

Patent Reexamination: Trends for the 2010s^{*}

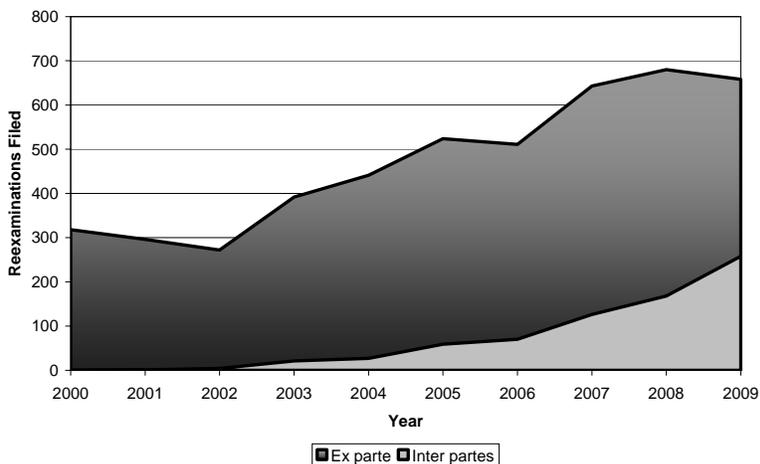
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The year since our last paper on patent reexamination has seen yet another dramatic rise in the number of filings, with inter partes requests growing to 258 in 2009. Below we highlight additional updated statistics that show the continued importance of reexamination as part of an overall litigation strategy. And we review recent cases that may impact future reexaminations and litigations.³

I. Recent Filing Trends

The Patent and Trademark Office reported another increase in total reexamination requests this year. For the year ending September 30, 2009, total filings grew to 916, up 8% from 2008.⁴ A breakdown of the annual filing rates is shown in Figure 1.

Fig. 1 Reexamination Filings



The PTO statistics also show that in 2009 the average pendency of an inter partes reexamination increased by about three months, to 35.8 months. The PTO calculates the average pendency statistic based solely on reexaminations that have finally concluded, that is, after the issuance of a certificate of reexamination. No account is made for the reexaminations that are still on-going. In past years the dearth

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³ For a basic primer on patent reexamination, the reader is referred to one of the many articles explaining the fundamentals of patent reexamination, the differences between ex parte and inter partes reexamination, and their roles in an overall litigation strategy.

⁴ United States Patent and Trademark Office, Ex Parte Reexamination Filing Data (Sept. 30, 2009); United States Patent and Trademark Office, Inter Partes Reexamination Filing Data (Sept. 30, 2009).

of completed reexamination proceedings called into question the accuracy of the pendency statistic. Although there are still many pending inter partes reexamination proceedings—more than 500 proceedings are currently open—the large number of reexaminations completed in 2009 suggest that the average pendency statistic should be a relatively reliable.

The pendency statistics for ex parte reexamination are also calculated based on all of the concluded proceedings, but because ex parte reexamination has existed since 1980, there are far more concluded cases. Thus, the reported average pendency of ex parte reexaminations is calculated based on cases stretching back over 25 years, making it difficult to assess whether the reported average pendency is reflective of current trends at the PTO.

Table 1. Reexamination Statistics⁵

	2006	2007	2008	2009
Ex Parte				
Average Pendency	22.9	23.7	24.5	25.2
Certificates Issued	328	365	555	632
Inter Partes				
Average Pendency	27.9	28.6	32.6	35.8
Certificates Issued	4	4	22	72

II. Reexamination Landscape – Where Are We Headed?

A. Litigation Stays

Courts continue to grant stays of litigation in view of reexamination proceedings.⁶ Courts have noted various benefits available by waiting until the Patent Office reviews the additional prior art analysis provided in the reexamination request.⁷ Not the least of these benefits is the possibility that all claims will be cancelled, obviating the need for any litigation whatsoever.

Some courts have expressed concerns over staying litigation without knowing how long the reexamination proceeding will last. Trial courts continue to experiment with creative ways to balance the benefits of staying litigation against the delay that could last for over a year. For example, courts have required defendants to stipulate to an inter-partes-style estoppel even though the reexamination proceeding was ex parte.⁸

More recently, some courts have shown a more flexible approach to addressing concerns about staying litigation. In *Southwire v. CerroWire*,⁹ the court granted a stay of litigation but specifically left open the possibility of reopening the case “upon the issuance of the final decision by the examiner.”¹⁰ Thus, the case will be stayed during the first stage of reexamination. But the litigation might be reopened and then proceed in parallel with any reexamination appeals.

