

**Do-Overs: Overviewing the Various Mechanisms
for Reevaluating an Issued Patent and How They
Have Changed Over the Last Five Years⁺**

By: Brian M. Buroker, Esq.^{*} and

Ozzie A. Farres, Esq.^{}**

Hunton & Williams LLP

1900 K Street, N.W., Suite 1200

Washington, DC 20006

(202) 955-1894

bburoker@hunton.com

www.hunton.com

I. Introduction

Congress provides a number of mechanisms for parties to request that the United States Patent and Trademark Office re-evaluate issued patents. *Ex Parte* reexamination has been available now for more than twenty-five years. Specifically, on December 12, 1980, Congress passed Public Law 96-517, which created sections 301-307 of title 35. Those statutory provisions, since amended a number of times, provide for reexamination of issued patents by any member of the public, including patent owners themselves.

Many non-owners of patents that utilized the *ex parte* reexamination process sought a forum in which greater participation would be provided. Consequently, in 1999, Congress, as part of the American Inventors Protection Act, created sections 311-318 of title 35, which provide a mechanism for *inter partes* reexamination of certain issued patents. As explained below, only patents that issued from an original application that was filed on or after the effective date of the American Inventors Protection Act—November 29, 1999—could be subject to an *inter partes* reexamination proceeding. Pub. L. 106-113 (1999). Thus, *inter partes* reexamination has been available as a mechanism for slightly more than six years now.

The reissue proceedings have been available for a long time to patentees to correct certain defects in a patent. Reissue is a mechanism that is only available to the patent owner and is used for many different types of corrections.

The basics of these mechanisms for “do-overs” at the PTO are described below and recent changes to those procedures are then highlighted.

II. Requests for Reexamination

A. Who May Request Reexamination

Because the original intent of the reexamination statute was to provide a mechanism for issued patents to be reevaluated, the original *ex parte* reexamination proceedings permitted the requestor to be “any person at any time.” *See* 35 U.S.C. § 302. The PTO has consistently taken the view that the phrase “any person at any time” means exactly that. Obviously, a patent owner or inventor of a patent may request that the patent owner reexamine a patent. In addition, the PTO has permitted parties that have been adjudicated to infringe a patent and presented invalidity arguments at that trial to request an *ex parte* reexamination of a patent, even based on the same prior art presented to the trial court.

Further, for *ex parte* reexamination, the laws and rules presently do not require the requestor to identify the “real party in interest.” This enables licensees, potential infringers or others interested in challenging the validity of a patent to engage a person to file an *ex parte* reexamination request without having to disclose their identity to the PTO—or, thus, to the patent owner.

In contrast, in an *inter partes* reexamination, the requestor is required to provide a statement as to the real party in interest behind the request. *See* 35 U.S.C. §311(b).

Also, unlike an *ex parte* reexamination, *inter partes* reexaminations are not available to certain persons. Specifically, section 313 provides:

Except as provided for in § 1.907, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for *inter partes* reexamination by the Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

See U.S.C. § 313. Thus, this provision precludes “the patent owner or its privies” from invoking an *inter partes* reexamination as well as all parties estopped under 37 C.F.R. §1.907. That section provides as follows:

(a) Once an order to reexamine has been issued under § 1.931, neither the third party requester, nor its privies, may file a subsequent request for *inter partes* reexamination of the patent until an *inter partes* reexamination certificate is issued under § 1.997, unless authorized by the Director.

(b) Once a final decision has been entered against a party in a civil action arising in whole or in part under 28 U.S.C. 1338 that the party has not sustained its burden of proving invalidity of any patent claim-in-suit, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claim on the basis of issues which that party, or its privies, raised or could have raised in such civil action, and an *inter partes* reexamination requested by that party, or its privies, on the basis of such issues may not thereafter be maintained by the Office.

(c) If a final decision in an *inter partes* reexamination proceeding instituted by a third party requester is favorable to patentability of any original, proposed amended, or new claims of the patent, then neither that party nor its privies may thereafter request *inter partes* reexamination of any such patent claims on the basis of issues which that party, or its privies, raised or could have raised in such *inter partes* reexamination proceeding.

Thus, these sections preclude a party that has already requested an *inter partes* reexamination that is still pending from filing repeated requests. In addition, a party that has been subject to a final decision of a civil action or an earlier *inter partes* reexamination proceeding from raising any issues that were raised or could have been

raised in the earlier proceeding. This preclusion also applies to the party's privies. Therefore, *inter partes* reexamination is not available to everyone or for every patent.

B. What the Requestor Needs to Establish

A reexamination request must contain the proper fee; an identification of the party in interest, if for *inter partes* reexaminations; and an explanation of the pertinency of any patents or printed publications. The critical question for reexamination is whether there exists a substantial new question of patentability that is based on a printed publication or issued patent. See 35 U.S.C. §§302(b) and 312(a)

Section 303(a) relates to *ex parte* reexaminations and states:

Within three months following the filing of a request for reexamination under the provisions of section 302 of this title, the Director will determine ***whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request***, with or without consideration of other patents or printed publications. On his own initiative, and any time, the Director may determine whether a substantial new question of patentability is raised by patents and publications discovered by him or cited under the provisions of section 301 of this title. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

35 U.S.C. §302(b) (2002) (emphasis added). Similarly, in the *inter partes* context,

Section 312(a) provides:

(a) Reexamination.—Not later than 3 months after the filing of a request for *inter partes* reexamination under section 311, the Director shall determine ***whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request***, with or without consideration of other patents or printed publications. The existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.

