

# **BROADENING REISSUE AS A STRATEGIC RESPONSE TO INTER PARTES REEXAM**

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Both sides have something to dislike in inter partes reexamination. Owners roundly dislike the new inter partes reexamination proceedings:

- The presumption of validity does not apply,
- The continuing duty of disclosure prompts a new internal search for uncited prior art, and
- The proceedings move forward at an accelerated pace with only narrowing amendments.

Requesters who want to challenge the patent have their own cause for reluctance:

- Consideration of only documentary prior art validity issues may be overly limiting in cutting edge technologies where the adequacy of the disclosure and the clarity of the claim language may be more the more important validity issues,
- An expansive and ill-defined estoppel precludes a host of valuable defenses if the case goes to litigation, and
- A painfully short Comment period with only one permitted opportunity to file Comments.

All of these concerns represent risks that an important issue will not be addressed adequately.

An initial decision and then its reversal by the USPTO provide Owners with another procedural tool that can mitigate some of the drawbacks in an inter partes reexamination. Pointedly, a broadening reissue application can be filed during the reexam and suspended pending the outcome of the reexamination. This suspended application represents a measure of “insurance” against an adverse outcome in the reexam and provides the affirmative opportunity to seek even broader claims after the best art is presented. The interface of inter partes reexamination and broadening reissue is new territory on the IP legal frontier.

### Inter Partes Reexam is Similar to Conventional Ex Parte Reexam

*Inter Partes* reexamination under 35 U.S.C. 311 *et seq.* first became available at the end of April 2001. The statute was born with the limitation that it was available only for patents filed on or after November 29, 1999. While still available only for new patents, Congress expanded the right of appeal in November 2002 by allowing Requestors the right to appeal a decision for patentability to the Federal Circuit. This change has encouraged use of *inter partes* reexamination as seen from the rise in *inter partes* reexam filings afterwards: 35 of the 41 *inter partes* reexamination cases filed to date were filed after November 2002.

Procedurally, *inter partes* reexamination is one small step from the current *ex parte* reexamination process. The original Request looks the same except for a much bigger filing fee (\$8800 v. \$2520), the need for service of the Request on the Owner, and the need for documentary evidence of unpatentability. (Please note that “unpatentability” is the term used in USPTO proceedings. “Invalidity” is the term used in court proceedings where a presumption of validity applies. Not a key issue, but the different terminology reflects the different perspective of the USPTO towards patent grants.)

The differences are more apparent as the proceedings come to the end of the prosecution. The examiner:

- issues an “Action Closing Prosecution”,
- receives any last comments from both parties, and
- issues a Right of Appeal Notice (equal to a “final action” per 37 CFR 1.951(c)).

Appeals and cross-appeals are available with a change in title to “Appellant” and “Respondent”. The same party can be both an Appellant and a Respondent depending on the issues under discussion in the appeal.

### Broadening Reissue Applications Are Not Hard To File But Have Limitations

Broadening reissue practice is authorized by 35 U.S.C. § 251 (last paragraph) and explained by 37 C.F.R. §§ 1.171-1.179 as well as MPEP §§ 1401-1470. Broadening reissue applications must be filed within the two year anniversary of the patent’s issue date. Claims are considered to be broadened if any element is broader in at least one aspect or the amended claims would create a new set of infringers. See, MPEP § 1412.03. While an “error” must still be identified, the reissue practice no longer requires a detailed recitation of the circumstances behind each and every error – only one change in the specification or claims needs to be identified, and it is not necessary to point out the how and when the error arose. See, MPEP §1414 (II).

Most cases will be able to find some way to pursue broader claims. The inter partes reexamination request will renew the Owner's focus on the technology in the patent, and this enhanced scrutiny may reveal one or more aspects of the invention that could be protected. The Owner also has a potential infringer whose product line and competitive history may be investigated to determine how it might implement the patented technology so that blocking claims can be formulated. A second look at the scope of the patent claims may also reveal potential difficulties in claim construction that would allow cleaner, less problematic claims to be presented for examination that might reduce future litigation costs.

The right to broader claims is not unfettered. The Recapture Rule requires an analysis of the original prosecution proceedings and will bar later claims that seek to recapture claim scope that was originally presented but which was given up to obtain the patent. See, MPEP §1412.02. The key is to determine when the Recapture Rule applies.

