

## Ways To Cure Patents That Leave IPR Alive But Damaged

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Patent owners need to consider ways to mitigate the damage done to a patent that suffers the cloud of invalidity despite surviving an inter partes review or re-examination attack at the U.S. Patent and Trademark Office. The patent office rules for inter partes review, inter partes re-examination and ex parte re-examination prohibit the Patent Trial and Appeal Board from invalidating patents for failing to satisfy the requirements of 35 U.S.C. §§ 101 and 112. While handcuffed by these rules, PTAB decisions have terminated these proceedings based on § 112 defects in the claims, without legally invalidating the patents.

To date, the PTAB had denied institution of claims or trials for indefiniteness only with respect to means-plus function claims. On March 3, 2015, for example, the PTAB denied instituting inter partes review in IPR2014-01378. The PTAB determined that it “cannot undertake the necessary factual inquiry for evaluating obviousness with respect to differences between the claimed subject matter and the prior art” because the claims are “not amenable to construction.” See also IPR2013-00036, Paper 65 (terminating the proceeding after finding that the claims are indefinite, thus mooting consideration of prior art issues.)



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Similarly, on May 23, 2012, the PTAB terminated a re-examination on appeal in Control No. 95/001,061 because they determined the means-plus-function claims were unsupported by the specification. In other proceedings, the PTAB has declined to review claims that suffer from a defect under 35 U.S.C. §§ 101 and 112, though continuing its analysis of the remaining claims. See IPR2013-00152, Paper 8; IPR2014-00356, Paper 11; and IPR2014-00566, Paper 14 (failing to institute each proceeding after finding that certain claims are indefinite and that the petitioner failed to meet its burden in establishing a reasonable likelihood that at least one of the remaining claims were unpatentable); IPR2014-00154, Paper 9; IPR2014-00207, Paper 9; IPR2014-00299, Paper 8 (finding that certain claims were indefinite, but instituting review in each proceeding on the basis that there is a reasonable likelihood that at least one of the remaining claims challenged in the petition is unpatentable.)

Since proceedings (like IPR2013-00036, IPR2014-01378, IPR2013-00152, IPR2014-00356, IPR2014-00566, and 95/001,061) are terminated by the PTAB’s decisions, patent owners are not able to address these decisions, either through argument or with additional evidence. Moreover, the patent owners cannot

appeal these decisions to the Federal Circuit. Thus, these decisions are hollow victories for the patent owners — preserving their patents, but broadcasting to the public that the patent office alleges these patents are fatally flawed.

A patent owner that tries to enforce a patent that the PTAB has found includes indefinite claims may face ethical violations, for example, sanctions or patent misuse allegations. Thus, a patent owner needs to know how to quickly respond to this type of PTAB decision to mitigate any perceived flaws in its patent.

This article provides patent owners with two vehicles to mitigate the PTAB's actions — supplemental examination and reissue. Each vehicle has its own advantages and disadvantages. Thus, a patent owner must consider a number of factors when deciding which procedure to choose — e.g., whether the patent owner agrees with the PTAB decision, the patent owner's estimated past and future damages, a timeline for asserting the patent, the possibility to pursue broader claims, and the relative costs.

If the patent owner disagrees with the PTAB's decision and wants to be aggressive, then supplemental examination may be the best option. SE is a two-year old proceeding that was created by the America Invents Act. SE was designed as a mechanism for curing inequitable conduct. But SE is also available to address §§ 101 and 112 issues.

SE begins with a patent owner filing a request for the patent office “to consider, reconsider, or correct information believed to be relevant to” its patent, such as the PTAB decision discussed above. The request must explain how the information is relevant to the claims. In addition, the request may be supported by expert declarations and other evidence to support patentability. In essence, the SE request provides the patent owner with an opportunity to directly refute, with evidentiary support, the PTAB's decision.

The patent office must issue “a certificate indicating whether the information presented in the request raises a substantial new question of patentability” within three months. This concludes the SE proceeding.

If the patent office agrees that the information does not raise a SNQ, the damage caused by the PTAB decision is at least lessened, if not cured. The favorable patent office decision provides the patent owner strong evidence that patent office agrees the patent satisfies §§ 101 and 112. But, this does not prohibit subsequent challenges to the patent under §§ 101 and 112 in litigation.

Alternatively, if the patent office finds a SNQ based on the SE request, the patent office initiates an ex parte re-examination of the patent. In ex parte re-examinations triggered by an SE the patent office can address issues arising under §§ 101 and 112. But, the other rules and limitations of traditional ex parte re-examination apply. For instance, re-examination does not allow for broadening amendments, requests for continued examination, unlimited and open interviews, or continuation practice.

Through March 2015, 91 SE requests were filed. In about 75 percent of the SEs where the patent office issued a certificate the patent office found a substantial new question of patentability and initiated an ex parte re-examination.

On the other hand if the patent owner wants to be more conservative in view of the PTAB's decision, the patent owner can file a reissue instead of using SE. A reissue is a less expensive and less complex filing compared to SE. For example, a reissue application only requires a preliminary amendment and

unsigned formal documents, e.g., declaration, consent of assignee, etc.

In addition, reissue provides the patent owner access to additional prosecution tools not available during SE or the subsequent ex parte re-examination. The patent owner gains the ability to interview, freely amend, continue prosecution indefinitely, and file continuation and divisionals using all the mechanisms available during prosecution of nonprovisional applications. Most important, if the patent owner files the reissue within two years of the patent's issuance, the patent owner can pursue new or broader claims. Even if a narrowing reissue is filed, new claims can be added. The main limitation of reissue applications is recapture — the inability to broaden claim scope for claim features narrowed during original prosecution.

Another advantage of reissue is that, unlike SE, a patent owner prosecutes a reissue application without surrendering control of the issued patent. This allows the patent owner to abandon a reissue at any time without effecting the right to enforce its patent.

The patent owner must balance the advantages reissues have over re-examination with the fact that, in a reissue, there are significant risks. For example, the patent owner must carefully articulate an error in the declaration that may render the patent invalid at the outset of the proceeding.

A patent owner must also be cognizant that there are significant risk involved with instituting either proceeding. For example, if amendments change the scope of the claims, intervening rights may cause the loss of past damages. In addition, the patent office can challenge patentability for reasons beyond those raised by the patent owner.

Finally, the patent owner can take no action at the patent office, and rather assert the patent in a district court or U.S. International Trade Commission litigation. But asserting the patent may trigger allegations that the patent was asserted in bad faith. The costs associated with defending these allegations and potential sanctions, if the defense is unsuccessful, would likely far exceed the costs associated with curing the patent at the patent office.

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