35 U.S.C. §312(a) (2002) (emphasis added).

The focus in each of these two provisions is the phrase “substantial new question of patentability. That phrase has provoked debate and controversy from early in the reexamination mechanisms’ existence and has changed a number of times, as recently as the last few months.

C. The Changing Definition of a “Substantial New Question of Patentability”

The reason for the controversy arises in large part from the failure of the statute, as originally codified, to identify what the word “new” meant. The question for many practitioners and parties was “new compared to what.”

As originally enacted, section 303 did not include the last sentence, which now reads “[t]he existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.”

Did “new” refer to issues that were not decided during initial examination? Did “new” relate to patents and printed publications that were not before the Office? Did “new” refer to issues that had not been raised by the requestor in an earlier litigation or reexamination proceeding?

1. The *In re Portola* Decision

The Federal Circuit’s decision in *In re Portola Packaging, Inc.*, 110 F.3d 768 (Fed. Cir. 1997) shed some light on that question. In *Portola*, a reexamination of U.S. Patent No. 4,496,066 ensued and, eventually, the PTO examiner rejected certain claims of the ’066 Patent on the basis of prior patents that had been considered during initial examination of the ’066 Patent. The Board of Patent Appeals and Interferences affirmed that finding by the examiner. The Federal Circuit, however, reversed, in large part because they viewed section 303 at the time to express congressional intent to limit reexamination to prior art that was not of record during the initial examination.

Congress intended that on reexamination a patent holder would not have to argue that claims were valid over the same references that had been considered by the PTO during the original examination

Portola, 110 F.3d at 790-91. The Federal Circuit then explained what it understood to be Congress’ intended meaning of the phrase “substantial question of new patentability” as follows:

we hold that a rejection made during reexamination does not raise a substantial new question of patentability if it is supported only by prior art previously considered by the PTO in relation to the same or broader claims

Id. at 791.

2. Congressional Action to Overrule *Portola*

Based in part on PTO request, Congress acted to resolve this particular question regarding the meaning of the phrase “substantial new question of patentability.” In 2002, Congress amended section 303 and 312 to state that “[t]he existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the Office or considered by the Office.”

The PTO has interpreted that change to the two statutes to permit it to initiate reexaminations based on assertions of invalidity based on patents and printed publications previously considered during initial examination, as long as the invalidity position is different from one earlier presented or presents the patent or printed publication in a new light. *See* Manual of Patent Examining Procedure §§ 2240 and 2242.

The PTO also has a policy that it may review as a substantial new question of patentability invalidity contentions that were denied in a final decision of a court, based on its view that the standards of review are different for a court as compared to the PTO. *See* MPEP § 2242 III.A.

3. Multiple Reexamination Requests Used to Response to Patent Owner Submissions

Until recently, the PTO also had a policy that allowed any party to file more than one reexamination request directed at the same patent. Moreover, its policy permitted the reexamination requestor to establish a substantial new question of patentability by comparing the invalidity question presented to the original patent examination.

Clever parties soon determined that second and third reexamination requests could be used as vehicles through which to continue to participate in a reexamination even though the reexamination was supposed to be *ex parte*. For example, a first reexamination request would be filed related to a patent. At some point during the reexamination proceeding, the patent owner may submit an argument or evidence that the requestor would like to challenge. Because reexamination is conducted *ex parte*, there was no mechanism by which the requestor could submit evidence or argument to contradict that of the patent owner in that same reexamination.

PTO policy at that time, however, did not preclude the requestor from submitting a new reexamination request ***based on the very same basis upon which the first reexamination request was granted***. MPEP 2240 (8th ed. 2001, Rev. 1 and earlier versions). Because the first reexamination request has been granted, the requestor was virtually guaranteed that the second reexamination request would be granted – the basis for the request was the same. In that second reexamination request, requestors could then also include arguments to challenge statements or evidence presented by the patent owner.

The effect of the PTO policy, misused in this manner, was that requestors could essentially file replies to patent owner submissions and have some level of participation in the *ex parte* reexamination proceeding.

4. PTO Changes Its Policy To Preclude Multiple Requests On the Same Basis During Pendency of a Reexamination

In May of 2004, the PTO printed Revision 2 to the 8th Edition of the MPEP. With that revision, the PTO announced a new policy that relates to:

[w]hen a second or subsequent request for reexamination is filed while an “earlier filed reexamination” is pending, and the second or subsequent request cites only prior art (hereinafter “old art”) which raised a substantial new question of patentability (SNQ) in the pending reexamination proceeding. ... Under the new policy, the second or subsequent request for reexamination will be ordered only if that old prior art raises a substantial new question of patentability which is different than that raised in the pending reexamination proceeding. If the old prior art cited (in the second or subsequent request) raises only the same issues that were raised to initiate the pending reexamination proceeding, the second or subsequent request will be denied.

It is to be noted that reliance on prior art cited in the pending reexamination (old art) does not preclude the existence of a SNQ that is based exclusively on that old art. Determinations on whether a SNQ exists in such an instance shall be based upon a fact-specific inquiry done on a case-by-case basis. For example, a SNQ may be based solely on old art where the old art is being presented/ viewed in a new light, or in a different way, as compared with its use in the earlier concluded examination(s), in view of a material new argument or interpretation presented in the request.

1292 O.G. 20 (2004).

Further, the PTO went on to clarify that any issue that is raised in a reexamination request must be new when compared to issues raised during the initial examination or any pending or concluded reexamination proceeding for that same patent. *Id.*

5. Transition Procedure

Interestingly, the other use for multiple reexamination requests has been for patent owners that have claims of a patent determined to be invalid. For example, what if a patent owner had just one claim in a patent and that claim was determined to be invalid

based on prior art reference A? Under the old policy, the patent owner could seek reexamination of the patent based on a substantial new question of patentability based solely on reference A, even if it is the same question of patentability that started the first reexamination resulting in the claim being determined as invalid. In that second reexamination, the patent owner could then amend the claims or present newly discovered evidence that would not have been permitted to be entered after a final rejection.

