the Patent Office may be a more desirable forum. Furthermore, where the invention relates to a complex technology and the prior art references are strong, the accused infringer may prefer to submit the question to a technically trained Examiner rather than a judge or jury.

3. Flexibility to Amend the Claims

The patentee's ability to amend the claims is also an important consideration. The original disclosure sets the limits on the patentee's ability to narrow the claims during reissue or reexamination, and a strategy for amending the claims should be evaluated before proceeding in the Patent Office. The objective for the patentee is to distinguish the claims over the prior art while still literally covering the product or process of the accused infringer. In contrast, the accused infringer's objective is to cause the patentee to amend the claims in a manner which will provide a design around safe harbor or to establish the materiality element of an inequitable conduct defense. Accordingly, the specification should be evaluated in light of both the prior art and the accused product or process and any design around which is anticipated.

C. WHEN TO INITIATE PROCEEDINGS

A reissue or reexamination may be initiated before, during ,or (in some circumstances) after litigation. The potential cost savings from a reissue or reexamination are obviously maximized by initiating the proceeding before litigation and, potentially, avoiding litigation entirely. However, this savings comes at the cost of proceeding without the benefit of information about an accused device or prior art that may otherwise have been discovered during litigation.

Reexamination and reissue proceedings are frequently initiated in response to prior art uncovered during the discovery phase of an ongoing litigation. Factors to consider in initiating reexamination or reissue proceedings during litigation include: 1) *ex parte* vs. *inter partes* venue choice, 2) the relative burden of proof in the forums, 3) the potential for creating a basis to support a motion to stay the litigation, 4) the significance of documents obtained during discovery but subject to a protective order as confidential, and, 5) the potential to influence the outcome of the litigation.

From a patentee's perspective, the Patent Office is generally viewed as advantageous to the extent that it is an *ex parte* forum. While an accused infringer may make written submittals and follow developments in the Patent Office, the accused infringer is not allowed to participate in any interviews or appeals by the patentee and has no separate right to appeal an unfavorable decision by the Patent Office. However, in order to obtain these benefits, the patentee loses the benefit of the presumption of validity and the corresponding clear and convincing burden of proof placed on an accused infringer in Court. While there is no clear cut rule on when a patentee should choose reexamination or reissue, a jury is generally preferred where the evidence makes the accused infringer appear willful (be "the bad guy") or where the technology is not readily comprehensible to a jury (potentially making it more difficult for a jury to conclude the invention is obvious).

The likelihood of obtaining a stay of the litigation, and thereby deferring further expenses of litigation, generally depends on the predilections of the individual District Court Judge as it is up to the judge's discretion whether to grant a stay. However, the case law does indicate that how far a case has progressed is a factor in determining whether a stay should be granted. *See, e.g., Gladish v. Tyco Toys Inc.*, 29 U.S.P.Q.2d 1718, 1720 (E.D. Cal. 1993). In addition, a stay is less likely if not all of the accused infringer's invalidity contentions would be considered by the Patent Office. *See Wayne Automation Corp. v. R.A. Pearson Co.*, 20 U.S.P.Q.2d 1718, 1720 (E.D. Wash. 1991). For example, if the primary art relied on is a prior use or sale, a stay would probably not be appropriate pending a reexamination over patents or other printed publications.

Additional complications are introduced where confidential documents are provided during discovery which are relevant to patentability. This is primarily a problem for a patentee as the obligation to disclose is different for materials which support patentability and those which raise a question as to patentability. If a document raises a question as to

patentability, the patentee is obligated to submit the document regardless of whether it has been designated as confidential. 37 C.F.R. § 1.56. If the document supports patentability and is submitted to the Patent Office as confidential, it will not be considered. While provision is made under the Manual of Patent Examining Procedure ("M.P.E.P.") for the submission of confidential documents, these procedures only apply to materials which raise a question of patentability. M.P.E.P. ¶ 724.03. If the submitted confidential materials are not relied on by the Examiner, they are simply returned on request and form no part of the record in the Patent Office. M.P.E.P. ¶¶ 724.03, 724.04.

A final determination by the Patent Office may dramatically affect a subsequent determination in court, either by influencing the fact finder or as a basis for granting a summary judgment. Obviously, if no claims broad enough to cover the accused infringer's product survive reexamination/reissue, then the Patent Office finding is determinative. However, if claims covering the accused infringer's product survive, the patentee's position is significantly strengthened. This is particularly true where the accused infringer either initiated the reexamination or actively participated in a reissue by submitting protests. A reexamination or reissue proceeding successful over the accused infringer's best references provides a solid foundation to persuade a Court to find for the patentee on a validity summary judgment motion.