⁵ These statistics are compiled from the PTO’s annual statements of ex parte and inter partes reexamination filings for the years indicated.

⁶ See, e.g., *ICI Uniqema Inc. v. Kobo Products, Inc.*, No. 06-2943 (D.N.J. Nov. 20, 2009); *Sorensen v. Target Brands, Inc.*, No. 09-cv-56 (S.D. Cal. Nov. 13, 2009); *Multibene Ingredients Oy Ltd. v. Sturm Foods Inc.*, No. 09-C-946 (E.D. Wisc. Nov. 9, 2009); *Gaymar Indus., Inc. v. Cincinnati Sub-Zero Prods.*, No. 08-cv-2995 (W.D.N.Y. Sept. 28, 2009).

⁷ *Bausch & Lomb Inc. v. Rexall Sundown, Inc.*, 554 F. Supp. 2d 386, 389-390 (W.D.N.Y. 2008) (noting seven specific benefits to the court and the parties of staying litigation in favor of reexamination).

⁸ See, e.g., *DataTreasury v. Wells Fargo*, 490 F. Supp. 2d 749, 755 (E.D. Tex. 2006) (requiring defendants requesting a stay of litigation to stipulate not “to raise at trial any printed publications considered during the reexamination process”).

⁹ No. 3:08-cv-92 (N.D. Ga. May 12, 2009).

¹⁰ *Id.*, slip. op. at 12.

And of course many courts continue to grant open-ended stays of litigation in view of a reexamination proceeding without requiring any stipulation from the defendant.¹¹

B. Reexamination & Argument Estoppel

One of the reasons often cited for granting a litigation stay is the simplification of issues by allowing the Patent Office to consider various invalidity arguments. For inter partes reexamination, the third party requester is estopped from subsequently raising the invalidity arguments made before the Patent Office. Specifically, the requester cannot assert in litigation “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.”¹²

Relatively few cases have addressed the substantive scope of this estoppel provision. In *ACCO Brands v. PC Guardian*,¹³ the trial court found that the requester was *not* estopped from later presenting an invalidity argument based in part on a prior art device, since reexamination is limited to prior art patents and publications.¹⁴ The relevant claims included limitations on the dimensions of a rectangular slot, specifically 3 mm x 7 mm. A prior art Macintosh Portable computer had a security slot with these dimensions, but both parties agreed that “there is no evidence of the dimensions of the Macintosh Portable security slot other than the computer itself.”¹⁵ Since the computer itself could not have been presented as an invalidating reference to the Patent Office during reexamination, the trial court allowed the defendant to proceed with its invalidity defense in the litigation.

Interestingly, the trial court was “uncomfortable” with allowing the invalidity argument to go forward. The court was “not convinced that defendant could not, somehow, have gotten the Macintosh Portable information to the PTO had it actually wanted to.”¹⁶

C. Litigation Stays and Preliminary Injunctions: *Kraft v. Procter & Gamble*

In *Kraft v. Procter & Gamble*,¹⁷ the trial court faced competing motions from the two parties. The patent owner, Procter & Gamble, sought a preliminary injunction to prevent Kraft from selling ground coffee in plastic containers as claimed in the patent. Kraft sought a stay of the case in view of its request for inter partes reexamination of the patent.

The trial court granted Kraft's request for a stay and dismissed the motion for preliminary injunction as moot. On appeal, the Federal Circuit found that the trial court abused its discretion by issuing the stay. The stay had the practical effect of denying the injunction request, but the court had not evaluated the four factors that govern the granting or denial of preliminary injunctions.¹⁸

The Federal Circuit went on to state that “the district court ordinarily should not grant both a preliminary injunction and a stay.”¹⁹ This point was reiterated in *Automated Merchandising Systems v. Crane Co.*,²⁰

¹¹ See cases in footnote 6.

¹² 35 U.S.C. § 315(c).

¹³ 592 F. Supp. 2d 1208 (N.D. Cal. 2008).

¹⁴ *Id.* at 1218.

¹⁵ *Id.*

¹⁶ *Id.*, n.4.

¹⁷ 549 F.3d 842 (Fed. Cir. 2008).