Under the new policy, the PTO has indicated that the patent owner will not be able to use a second reexamination request as a vehicle by which to make amendments or submit new evidence. As a result, the PTO has indicated that it plans to propose a request for continued examination (RCE) practice for reexaminations. That practice has not yet been implemented and thus, in the meantime, the PTO advises patent owners to use either:

(1) the petition procedure under 37 C.F.R. 1.181 to seek review of a denial of entry of an amendment submitted after final rejection in an *ex parte* reexamination proceeding or after an action closing prosecution in an *inter partes* reexamination proceeding; or

(2) the petition procedure under 37 C.F.R. 1.182 to seek relief that is not currently provided by an existing rule, but that would be provided when a new request for continued reexamination (RCR) practice is in effect.

Id. Because there has been little guidance as to whether such requests will be routinely granted or not, a patent owner should consider whether to make amendments prior to a final rejection in an *ex parte* reexamination or an Action Closing Prosecution in an *inter partes* reexamination.

III. Changes to Reexamination Laws and Rules

A. Appeal from Board of Appeals To the Federal Circuit Only

In 2002, Congress amended sections 141 and 145 of title 35 to provide for an appeal of a reexamination decision by the Board of Patent Appeals and Interferences only to the United States Court of Appeals for the Federal Circuit. In contrast, owners of pending patent applications may choose between an appeal to the Federal Circuit or an action in the district court under 35 U.S.C. §145.

B. Right of Appeal to the Federal Circuit for Third Party Requestor in an *Inter Partes* Reexamination.

That same change permits a “third-party requester in an *inter partes* reexamination proceeding” to appeal a decision of the Board of Patent Appeals and Interferences to the Federal Circuit.

C. Additional claims fees now required for claims added during reexamination

Prior to December 8, 2004, the statutes and rules contained no provision requiring the payment of fees for adding new claims during reexamination of a patent. 35 U.S.C. § 41 was amended then to provide for payment of fees for newly added claims during a reexamination. 37 C.F.R. § 1.20 was then amended to reflect that change to the statute. Accordingly, a patent owner is required to pay the applicable additional claims fees when new claims are added during reexamination.

D. Petitions for extension of time require fees and good cause shown

With the revisions made to the statute and rules related to petition fees, the Office has determined that a petition for extension of time in a reexamination proceeding requires the payment of a petition fee under 37 C.F.R. § 1.17(g). The request must also be accompanied by sufficient reason for the extension and must be filed—and preferably granted—before the original deadline in the reexamination proceeding. The PTO has indicated that it will make its best efforts to decide such petitions expeditiously given the need for the patent owner to know when a response is due.

Patent owners are being required by the PTO to present evidence of a factual accounting of reasonably diligent behavior by all those responsible for preparing a response within the statutory time period. *See* MPEP §2265.

E. Clarification of what is required to obtain a filing date in a reexamination

On February 23, 2006, the PTO announced that, effective March 27, 2006, a filing date for a reexamination request will no longer be granted until all applicable statutory requirements have been met. 71 F.R. 9260 (Feb. 23, 2006). For example, in an *inter partes* reexamination request, the requestor must identify the real party in interest before the PTO will accord that request a filing date. Until a filing date is granted for a reexamination request, the PTO is not obligated to make a determination as to whether a substantial new question of patentability exists in order to grant the request. This rule applies to both *ex parte* and *inter partes* reexamination requests. *Id.*

F. Not a Change, But a Reminder

While not a change, a common mistake in reexaminations relates to the form of amendments. Unlike pending applications, the changes in how to make amendments (e.g., use of strike-through for deletion and underlining for addition) were not made effective for reexamination proceedings. Thus, to make amendments in a reexamination to claims, brackets are to be used for deletions and underlining for additions. For newly added claims, the entire claims is to be underlined. In general, the procedures of 37 C.F.R. §1.530(d) should be applied, rather than the procedures of 37 C.F.R. §1.121.

IV. *Inter Partes* Reexamination

A. Major Differences

There are a number of differences between an *inter partes* reexamination and an *ex parte* reexamination. This paper highlights just a few of the major ones, including the time involved to complete the reexamination, who gets to participate in a reexamination, and the potential estoppel effects of the reexamination.

1. Time involved

By the nature of the involvement of an additional party, an *inter partes* reexamination is likely to take longer if the parties take advantage of the various opportunities to make submissions. The table below represents a typical reexamination leading to an appeal to the Board of Patent Appeals and Interferences.

<i>Ex Parte</i>	<i>Inter Partes</i>
Initial Request	Initial Request
Patent Owner Statement	Patent Owner Statement
Requestor Reply	Requestor Reply
First Office Action	First Office Action
Response/Amendment by Patent Owner	Response/Amendment by Patent Owner
	Comments by Reexamination Requestor
Final Office Action	Action Closing Prosecution
Appeal or After Final Response (at Patent Owner's Choosing)	Comments by Patent Owner
	Response by Reexamination Requestor
	Right of Appeal
	Appeal

As this simple table illustrates, there are more opportunities for submissions to be made, with each submission providing at least one additional month, and often two or three between events. As a result, an *inter partes* reexamination is going to be at least three to six months longer from beginning to appeal (if the decision is adverse to the patent owner) than an *ex parte* reexamination.