A good example of the PTO's practice and policy regarding the Recapture Rule can be found in the Board's precedential opinion in *Ex parte Eggert*, 2003 Pat. App. LEXIS 27, 67 U.S.P.Q.2D (BNA) 1716 (BPAI 2003) also found on the USPTO website at <http://www.uspto.gov/web/offices/dcom/bpai/prec/RC010790.pdf>. The *Eggert* appeal involved only a rejection for improper recapture of subject matter and included an extensive illustration of how to analyze a prosecution history and the cited prior art for possible violation of the Recapture Rule. The Board adopted with only editorial modifications the Recapture Rule standards set forth by the Court of Appeals for the Federal Circuit in *In re Clement*, 131 F.3d 1464, 1469-70, 45 USPQ2d 1161, 1165 (Fed. Cir. 1997):

- (1) if the reissue claim is ***as broad as or broader*** than the canceled or amended claim (the surrendered subject matter) in all aspects, the recapture rule bars the claim;
- (2) if it is ***narrower than the surrendered subject matter in all aspects***, the recapture rule does not apply, but other rejections are possible;
- (3) if the reissue claim is ***broader than the surrendered subject matter in some aspects, but narrower than the surrendered subject matter in others***, then:
  - (a) if the reissue claim is as broad as or broader in an aspect ***germane*** to a prior art rejection, but narrower in another

aspect completely *unrelated* to the rejection, the recapture rule bars the claim;

- (b) if the reissue claim is narrower in an aspect *germane* to a prior art rejection, and broader in an aspect *unrelated* to the rejection, the recapture rule does not bar the claim, but other rejections are possible.

In the *Eggert* case, an amendment after final rejection incorporated subject matter from a dependent claim into the independent claim. Such an expedient almost guaranteed entry of the amendment but, while adding features to make the claim patentable, the amendment did not address the specific point of novelty of the invention over the closest prior art. New claims were permitted in the broadening reissue to remove limitations that were not argued to be a basis for patentability as well as the subject matter incorporated from the dependent claim that had been added after the final rejection. Further amendments narrowed a claimed feature that was directly at the point of novelty. The question before the Board was whether an applicant could “undo” the effects of the unnecessarily restrictive amendment after final rejection.

The Board said the reissue was proper. After analyzing the applicable law and a detailed analysis of the prosecution history, the Board determined that the narrowing limitations at the point of novelty were “germane to a prior art rejection”. The broadening amendments that removed other limitations were not at the point of novelty and would not be “germane” to the rejection. For those keeping score, this put the case into category 3(b) of the *Clement* principles (narrower in germane aspects, broader in unrelated aspects).

The “take home” lesson for Owners considering reissue generally is that counsel should take another look at the original prosecution history:

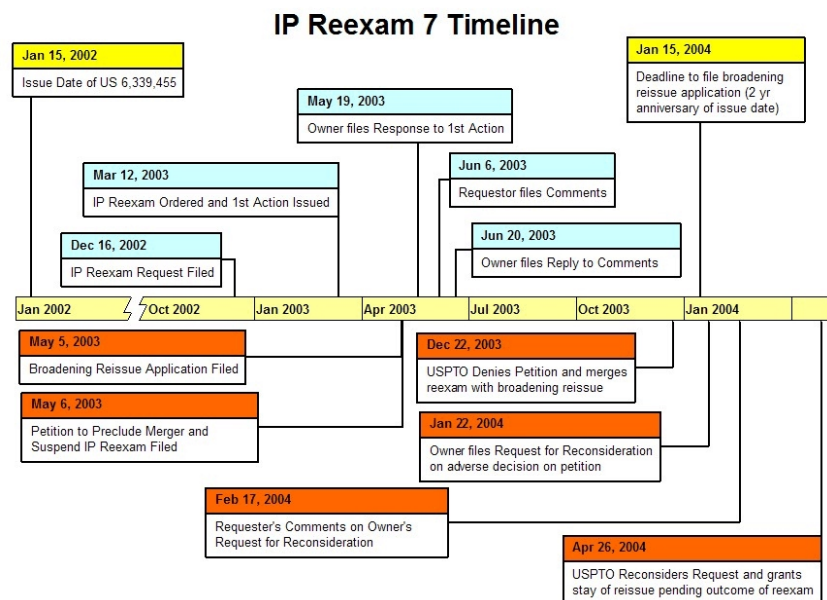
- Was there an amendment after final that incorporated subject matter from a dependent claim?
- Was the incorporated subject matter aimed precisely at the point of novelty over the prior art?
- Were all other limitations removed that were not required for distinction at the point of novelty either in the original prosecution or in the art cited by the Requester?

- Is there any other aspect to the invention (e.g., functional claims, structural claims, combinations of functional and structural claims) that could provide protection but from a different angle?
- Will you need to rely on any doctrine of equivalents arguments or “means” claims to establish infringement that could be addressed with better claims in the patent?

A broadening reissue could be devastating to the Requester if the broadening reissue was merged with an inter partes reexamination. Two recent PTO decisions have looked at this merger policy.

### The PTO Issued A Decision in January Only To Reverse Itself in April

In inter partes reexamination #7, the Owner filed a broadening reissue 16 months after the issue date when it became clear that the IP reexam could not be completed by the two year deadline for filing the reissue application. The Owner also filed a petition to block a merger of the reissue and inter partes reexamination proceedings and to stay the IP reexam pending the outcome of the reissue. The PTO initially denied the petition in favor of merger (thereby creating a severe disadvantage for the Requester) and later reversed itself by blocking merger but staying the broadening reissue pending the outcome of the reexamination (preserving the Owner’s rights but raising questions about the Requester’s ability to challenge broader claims in a later IP reexam).