¹⁸ *Id.* at 847.

¹⁹ *Id.* at 849.

²⁰ No. 2009-1158 (Fed. Cir. Dec. 16, 2009).

where the trial court had granted both a stay and a preliminary injunction. “[A] stay pending reexamination is appropriate only if there is a substantial issue of patentability raised in the reexamination proceeding, while the injunction against the accused infringer is appropriate only if there is no substantial issue of patentability.”²¹

The Federal Circuit’s handling of dueling motions in *Kraft* and *Automated Merchandising* suggest that trial courts should rule on a preliminary injunction before considering the issue of a stay. But the cases also plainly state that if either motion is granted, then the other motion should be denied. Where a stay is granted, it remains to be seen whether a formal but abbreviated treatment of the injunction issue is sufficient to avoid the reversal that happened in *Kraft*.²²

D. Benefits Other Than a Stay

But obtaining a stay of litigation is only one possible benefit of filing for reexamination. Among the advantages that reexamination offers is an evaluation of the patent’s validity by a patent examiner with technical training in the relevant field—training that many courts and essentially all juries lack. Another advantage in reexamination is that patents do not enjoy any presumption of validity at the PTO.²³ Unlike in litigation, patent invalidity does not have to be proved to the heightened standard of clear and convincing evidence.²⁴ Finally, claims are given “their broadest reasonable interpretation, consistent with the specification, in reexamination proceedings.”²⁵ With a broader standard for claim construction and a lower threshold for establishing anticipation or obviousness, reexamination can provide a forum more conducive to invalidating patents than the federal courts. Several recent cases highlight the various benefits of this second forum for accused infringers.

E. Duty of Candor in Reexamination: *Larson Manufacturing v. Aluminart Products*

The Federal Circuit reaffirmed the patent owner’s duty of candor to the Patent Office during reexamination proceedings in *Larson Manufacturing*,²⁶ where the trial court had held a patent unenforceable due to inequitable conduct during reexamination. The litigation was initially stayed during an ex parte reexamination. Meanwhile, the patent owner sought additional patent coverage in a continuation application. In prosecuting that continuation, the patent owner learned of additional prior art from Office Actions. But the patent owner did not disclose the art or those Office Actions to the reexamination panel.

On appeal, the Federal Circuit found that the undisclosed art was merely cumulative of other art already before the reexamination panel.²⁷ Failing to disclose the cumulative art could not support a finding of inequitable conduct. But the Federal Circuit affirmed the finding that the office actions were “information that an examiner could consider important.”²⁸ The court remanded the case for a new determination of whether the failure to disclose the office actions, alone, supported a finding of intent to deceive the Patent Office.²⁹

²¹ *Id.*, slip op. at 10.

²² See, e.g., *Everett Labs., Inc. v. River’s Edge Pharmaceuticals, LLC*, No. 09-3458, Letter Opinion at n. 2 (D.N.J. Nov. 24, 2009) (“Although the Court declines to render a final decision on Everett’s preliminary injunction application at this time, to the extent this decision is nevertheless construed as a denial of such application, the Court notes that it would be improper to grant a preliminary injunction at this stage given that a substantial issue of patent validity has been raised by River’s Edge.”).

²³ *In re Etter*, 756 F.2d 852, 856 (Fed. Cir. 1985).

²⁴ *In re Swanson*, 540 F.3d 1368, 1377 (Fed. Cir. 2008).

²⁵ *In re Trans Texas Holdings Corp.*, 498 F.3d 1290, 1298 (Fed. Cir. 2007).

²⁶ *Larson Mfg. Co. v. Aluminart Prods. Ltd.*, 559 F.3d 1317 (Fed. Cir. 2009).

²⁷ *Id.* at 1320.

²⁸ *Id.* at 1339 (quoting *Dayco Prods. v. Total Containment*, 329 F.3d 1358, 1368 (Fed. Cir. 2003)).

²⁹ *Id.* at 1340.

Although the ultimate issue of inequitable conduct remained unresolved, the *Larson* case is a reminder that a patent owner's statements and conduct during reexamination can lay a foundation for new defenses, including inequitable conduct.