2. Who gets to participate

As this table also illustrates, the requestor gets to participate in a number of stages of the reexamination process in an *inter partes* reexamination that are simply not provided to an *ex parte* reexamination requestor. Moreover, in *inter partes* reexamination, neither party are permitted to conduct interviews with the examiners. This is contrast to the *ex parte* reexamination where interviews are permitted.

3. Estoppel

Unlike an *ex parte* reexamination proceeding, the reexamination requestor and those in privity with that entity are estopped from challenging the validity of the same claims in a later proceeding. Specifically, 35 U.S.C. §§ 315(c) and 317(b) state that a party that first elects to pursue an *inter partes* reexamination may not later challenge the validity of a reexamined claim in a later court proceeding or *inter partes* reexamination proceeding. The first *inter partes* reexamination must be a final decision. And, the statutes provide for an exception to this estoppel for “prior art ‘unavailable’ to the third-party requestor and the Patent and Trademark Office at the time of the *inter partes* reexamination proceeding.” *Id.* No decision of the PTO that the authors were able to locate has determined what a “final decision” in an *inter partes* reexamination means to the PTO. As discussed below, however, it is likely that the Office will take the view that this means that all appellate avenues have been foreclosed. Similarly, no court decision has been issued that has interpreted this provision to date.

B. PTO’s Handling of Pending *Inter Partes* Cases

Because *inter partes* reexamination proceedings are relatively new and infrequently used, the PTO has made only a few changes to the rules related to *inter partes* proceedings. The biggest change has been the provision of a right of appeal for the third party requestor to the Federal Circuit.

Perhaps a more interesting development has been the Office’s response to various petitions filed by patent owners in reexaminations being conducted of patents that were the subject of district court patent litigation. These petition decisions provide insight into how the PTO views the various statutes and rules that govern *inter partes* reexamination proceedings.

1. Stay of Proceedings

Pursuant to 35 U.S.C. §314(c), *inter partes* reexamination proceedings “shall be conducted with special dispatch” within the Office, “[u]nless otherwise provided by the Director for good cause.” The Office has recognized, through rulemaking, that a concurrent litigation may, in certain circumstances, establish “good cause” to suspend an *inter partes* proceeding:

If a patent in the process of *inter partes* reexamination is or becomes involved in litigation, the Director shall determine whether or not to suspend the *inter partes* reexamination proceeding.

37 CFR 1.987.

The Manual of Patent Examining Procedure (MPEP) provides two examples of situations that can establish “good cause”: (1) co-pending litigation includes an issue best decided in court, rather than in the Office; and (2) co-pending litigation includes an issue that cannot be decided by the Office, but affects the resolution of the proceeding. *See* MPEP §2686.04.

Further, Congress specifically provided estoppel provisions to shut down an *inter partes* reexamination of a patent claim when a “final decision” upholding the validity of that claim has been reached in a civil action or in a prior *inter partes* reexamination proceeding:

(b) FINAL DECISION.— Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an *inter partes* reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which that party or its privies raised or could have raised in such civil action or *inter partes* reexamination proceeding, and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, notwithstanding any other provision of this chapter. This subsection does not prevent the assertion of invalidity based on newly discovered prior art unavailable to the third-party requester and the Patent and Trademark Office at the time of the *inter partes* reexamination proceedings.

See 35 U.S.C. §317(b). Thus, if a party’s challenge to the validity of certain patent claims has been finally resolved, either through civil litigation or the *inter partes* reexamination process, then (a) that party is barred from making a subsequent request for *inter partes* reexamination (or filing a new civil action) challenging the validity of those same claims, and (b) “an *inter partes* reexamination previously requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office.” *Id.*

The PTO had occasion to consider the above authority in *inter partes* Reexamination Proceeding Nos. 95/000,093 and 95/000,094 between Immersion Corp. (“Patent Owner”) and Sony (“Requester”). In those proceedings, the Patent Owner obtained a jury verdict (Civil Action No. 02-0710 CW) in the United States District Court for the Northern District of California, finding that Sony (the real party in interest for the instant requests for reexamination), willfully infringed claims 14-18 of the U.S. Patent No. 6,434,333 (the “333 patent”), and claims 7, 41-46, 49, 50, 53 and 54 of U.S. Patent

No. 6,275,213 (the “’213 patent”). The jury also found that claims 14-18 of the ’333 patent and claims 7, 41-46, 49, 50, 53 and 54 of the ’213 patent were not invalid.

After judgment was entered, Sony filed a request for *inter partes* reexamination of claims 1 and 14-18 of the ’333 patent and claims 1, 6, 41-46, 49, 50, 53 and 54 of the ’213 patent. Of the claims for which reexamination was requested, the validity of only claim 1 of the ’333 patent and claim 1 of the ’213 was not litigated in the district court proceeding.

Following Sony’s appeal of the district court decision to the U.S. Court of Appeals for the Federal Circuit, the Patent Owner filed petitions to dismiss or suspend the *inter partes* reexamination proceedings pursuant to 37 C.F.R. §§1.181, 1.182, 1.183, 1.987, and 35 U.S.C. §314(c). On August 17, 2005, the Office issued orders granting the requests for *inter partes* reexamination in both proceedings, finding that the requests raised a substantial new question of patentability regarding the claims at issue. On August 23, 2005, the Director of the Office of Patent Legal Administration issued a decision denying the petitions to dismiss or suspend the reexamination proceedings.