After a final adjudication in a litigation, there is no incentive to a patentee to initiate a reexamination or reissue. However, a reexamination may provide an adjudicated infringer one final bite at the apple. A finding of validity in Court is not binding on the Patent Office. *Ethicon v. Quigg*, 849 F.2d 1422, 1428-29 (Fed. Cir. 1988). Accordingly, an adjudicated infringer is free to submit the same arguments and art to the Patent Office with nothing whatsoever to lose from trying; other than the cost of preparing and submitting the request. The adjudicated infringer may also request a stay of Court proceedings, such as on a motion for a new trial, pending the reexamination or pursue an appeal to the Federal Circuit concurrently with the reexamination. *See* Fed. R. Civ. P. 62. Finally, if the adjudicated infringer prevails in the reexamination, relief from a final judgment may be requested under Rule 60 of the Federal Rules of Civil Procedure. Fed. R. Civ. P. 60(b).

The timing for initiating a reexamination or reissue may affect the impact of the Patent Office proceeding on an ongoing related litigation. First, the Patent Office proceeding should be initiated in time to influence a *Markman* hearing, summary judgment motion or the trial. The implications of a reexamination request may occur almost immediately as the grant of a reexamination will result in a paper from the Patent Office stating that a substantial new question of patentability is raised by the cited art. From an accused infringer's perspective, this likely prevents a summary ruling by the Court on the issue of validity and may further establish the materiality element of an inequitable conduct defense.

From the perspective of the patentee, a reexamination or reissue proceeding provides no benefits until a favorable action is received from the Patent Office. As it is not unusual to receive an initial unfavorable action (and is, in fact, expected in a reexamination), time sufficient for a responsive amendment and a second action is required before an action indicating patentability should be expected from the Patent Office.

The documents from a reexamination or reissue proceeding which has reissued or received a reexamination certificate are clearly admissible. However, Rule 403 issues are raised by non-final actions from the Patent Office. *See* Fed. R. Civ. P. 403. In particular, a patentee could be prejudiced by an initial action from the Patent Office rejecting claims if it is published to a jury. The persuasive force of explaining the non-final nature of the action is unlikely to overcome the impact of the rejections on a jury. Accordingly, if the litigation is not stayed, a patentee should argue against admitting non-final actions into evidence.

D. RELATIONSHIP TO CONTINUATION PRACTICE

When considering a reexamination or reissue proceeding, a patentee should first determine if an alternative is available through normal continuation practice. If a related case to the patent involved in litigation is still pending in the Patent Office, the patentee may attempt to prosecute a litigation related claim drafting strategy in the continuation rather than a public reissue or reexamination proceeding. Any art cited by the accused infringer may also be placed before the Patent Office. This approach is clearly preferable to a reissue or reexamination where available. Even if the issued claims require narrowing to avoid invalidity, a continuation application is preferred (as narrowed claims in reexamination/reissue are likely to result in intervening rights in any event). The only disadvantage is that the continuation case is not automatically special although the patentee may petition for special handling based on ongoing infringement. M.P.E.P. ¶ 708.02.

E. THE DUTY OF DISCLOSURE

The duty of disclosure on a patentee is clear. As stated by Rule 56:

- (a) A patent by its very nature is affected with a public interest. The public interest is best served, and the most effective patent examination occurs when, at the time an application is being examined, the Office is

aware of and evaluates the teachings of all information material to patentability. Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability as defined in this section. The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned.

The only situation in which this creates a potential difficulty is where confidential information is at issue. However, as the duty of disclosure only applies to information which weighs against patentability, an accused infringer is unlikely to oppose disclosure to the Patent Office. At the very least, the Court is likely to allow submission of pertinent material even if opposed by the accused infringer. One alternative would be submission of a declaration stating the material aspects of the confidential information while minimizing the disclosure of legitimately confidential information.

The duty on a non-patentee reexamination requestor or protestor is less clear. Patent counsel is bound not to make any potentially misleading representations to the Patent Office pursuant to the ethical rules of practice before the Patent Office. 37 C.F.R. §§ 10.18, 10.23. However, it is less clear what affirmative duty is imposed on a non-patentee. At least one court has found that the duty of disclosure applies equally to a reexamination requestor. *Ball Corp. v. Xidex Corp.*, 967 F.2d 1440, 1447 (10th Cir. 1992).

F. APPEAL

Only a patentee is entitled to appeal an adverse decision of the Examiner. As with an appeal in any other case, the appeal first goes to the Board of Patent Appeals. 35 U.S.C. § 134. Subsequently, an appeal from the Board may be taken to the Court of Appeals for the Federal Circuit or the District Court for the District of Columbia. 35 U.S.C. §§ 141,145.

IV. CONCLUSION

Reissue and reexamination proceedings create a viable alternative or supplement to litigation to resolve issues of patent validity. These procedures should be considered by both an accused infringer and a patentee in every case where they are available. However, neither procedure should be initiated without a careful analysis of the facts of each case.

[\[Back to Top\]](#)