III. Advanced Topics in Reexamination

A. Expert Declarations

In last year's paper, we discussed the usefulness of expert declarations in reexamination proceedings.³⁰ When there is related co-pending litigation, it is likely that some of the experts may be employed for both the reexamination and the litigation. In such instances, does an expert's declaration filed in the reexamination constitute an "expert report" for the litigation, thus opening up the expert to being deposed? In *Roy-G-Biv v. Fanuc*,³¹ the Eastern District of Texas answered in the negative. The court upheld a protective order preventing the deposition of individuals identified as expert witnesses, stating that it would not "allow such depositions to take place prematurely."³² Thus, an individual can be employed in a reexamination without compromising the protections normally afforded to experts in the litigation.

B. Inter Partes Reexamination Appeals

Relatively few inter partes reexamination cases have progressed to the point of an appeal to the Board of Patent Appeals and Interferences, and only one has gone to the Federal Circuit. In that case, *Cooper Cameron v. Safoco Inc.*, the appellant dismissed the appeal before any briefing was filed. But the case shows the procedural outline that the Federal Circuit will likely follow in inter partes reexamination appeals.

i. Inter Partes Appeals to the Federal Circuit

Cooper Cameron sought reexamination of U.S. 6,250,605 and U.S. 6,450,477, two related patents, each with three claims directed to a valve actuator. The reexamination panel issued a Right of Appeal Notices that rejected all of the claims except for claim 3 of the '605 patent.³³ Both parties appealed.

The Board of Patent Appeals and Interferences reversed all of the claim rejections, finding that all of the claims were patentable over the prior art.³⁴ Cooper Cameron, the third party requester, appealed to the Federal Circuit.

Because the Patent Office must participate in the appeal of any reexamination case,³⁵ the Federal Circuit issued an order for the Patent Office to submit its brief after the appellant, and for the appellee to submit its brief after the Patent Office. The expected briefing sequence was thus (1) appellant, (2) Patent Office, (3) appellee. In this particular case, the Patent Office would have been defending the decision of the BPAI, and thus would have argued *for* patentability of the claims. But as noted above, the appeal was subsequently dismissed at the request of the appellant.

³⁰ Specifically, we used the example of Reexamination Control No. 95/000,276, where the third party requester submitted declarations from a chemist who performed a process documented in the prior art. The declarations supported the requester's position that the prior art process would inherently produce the claimed compound.

³¹ No. 2:07-cv-418 (E.D. Tex. Jul. 9, 2009).

³² *Id.*, slip op. at 2.

³³ See *Right of Appeal Notice, Reexamination Control Nos. 95/000,015 and 95/000,017* (Sept. 12, 2005).

³⁴ See *Cameron Int'l Corp. v. Safoco, Inc., Nos. 2008-0750 & 2008-0988*, at 78-79 (B.P.A.I. Dec. 4, 2008).

³⁵ See 35 U.S.C. § 143.

C. Post-Appeal Reexamination

When a new rejection is entered on appeal, the patent owner can either request a rehearing or file an amendment to overcome the new rejection. The patent owner's amendment, however, must be limited to the subject matter of the new rejection.³⁶ Any amendment that addresses other matters, such as newly presented claims or a rejection that was affirmed, will be refused entry. It remains to be seen how the PTO will handle cases in which some rejections are affirmed while others are not.

In the '006 reexamination, for instance, the Board reversed the rejection of claim 16 but also entered a new ground of rejection. With respect to that new ground of rejection, the rules state that the patent owner may reopen prosecution by filing an amendment directed to overcoming the new rejection.³⁷ But the Board also affirmed the examiner on a § 112 rejection of claim 16—and the patent owner does not have the option to reopen prosecution when a rejection is affirmed. When the patent owner attempted to amend claim 16 to overcome both the new rejection and the § 112 rejection, the Patent Office refused to enter the amendment, stating that any amendment must be limited to addressing the new ground of rejection:

The new ground of rejection raised by the Board does not “reopen the prosecution” (under 37 CFR 41.77(b)(l) and 37 CFR 41.77(c) through 37 CFR 41.77(f) *except as to that subject matter to which the new rejection was applied. Accordingly, any amendment or showing of facts not directed to that subject matter to which the new rejection was applied will be refused entry and will not be considered.* (Examiner's emphasis).³⁸

The patent owner petitioned to have its amendment entered, either in whole or in part. The Patent Office denied the petition, stating that the patent owner had failed to explain how the amended claims were patentable over the cited art and provided no explanation for how the amendments relate to the subject matter of the new rejection.³⁹ The patent owner subsequently filed two new petitions: the first seeking reconsideration under 37 C.F.R. 1.181, and the second seeking a rules waiver under 37 C.F.R. 1.183.⁴⁰ The Patent Office dismissed the Rule 183 petition as premature, since a decision on the Rule 181 petition might render the Rule 183 petition moot.⁴¹ But as of this writing no decision has been rendered on the Rule 181 decision.