On September 9, 2005, the Patent Owner filed petitions to suspend the present *inter partes* reexamination proceedings, and a statutory disclaimer of claim 1 in each of the ’333 and ’213 patents. The Patent Owner argued that “good cause” exists to suspend the proceedings because suspension will conserve the resources of the Office and also “will advance the purposes of the *inter partes* reexamination system by relieving all parties of the onerous burden of proceeding with the reexamination while simultaneously litigating the same claims in Federal Court.” Further, the Patent Owner argued that now that claim 1, in each case, has been eliminated, the remaining claims for which the Office has found a substantial new question of patentability are identical to the litigated claims, which survived Sony’s validity challenge in district court, and are now pending on appeal.

In ruling on the petitions to suspend, the Office stated that “[a] district court decision that is pending appeal on the validity of the same claims considered in an *inter partes* reexamination proceeding may provide the requisite statutory ‘good cause,’ due to the real possibility that the 35 U.S.C. §317(b) estoppel may very well attach in the near future to bar/terminate the reexamination proceeding.” *See* Decision of November 17, 2005 (“Decision”), Page 6. Recognizing the change in circumstances since its August 23, 2005 denial of Patent Owner’s petition to dismiss or suspend, the Office stated as follows:

Since the August 23, 2005 decision, new events have occurred, *i.e.*, patent owner Immersion has statutorily disclaimed claim 1 in each patent. Thus, the reexamination proceedings will no longer continue as to non-litigated claim 1. Accordingly, Immersion’s elimination of claim 1 in each proceeding aligns the claims and issues when comparing the two reexamination proceedings to the appeal now pending at the Federal Circuit. An affirmance by the Federal Circuit will terminate these inter

partes reexamination proceedings based on the estoppel provision of 35 U.S.C. §317(b). Immersion therefore makes a good case to suspend the proceedings, since it is a reasonable likelihood that the Federal Circuit's decision will moot the reexamination proceedings.

Id.

In considering the Patent Owner's assertion that the court proceeding is now at such an advanced stage that it would promote administrative efficiency against Sony's concern that the district court's decision could be reversed or vacated with a remand for new trial, the Office reasoned as follows:

Taking the above positions into account, it is determined that "good cause" exists to wait for the outcome of the Federal Circuit appeal, because the reexamination proceedings are at just their beginning stages, while the concurrent litigation is potentially near its final resolution. It bears noting that Sony chose to permit the District Court litigation to proceed for three years before filing its requests for reexamination in May of 2005, only after judgment was entered in Immersion's favor in the litigation. Had Sony filed its requests for reexamination earlier, the reexamination proceedings would now have been much further along in the process, and may likely have been completed at the Office before the district court issued its decision. Moreover, had Sony filed its reexamination requests earlier in the litigation, the district court might have stayed the litigation to await the Office's decisions in the two reexamination proceedings. After choosing to go years through the entire district court litigation proceeding without asking for the Office's input, Sony cannot complain that a suspension of the present reexamination proceedings will deprive Sony of a chance to obtain the Office's decision, when there is a strong possibility that the Federal Circuit's decision will estop the Office from issuing any decision at all. In short, Sony cannot have it both ways. Sony waited three years after the district court case began, and waited until after the district court issued a final decision, such that its district court litigation can in no way be affected by any decision on its reexamination requests. Sony's delay is the reason that the current reexaminations may very well be mooted before any decision issues. Sony chose its route and must now deal with the consequences of its decision.

Accordingly, on balance, "good cause" has been found to exist to warrant suspending the two inter partes reexamination proceedings, and patent owner's petition will be granted. Indeed, if the Office did not find "good cause" in the present situation, then the question would arise as to when the Office ever would exercise its statutory authority to suspend an inter partes reexamination for good cause based on a concurrent, pending appeal on the validity of the same claims.

Decision, Page 8.

Addressing Sony's concern with possible remand, the Office stated that should the District Court request and obtain a remand from the Federal Circuit, Sony may, at that point, petition for resumption of the two reexaminations proceedings. *Id.* In fact, the Office stated that any member of the "public is free to request a subsequent reexamination of the two patents as to either the litigated (depending on the outcome in the concurrent litigation), or the non-litigated patent claims, using the results of the litigation as a starting point and addition information as appropriate." *Id.* at 9.

2. Determination of What is a Final Court Decision

The meaning of "final decision" as set forth in 35 U.S.C. §317(b) was addressed by the Office in two separate *inter partes* reexamination proceedings. In the first, a final consent judgment was deemed to be a final decision, causing the PTO to vacate a determination of a substantial new question of patentability. In the second, in an *inter partes* reexamination initiated by Research in Motion, Ltd. against a patent to NTP, Inc., the Office determined that a decision of the Federal Circuit was not final because of a potential grant on a writ of certiorari or reconsideration on remand to the district court. *See* Reexamination Control No. 95/000,020 (the "'020 proceeding"). The '020 proceeding involved the validity of the claims of U.S. Patent No. 6,317,592 (the "'592 patent").

a. Final Consent Judgment is Final Decision

In Reexamination Control No. 95/000,019 (the '016 proceeding") the PTO vacated an *inter partes* reexamination because the requestor had a Consent Final Judgment entered against it in a co-pending district court litigation. That order indicated that the defendant "has not sustained its burden of proving the invalidity of any patent claim in the [patent in question], ... [t]he Consent Final Judgment is intended to be an Order of the Court that is final, enforceable, and not appealable (emphasis added), ... [a]ll the claims of the [patent in question] are valid, ... the defendant [] is directed to take any and all action necessary to withdraw and/or terminate its Request for *Inter Partes* Reexamination Number 95/000,019 filed on June 3, 2003, in the United States Patent and Trademark Office." Order in '019 dated August 20, 2003.

b. Federal Circuit Decision Not Final Decision

The record of the '020 proceeding shows that the request for *inter partes* reexamination was filed on May 29, 2003 on behalf of RIM. Reexamination was requested for all of the '592 patent claims. Upon determining that the cited prior art raised a substantial new question of patentability, the Office ordered reexamination on August 26, 2003. Thereafter, on August 9, 2004, the Office merged the '020 *inter partes* reexamination proceeding with a previously ordered '495 *ex parte* reexamination proceeding.