In its Petition, the owner presented a number of arguments that required key policy decisions:

- (1) A merger would deprive the Owner of the right to seek broader claims by reissue because inter partes reexamination does not permit broadening amendments (35 U.S.C. 314(b)).
- (2) Merger would take away the right to ex parte consideration of the broader claims in reissue.
- (3) The Owner is deprived of a right to interview the examiner as would be available under the reissue rules.
- (4) The absence of published procedures and ad hoc rule making violates an Owner's right to Due Process.

The PTO considered each argument in Owner's petition and issued its first decision in favor of a general policy for merger between the reissue and inter partes reexamination files. The major policy points presented in the 1<sup>st</sup> decision include:

- Merger should be presumed unless one of the cases is so far advanced (e.g., on appeal) that efficiency warrants suspension. *In re Onda*, 229 USPQ 235 (Commr. 1985).
- The merged proceeding is dissolved only if the reissue is abandoned. A continuation of the reissue application might be stayed pending disposition of the inter partes reexamination.
- The merged proceeding will be conducted under the reissue rules for the Owner. (Rule 991)
- Requester's Comments are limited to those issues permissible for comment within the inter partes reexamination rules, i.e., prior art only. (Rule 995)
- A "bare bones" housekeeping amendment will place the same claims in each file.
- Requester can comment on the prior art implications of the new, broader claims within the Comment period. The same is true for issues raised in any appeal.

- Each Office Action from the examiner in the merged proceeding will be a single document that will address issues raised in the reissue as well as the reexam.
- Owner and Requester must file two copies of their documents, one for each of the merged files.
- Any reissue patent serves as the reexam certificate.
- Interviews are only available by petition “in the rare circumstances that an interview is indispensable”.

### Merger Does Not Favor the Requester

Merger of IP reexam and broadening reissue would have been a disaster for the Requester. The relative ease of establishing reissuable error, a short Comment period, an absolute estoppel on issues that “could have been raised”, and an inability to contest adverse facts determined during the inter partes reexamination (35 U.S.C. § 515(c)) would all combine against the Requester. It would not overstate the case to say that this combination would have put an effective end to the possible use of inter partes reexamination during the first two years of a patent’s life. Requesters would have been forced into a desperate rush to find prior art for the broader claims, even if the focus of the new claims differs significantly from the issued patent claims, on a super-expedited basis. This procedural body blow to the Requester has no corollary in civil litigation.

### The PTO Reconsiders

In a decision dated April 26, 2004 the PTO reconsidered its policy on merger. The provisions of 35 U.S.C. §314(b) were found to be controlling:

In any inter partes reexamination proceeding under this chapter, the patent owner shall be permitted to propose any amendment to the patent and a new claim or claims, except that ***no proposed amendment or new claim enlarging the scope of the claims of the patent shall be permitted.***

Importantly, the PTO construed the fairly conventional provisions against broader claims in reexamination as rejecting the provisions of MPEP §2285 and 37 CFR 1.565 that apply to ex parte reexam/reissue merger. The “special dispatch” provisions of inter

partes reexams (at least when the reexam is filed first) will also take precedence over the reissue application and require that the reissue be suspended pending the outcome of the reexamination.

### A New Strategic Opportunity Is Presented

In view of the adverse consequences of merging the proceedings with an inter partes reexam, the decision to avoid merger and suspend the reissue is the fairer decision. It does, however, suggest certain strategic opportunities for the Owner.

In particular, owners should now have some degree of confidence that they can file a broadening reissue during the IP reexam as a precautionary measure. The reissue application should be suspended pending a final decision in the reexam under the decision in IP reexam # 7 and await the day when (and if) a second bite at the validity apple becomes needed.

For example, let's say the patented claims cover a system that uses elements A, B and C. Language in the disclosure could be selected to identify element Q as an alternative to element C, but there was little incentive to try and extend the claims to cover Q because the future of the product was unclear. The inter partes reexam is filed with good art, and the focus of the arguments is on the patentability of element C in the combination with A and B. Under the policy set out in IP reexam #7, it would be advisable to file a broadening reissue application during the pendency of the reexam to present claims to the embodiment A, B, and Q as protection against the possibility that element C might be deemed unpatentable in the combination.

If the application survives the reexam with acceptable claims, the reissue application can be expressly abandoned before a 1<sup>st</sup> Action is issued. If the claims have been narrowed or do not survive, the suspended reissue application serves as a preserved opportunity to seek other claims on the invention or on key aspects thereof.

### Conclusion

Owners will want to file a broadening reissue as a countering and insurance strategy to requests for inter partes reexamination. The PTO will suspend the reissue application, per its recently announced policy, thereby giving the Owner a second chance to pursue claims for the invention if the reexam has adverse results.

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