D. Appeal Trends

The BPAI records show that there is currently no backlog of reexamination appeals and that the appeal process before the Board normally should render a decision within about 6 months of the oral hearing (if any). But cases with recently issued appellate decisions show that the overall appeal process can take substantially longer. For example, in Reexamination Control No. 95/000,030 the examiner issued a Right of Appeal Notice in September 2005, and the final appellate brief was filed in July 2006. The case then waited for the assignment of an appeal number until June 2007, and the Board issued its decision in February 2008. Thus, the appeal process took about 29 months, and from the time that the case was ready for board consideration until the decision issued, a total of 18 months passed.

³⁶ MPEP 2682, II, B.

³⁷ See 37 C.F.R. § 41.77(b)(1).

³⁸ Reexamination Control No. 95/000,006, *Notice of Non-entry of Amendment and Return of Jurisdiction to the Board of Patent Appeals and Interferences*, at 3 (Sept. 15, 2008) (quoting MPEP § 2682, II, B).

³⁹ Reexamination Control No. 95/000,006, *Decision on Petition*, at 5 (Jan. 22, 2009).

⁴⁰ Reexamination Control No. 95/000,006, *Petition Requesting Review of Decision on Petition for Entering Amendment Under 37 C.F.R. § 1.181* (Feb. 23, 2009); *Petition Under 37 C.F.R. § 1.183 Requesting Waiver or Suspension of Rules* (Feb. 23, 2009).

⁴¹ Reexamination Control No. 95/000,006, *Decision Dismissing Petition*, at 3 (May 19, 2009).

The reexaminations in the *Cooper Cameron* case discussed above also had a lengthy appeals process. In Reexamination Control Nos. 95/000,015 and 95/000,017, Right of Appeal Notices issued in September 2005. The final briefing was completed in August 2007, with some of the delay caused by defective briefs that had to be corrected. The oral hearings scheduled in January 2008 had to be rescheduled when the PTO failed to service notice to the reexamination requester. The Board decisions ultimately issued in December 2008, more than three years after the Right of Appeal Notices.

In a more recent BPAI appeal involving Reexamination Control No. 95/000,064, a Right of Appeal Notice issued in April 2006, and the parties' briefs were filed by August 2006. The examiner's Answer brief was filed in November 2007. The file was briefly returned to the examiner to correct procedural irregularities in the fall of 2008, and the Board subsequently issued its decision in September 2009. Thus, the appeals process took nearly 3.5 years.

Given that these are among the first inter partes reexamination cases to go before the BPAI, it is possible that the delays are anomalies caused by the newness of the procedures. As more inter partes reexaminations go up on appeal, presumably the process will become more streamlined.

IV. Suggestions for a Successful Reexamination

To deal with its increasing reexamination workload, the PTO has made several changes, some formal and some informal. In 2005, the PTO created the Central Reexamination Unit to handle reexaminations. This move has taken the burden of reexamination off the regular patent prosecution examining corps. Another benefit of the move is that reexaminations are no longer handled by the same examiner as handled the original prosecution.

i. Getting – and Keeping – a Filing Date

In 2006 the PTO amended the regulation governing the assignment of filing dates for inter partes reexamination. Previously, a filing date was granted on the date that the filing fee was paid. After the amendment, a filing date is granted only when *all* of the filing requirements are satisfied.⁴²

To determine whether to grant a filing date, a legal instruments examiner at the PTO reviews each new request for its compliance with the filing requirements. If a request is found to be non-compliant, no filing date is granted (or if a filing date had previously been granted, it is vacated). The requester receives a Notice of Failure to Comply with the filing requirements and has 30 days to correct the issue. But when the problem is corrected, the original filing date is not revived. Rather, a filing date is granted on the date the problem is corrected. In effect, the requester simply avoids paying the filing fee again.