In addition to the '020 proceeding, NTP and RIM were embroiled in a civil action regarding the '592 patent (*NTP, Inc. v. Research In Motion*). On October 10, 2003, Patent owner petitioned to dismiss the '020 *inter partes* reexamination proceeding in light of a District Court decision and supporting orders, which were adverse to RIM. The Office, however, dismissed the initial petition on the grounds that the decision of the U.S. District Court relied upon by patent owner was not a “final decision” within the meaning of 35 U.S.C. §317(b).

The Patent Owner again sought to dismiss the '020 proceeding after the Federal Circuit affirmed the holding of the District Court that RIM had infringed claims 40, 150, 278, 287, 653 and 654 of the '592 patent. More specifically, the Patent Owner sought to sever the '020 *inter partes* reexamination proceeding from the merged '495 *ex parte* reexamination proceeding and terminate the '020 *inter partes* proceeding. Because the Federal Circuit subsequently issued a substitute opinion and granted a request for a panel rehearing, the Office again found that a “final decision” had not yet been issued for the civil action because the appellate process had not been exhausted.

In dismissing the Patent Owner’s petitions to dismiss the '020 proceeding, the Office interpreted “final decision” as meaning after a Federal Circuit decision with exhaustion of all appeal avenues as to the litigation. The Office based its interpretation on several factors including the plain language of the statute, the symmetry between the two estoppel provisions, the legislative history, and the policy underlying the whole statutory scheme.

Section 317(b) of Title 35, in pertinent part, states:

Once a final decision has been entered against a party in a civil action arising in whole or in part under section 1338 of title 28, that the party has not sustained its burden of proving the invalidity of any patent claim in suit or if a final decision in an *inter partes* reexamination proceeding instituted by a third-party requester is favorable to the patentability of any original or proposed amended or new claim of the patent, then neither that party nor its privies may thereafter request an *inter partes* reexamination of any such patent claim on the basis of issues which the parties raised or could have raised in such civil action or *inter partes* reexamination proceeding, and an *inter partes* reexamination requested by that party or its privies on the basis of such issues may not thereafter be maintained by the Office, ...

35 U.S.C. § 317(b) (emphasis added).

As set forth in the statute, “estoppel does not take effect until a “final decision . . . in a civil action” has been entered or alternatively, a “final decision” in an earlier *inter partes* reexamination has occurred.” Accordingly, the Office interpreted the term “final

decision” for both reexamination and civil action proceedings as “after all appeals” when the obligations of both parties become fixed. *See* MPEP § 2686.

In addition, the Office noted that “it is well settled that in determining the meaning of [a] statute, we look not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy.” *Crandon v. United States*, 494 U.S. 152, 158 (1990). Further, the Office remarked that it “must find that interpretation which can most fairly be said to be imbedded in the statute, in the sense of being most harmonious with its scheme and with the general purposes that Congress manifested.” *NLRB v. Lion Oil Co.*, 352 U.S. 282, 297 (1957).

In a November 30, 2005 Decision Denying Petition (the “Petition Decision”), the Office followed the above authority and justified its interpretation of “final decision” as follows:

Initially, it is to be noted that “final decisions” typically only bind the Office after all appeals are exhausted. In other words, the Office’s interpretation of “final decision” as “after all appeals” is consistent with existing law, which holds that all other Office proceedings, whether *inter partes* or *ex parte*, do not terminate until the mandate is issued by the appellate tribunal (if an appeal is filed). For example, a patent application proceeding will not terminate within the Office until the Federal Circuit issues its mandate or the time for appeal has expired. *See* 37 CFR 1.197(b)(2); *see also In re Jones*, 542 F.2d 65 (CCP A 1976) (“that petitioners did not know that receipt of mandate [by PTO] ... terminated [the] proceedings in case was an inadequate excuse for delay in filing continuation application before mandate issued”). Similarly, an *inter partes* interference proceeding within the Office will not terminate until the Federal Circuit mandate is issued or the time to file an appeal has expired. 37 CFR 41.205(a). Clearly, Office proceedings will not terminate if the Federal Circuit issues a remand order requiring the lower tribunal to perform further work that itself can ultimately be appealed to the Federal Circuit.

Second, the plain language of the statute reflects Congress’ intent to provide estoppel effect in a reciprocal fashion between court (litigation) proceedings and *inter partes* reexamination proceedings. For example, an *inter partes* reexamination will bar a civil action validity challenge on the same claims only after any appeals. *See* 35 U.S.C. § 315 (c) (third party is barred from raising invalidity in a civil action if claims previously “finally” held valid in an *inter partes* reexamination); *see also* 35 U.S.C. § 316 (mandating that an *inter partes* reexamination certificate cannot be issued until all appeals are exhausted). Similarly, a “final decision” in an *inter partes* reexamination proceeding will bar a subsequent *inter partes* reexamination on the same claims, and a “final decision ... in a civil action” will bar a subsequent reexamination on the same claims. 35 U.S.C. § 317(b). Looking at the plain language of the statute, it is clear

that the term “final decision” is symmetrically applied to both civil actions in court and *inter partes* reexamination proceedings within the Office throughout §§ 317(b) and 315(c). Further, there is no reason from the reading of the statute that the same term used twice in the same provision, i.e., “final decision,” should have two different meanings. Since an *inter partes* reexamination proceeding does not become a “final decision” holding claims valid until “after all appeals,” a similar interpretation should be reciprocally applied to a civil action in court. Thus, just like a Board of Patent Appeals and Interferences (“Board”) decision pending appeal is not a final decision and does not estop a civil action, a district court decision on appeal to the Federal Circuit does not estop an *inter partes* reexamination proceeding from continuing within the Office. Moreover, when a district court, as in this case, has been ordered on remand by the Federal Circuit to do further work that may alter its original decision, it is clear that any initial decision it previously entered is not final with respect to the issues it has been ordered to address.