When the amended rule first took effect, a large number of reexamination filings were denied filing dates. The PTO denied filing dates more than 50% of the time in nine of the first twelve months afterwards.⁴³ Although the number of denials has largely subsided, rejections still occur on a regular basis.

By far the most common reason for non-compliance relates to the requester's statement of a substantial new question of patentability. The substantial new question must be fully explained and supported by the request, and the PTO treats the failure to do so as a failure to properly state a substantial new question.⁴⁴ Problems can arise for requesters when using open-ended language, such as "anticipated by, or in the

⁴² 37 C.F.R. § 1.919(a).

⁴³ *Institute for Progress, Reexamining Inter Partes Reexam Presentation*, at 9 (April 2008).

⁴⁴ See MPEP §§ 2217, 2617.

alternative, rendered obvious by....” This phrase asserts two independent patentability issues: novelty and obviousness. The PTO does not allow requesters to “lump together” rejections in this way.⁴⁵

The PTO recommends that requesters refrain from using any open-ended language in stating the substantial new question. MPEP § 2617 provides several examples of open-ended assertions that the PTO considers to be inappropriate:

- anticipated by, or in the alternative, rendered obvious by...,
- obvious over Smith and/or Charles,
- obvious over Smith in view of Jones or Harvey, and
- obvious over Smith in view of Harvey, taken alone or further in view of Cooper.

Using any of these broad statements in a reexamination request creates a risk that the PTO will deny the request a filing date. Inter partes reexamination requesters should also refrain from using such statements in any comments filed during the reexamination. The PTO may refuse to enter third party comments that include “lumped” invalidity assertions. Although the PTO has in the past given a requester 30 days to correct noncompliant comments, the rules would appear to support the PTO in refusing entry altogether and providing no opportunity for correction.⁴⁶

ii. Limited Reexamination Orders

The PTO has also taken less formal steps to reduce its reexamination workload. With early inter partes reexamination requests, the PTO would often order reexamination of all of the patent claims, even if the request targeted only some of the claims.⁴⁷

More recently, the PTO’s orders for reexamination have generally been limited to those claims specified in a request.⁴⁸ When reexamination is undertaken as part of an overall litigation strategy, consideration should be made of the scope of the request. Reexamination is sometimes requested of only those claims currently asserted in the litigation. If there is a possibility that additional claims will be added later in the litigation, consideration of that fact should be made in filing the request. This is especially true when requesting inter partes reexamination, since a requester cannot file a second inter partes reexamination request while a first reexamination is pending.⁴⁹ Also, there are no provisions in the reexamination regulations for bringing additional claims into a reexamination proceeding.

⁴⁵ See MPEP §§ 2217, 2617 (“The explanation must not lump together the proposed rejections or proposed combinations of references.” (emphasis in original)).

⁴⁶ 37 C.F.R. 1.957 (stating that an “inappropriate comment” may be “refused consideration” without any reference to providing an opportunity to cure any defects.).

⁴⁷ See, for example, Reexamination Control No. 95/000,024 in which reexamination of claims 1-11 and 20-22 of U.S. 6,524,031 was requested, but reexamination of all claims 1-24 was ordered.

⁴⁸ And, in one noteworthy instance, to all of the claims requested except one. See Reexamination Control No. 95/000,179. The requester applied only one prior art reference to claim 12 of U.S. 6,405,669, but that reference was prior art only if the claim was ineligible to claim priority to a parent application. The examiner determined that claim 12 was supported by the specification of the parent application, so the submitted reference was not prior art to claim 12. The examiner ordered reexamination of all of the patent’s claims except claim 12.

⁴⁹ 37 C.F.R. § 1.907(a).

iii. Multiple Reexamination Requests

The PTO has also begun taking a closer review of multiple reexamination requests filed for the same patent. When a reexamination request presents the same question of patentability as a previously filed reexamination request, the PTO may deny the second request on the grounds that the question of patentability is no longer “new.” In some cases, the denial is of little consequence, since the PTO is already considering the asserted question of patentability. But the denial can be of concern when the second request is an inter partes request.