Third, the legislative history of 35 U.S.C. § 317 confirms that the term “final decision” must be “after all appeals.” In pertinent part, the legislative history states:

See. 4604. Optional *inter partes* Reexamination Procedure *****

... if a third-party requester asserts patent invalidity in a civil action and a final decision is entered that the party failed to prove the assertion of invalidity, or if a final decision in an *inter partes* reexamination instituted by the requester is favorable to patentability, after any appeals, that third-party requester cannot thereafter request *inter partes* reexamination on the basis of issues which were or which could have been raised ...

145 Congo Rec. 514720, (Nov. 17,1999) (emphasis added). Consistent with the plain language of the statute, the legislative history confirms that a “final decision” is “after any appeals.” A simple reading of the legislative history reveals that Congress contemplated that a “final decision” of either a prior *inter partes* reexamination or a civil action has estoppel effect only “after any appeals.” As earlier explained, the statutory scheme creates a reciprocal estoppel effect, and the term “final decision,” is used equally in reciprocal fashion in the same statutory clause applied to both *inter partes* reexamination proceedings and civil actions. Accordingly, the legislative history confirms, rather than detracts from, the Office’s interpretation of “final decision” as “after all appeals.”

Finally, logic and policy support construing the term “final decision” as “after all appeals.” For example, in this instance, the District Court entered a decision but has now been ordered to reconsider its decision on

remand by the Federal Circuit. Termination of the *inter partes* proceeding prior to exhaustion of appeals would be premature. If the *inter partes* reexamination proceeding is prematurely terminated, there is no way to “un-terminate” or re-start the *inter partes* reexamination proceeding. A completely new request for reexamination would have to be made in a redundant fashion, and the added time needed to go through this redundant process clearly runs counter to the “special dispatch” mandate of 35 U.S.C. 314(c). Clearly, such redundancy is a result that Congress did not intend in light of the fact that it provided the USPTO Director with the discretion to suspend parallel proceedings for “good cause.” 35 U.S.C. § 314(c); 37 CFR § 1.987. Accordingly, a “final decision” as articulated in § 317 cannot occur until “after all appeals” in order for the statutory scheme to work in the efficient manner intended by Congress. In this case, such a “final decision” will not take place until after the District Court completes the further work it was ordered to do and any subsequent appeals from the District Court’s subsequent decision are exhausted.

Thus, the Federal Circuit’s August 2, 2005 decision has not been shown to be a “final decision” within the meaning of 35 U.S.C. § 317(b). Accordingly, termination of the ’020 *inter partes* reexamination proceeding has not been shown to be required by the statute.

See Decision Denying Petition, November 30, 2005, Pages 10-12 (footnotes omitted).

The Office further noted that: (1) the possibility that the Federal Circuit’s substitute decision could affect issues directly bearing on the ’020 *inter partes* reexamination proceeding, (2) the third party requester’s right to petition for certiorari to the United States Supreme Court from the Federal Circuit’s holding of claim validity, and (3) the survival of the *ex parte* proceeding following severance and termination of the *inter partes* proceeding further support the Office’s finding that the patent owner has not shown the existence of a “final decision” with respect to the claim validity issue raised in the *inter partes* reexamination:

In addition, it appears from the Federal Circuit’s replacement August 2, 2005 decision that the issue remanded to the District Court directly bears on the interpretation of a claim limitation appearing in claim 40 of the ’592 patent. Presumably, the District Court’s construction of the limitation, on remand, could well effect issues directly bearing on the ’020 *inter partes* reexamination proceeding, and the merged proceeding as a whole. Thus, patent owner has not shown that there has been a “final decision” with respect to the claim validity issue raised in the *inter partes* reexamination. Even if the only issue on remand is directed to claim interpretation with respect to infringement, petitioner has not demonstrated that a different construction of the claim would not require revisiting of the validity of the reinterpreted claim. Thus, notwithstanding patent owner’s arguments that 35 U.S.C. § 317(b) defines “final decision” in the context of decisions on claim validity, it is clear that the action

taken on remand in the District Court may reasonably have a potential impact on claim validity. Even crediting patent owner's position that continuing litigation on issues other than claim validity does not necessarily mean that a given court decision on claim validity is not final, petitioner has nevertheless failed to demonstrate that in this case, RIM will be unable to obtain a different outcome (from the initial District Court finding) regarding the interpretation of one or more of the claims of the '592 patent, and that a different interpretation would not necessarily require that the court revisit the issue of the validity of the involved claim or claims.

Further, there is still the matter of third party requester's right to petition for certiorari to the United States Supreme Court from the Federal Circuit's holding of claim validity. It appears that third party requester has the right to petition for certiorari on the issue of claim validity through January 5, 2006. In light of this fact, it clearly cannot be concluded that the decision of the validity of any claims held valid in the litigation to date is a final decision.