A requester may file one or more ex parte reexamination requests as prior art references are discovered. Once the prior art search is completed, the accused infringer may file a follow-up inter partes request in an effort to obtain the benefits of participating in the reexamination process. All of the requests are usually filed over a period of a few months, so the earliest ex parte requests usually have not yet received a first action on the merits.⁵⁰ Since all of the requests are in the same procedural posture, the PTO may merge them into a single inter partes proceeding. For purposes of docketing at the PTO, however, the single proceeding gains the benefit of the filing date of the first-filed request. Thus, the reexamination should proceed more quickly than if the requester had waited until it had all the information used in filing for its last inter partes request. Perhaps more importantly for the requester, the first reexamination order can support a request for staying any co-pending litigation.

Filing multiple requests has the possibility of harassing the patent owner, and the PTO is well aware of this potential problem. But there are protections in place to prevent such an abuse of the reexamination process.⁵¹ By statute each reexamination request must present a *new* question of patentability.⁵² If the follow-up inter partes request simply restates the same questions previously presented in the individual ex parte requests, the inter partes request risks being denied.⁵³

iv. Preemptive Strike Reexamination for Patent Owners

The requirement of a *new* question with each request also means that a patent owner that knows of an adversary’s best art—perhaps because of licensing negotiations—may be able to “block” the use of inter partes reexamination. The patent owner can file for ex parte reexamination using that art. Once the ex parte reexamination begins, the adversary will have to locate additional prior art or present the art in a “new light” in order to initiate an inter partes reexamination.

Forecast Consoles used this preemptive ex parte reexamination technique in a dispute with TBC Consoles over Forecast’s U.S. Patent No. 6,857,712. In April 2005, Forecast requested reexamination of its own patent in view of a variety of references, with the principal references being a patent to Catta and a brochure by Evan. The PTO found that Catta and Evan raised a substantial new question of patentability and ordered the ex parte reexamination.

In August 2005, TBC requested inter partes reexamination of the patent.⁵⁴ TBC’s request presented some references that were different from Forecast’s ex parte request, but only for the dependent claims.

⁵⁰ Note that the Patent Office is diligently working to speed up the handling of reexamination proceedings, and in some cases a first office action may issue sooner than a requester might have expected.

⁵¹ See, e.g., *Decision Dismissing Petition to Prevent Merger at 11*, Reexamination Control Nos. 95/001,160 and 90/009,357 (Dec. 16, 2009).

⁵² See 35 U.S.C. § 304.

⁵³ See Reexamination Control No. 95/000,286 (*inter partes request denied because it presented the same substantial new question as already-pending ex parte Reexamination Control No. 90/007,706*).

⁵⁴ *Request for Inter Partes Reexamination*, Reexamination Control No. 95/000,106 (Aug. 22, 2005).

TBC's request relied on the same Catta and Evan references to raise questions of patentability about the independent claims of the patent.

The PTO denied TBC's inter partes request, saying that it failed to present a substantial new question of patentability.⁵⁵ Because the issues raised by Catta and Evan were already the subject of an ex parte reexamination, they could no longer raise a *new* question of patentability. The PTO also stated that TBC's failure to present a new question for the *independent* claims precluded TBC from presenting a new question for the *dependent* claims. Thus, the fact that TBC presented new and different art against the dependent claims was irrelevant.

TBC petitioned for review of the denial, but the petition was similarly denied, effectively affirming the examiner's decision.⁵⁶ The petition decision stated that TBC's remedy was to file a new request for inter partes reexamination based either on new art or on the same art presented in a new light. TBC later filed a second request for inter partes reexamination, based again on the Catta reference, but that request was denied as failing to present Catta in a new light, and thus, failing to raise a substantial new question. Meanwhile, the ex parte reexamination went forward and ultimately confirmed the patentability of all the claims.

Parties who intend to file one or more ex parte requests before filing a follow-up inter partes request can reserve at least one prior art reference—and the associated substantial new question of patentability—for the inter partes request. But there is essentially nothing that can be done to prevent a patent owner from preemptively filing for ex parte reexamination. A party that finds itself in TBC's situation can only react quickly—perhaps filing an inter partes request before the Patent Office decides whether to order the ex parte reexamination—and if at all possible, file a request that relies on different art.

V. Conclusion

Patent reexamination continues to provide an important check on the overall quality of the patent system. We expect that both ex parte and inter partes reexamination will continue to play important roles in patent litigation.

⁵⁵ *Order Denying Request for Inter Partes Reexamination, Reexamination Control No. 95/000,106 (Nov. 16, 2005).*

⁵⁶ *Decision on Petition, Reexamination Control No. 95/000,106 (Jun. 27, 2007).*