Finally, if the merged proceeding were severed, the '495 *ex parte* reexamination proceeding would still remain intact. The estoppel provisions of 35 U.S.C. § 317(b) would not apply to that proceeding. Pursuant to the guidance provided by the Federal Circuit, the Office would be required to continue the '495 *ex parte* reexamination proceeding notwithstanding that there has been a final holding of claim validity. In the event that the "final decision" of the Federal Circuit were then subsequently modified on the issue of claim validity (whether as a result of a determination on the remand to the District Court or as a result of a review of the Federal Circuit's decision on certiorari to the United States Supreme Court) and the litigation on the question of claim validity then continued, the Office could find itself in a position of having to conduct two separate reexamination proceedings on the same patent, with the proceedings being at two diverse and distinct stages. Many scenarios can be envisioned in which the *ex parte* proceeding might have to be delayed (contrary to the statutory mandate of "special dispatch") pending any prosecution necessary to bring a newly re-started (or re-filed) *inter partes* proceeding to the same point in prosecution as the on-going *ex parte* reexamination proceeding that has continued in the Office. Construing 35 U.S.C. § 317(b) to require that the Office proceed with the *ex parte* proceeding while terminating, or even suspending, the *inter partes* proceeding does not bode well for conducting orderly proceedings within the Office, since the *inter partes* proceeding may potentially have to re-started or reconstituted as a result of a modification on the question of claim validity resulting from ongoing litigation.

Id. at 12-13. (footnotes omitted).

c. Summary of Two Decisions by PTO

In summary, the Office holds that if further court review can still be sought, then a district court or Federal Circuit decision is not a “final decision” within the meaning of 35 U.S.C. § 317(b). Regarding the ’020 proceeding, the Office found that patent owner had not supplied sufficient information to establish on the record that the Federal Circuit decision is a “final decision” within the meaning of 35 U.S.C. § 317(b). Therefore, termination of the ’020 reexamination proceeding was not required by the statute. Accordingly, the Office found that there was no reason to sever the ’020 *inter partes* reexamination proceeding from the merged ’495 *ex parte* reexamination proceeding and terminate the ’020 *inter partes* proceeding, particularly given that the issues in both proceedings are integrally intertwined. In contrast, in the ’019 proceeding, a final consent judgment was deemed a final decision, mandating that the Office terminate the *inter partes* reexamination.

V. Reissue Proceedings

Reissue is a procedure made available for only a patent owner (or all inventors if the patent is not assigned) to seek to make certain types of corrections to an issued patent. A broadening reissue may broaden the scope of the claims of a patent, but must be filed within two years of the patent’s issuance. 35 U.S.C. § 251. Other types of reissue applications may be filed at any time while the original patent is still in force. In general, a reissue application must provide an appropriate fee and an identification of defects in the patent. 37 C.F.R. § 1.171. The inventors (unless rules 42, 45 or 47 apply) must declare that the defects arose without any deceptive intent. 35 U.S.C. § 1.175. Supplemental declarations must be provided for each additional amendment proposed during a reissue proceeding as well. *Id.*

The defects must be directed to the specification, claims and drawings, including an identification of correct inventors or correct priority in the patent. The defects must be such that they render the patent wholly or partially inoperative or invalid and the reissue request must so state.

If granted, a reissue patent replaces the original patent entirely.

The laws and rules related to reissue applications have not changed as significantly in the last five years as have those for reexaminations. Several changes are worth noting.

A. Change to require new declaration in continuing reissue application

In 2004, the PTO changed rule 1.175 to add subsection (e), which requires that any continuing reissue application include with it a declaration confirming that the continuing reissue application address at least one error that an earlier reissue application did not address. The exact language is as follows:

(e) The filing of any continuing reissue application which does not replace its parent reissue application must include an oath or declaration which, pursuant to paragraph (a)(1) of this section, identifies at least one error in the original patent which has not been corrected by the parent reissue application or an earlier reissue application. All other requirements relating to oaths or declarations must also be met.

37 C.F.R. § 1.175(e) (2004).

B. Amendments in Reissue Applications Follow Separate Rules From Amendments in Pending Utility Applications

In 2003, Rule 1.173 was amended to direct practitioners to follow separate rules for amending the specification and claims for reissue applications. Amendments to the claims must be made by replacement pages, an indication as to whether the amendment is the first or second amendment, use of brackets for deletion and use of underlining for additions.

VI. Conclusion

The Patent and Trademark Office continues to provide various mechanisms for corrections of errors in patents. The last five years have seen a number of changes. As these mechanisms become more frequently used, needed changes become apparent. Therefore, look for even more changes in post-issue mechanisms in the future.

⁺ The views expressed in this paper are those of this author only.

^{*} Brian M. Buroker is a registered patent attorney with Hunton & Williams' Intellectual Property Practice Group. Mr. Buroker's practice focuses on ecommerce, business method and software patent litigation, licensing, complex patent prosecution and counseling. Mr. Buroker has extensive litigation experience related to software-related innovations. As a former patent examiner in the software arts, Mr. Buroker also advises clients on preparing patent applications in the software arts to maximize their enforceability and value as a corporate asset. Mr. Buroker has managed a number of reexamination proceedings, including litigated patents both pre-trial and post-trial. Mr. Buroker holds electrical and computer engineering degrees from N.C. State University and a law degree from Georgetown University. Mr. Buroker also served as a judicial law clerk to the Honorable William C. Bryson for the United States Court of Appeals for the Federal Circuit.

^{**} Ozzie A. Farres is a registered patent attorney with Hunton & Williams' Intellectual Property Practice Group. Mr. Farres has extensive experience prosecuting patent applications in the areas of ecommerce, business methods, and software, and has developed particular expertise in the financial and banking industries. He has also worked on numerous litigation, reexamination, and interference matters. Mr. Farres holds an economics degree from Florida State University, an electrical engineering degree from Florida International University, and a law degree from the University of Miami.