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Re: Comments on Implementation of the Leahy-Smith America Invents Act  
Group 2 Rule Making – *Inter Partes* Review, Post Grant Review

The following comments are submitted in response to the USPTO's request for public comments on the planned implementation of the Leahy-Smith America Invents Act (AIA) (Micro site: [http://www.uspto.gov/aia\\_implementation/comments.jsp](http://www.uspto.gov/aia_implementation/comments.jsp)). The comments presented below are directed to the implementation of Group 2 Rule Making, more specifically, the implementation of *Inter Partes* Review & Post Grant Review<sup>1</sup>.

**Apparent Loophole in the *Inter Partes* Review Estoppel Provision**

The *Inter Partes* Review statutory provisions could be interpreted as permitting an *Inter Partes* Review proceeding on issues that could have been addressed in a previous *Inter Partes* Reexamination proceeding filed by the same party. Because such an interpretation would needlessly duplicate proceedings to the substantial prejudice of patent owners, the Office should construe the AIA as precluding the same party from filing an *Inter Partes* Review on issues that were raised, or could have been raised in an earlier *Inter Partes* Reexamination.

When Congress provided for *Inter Partes* Reexamination in the 1999 American Inventors Protection Act, estoppel provisions were fashioned to prevent abuse of the new, post grant

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<sup>1</sup> These comments were originally published on [www.PatentsPostGrant.com](http://www.PatentsPostGrant.com).



mechanism. The *Inter Partes* Reexamination estoppel provisions are codified as 35 U.S.C. § 315 (c) and § 317 (b). Section 315(c) prevents a requester in *Inter Partes* Reexamination from pursuing failed arguments in a district court, correspondingly, 317 (b) prevents a requester that has failed to prove invalidity in an *Inter Partes* Reexamination, or at the district court, from requesting a second *Inter Partes* Reexamination on any issue that was raised or could have been raised in the failed proceeding. Additionally, 317 (b) precludes a second *Inter Partes* Reexamination outside of limited circumstances, i.e., “newly discovered” art.

The AIA’s *Inter Partes* Review estoppel provision similarly precludes a party from requesting an *Inter Partes* Review on any ground that could have been presented in a previous *Inter Partes* Review petition filed by the same party. The new *Inter Partes* Review estoppel provisions provides:

315 (e) Estoppel

(1) PROCEEDINGS BEFORE THE OFFICE- The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

(emphasis added) This generally parallels the estoppel set forth in current Section 317(b) for *Inter Partes* Reexamination (with respect to the same type of later filed proceeding).<sup>2</sup>

However, this provision appears on its face to contain a significant loophole: it does not expressly prohibit an *Inter Partes* Review based on the same issue presented in an earlier *Inter Partes* Reexamination. Section 315(e)(1) states that an *Inter Partes* Review may not be based on “any ground that the petitioner raised or reasonably could have raised during that [earlier] inter

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<sup>2</sup> The new *Inter Partes* Review statute provides for a broader estoppel with respect to “office proceedings,” and modifies “could have been raised” to “reasonably could have been raised.” Additionally, § 315(2) has been extended to include the petitioner, “real party in interest, or privy of the petitioner.”



partes review.” However, this provision is silent as to the effect of an earlier *Inter Partes* Reexamination on a party’s ability to file a later petition for *Inter Partes Review*.

If parties were permitted to file later *Inter Partes* Review petitions on the same grounds as an earlier (perhaps failed) *Inter Partes* Reexamination, the outcome would be undesirable in several respects. First, scarce USPTO resources would be diverted to and absorbed by cumulative proceedings. Second, the targeted patent owners would be forced to bear the substantial expense of duplicative *inter partes* proceedings. Third, the patent owners’ ability to enforce their patents may be delayed to their substantial prejudice if district courts grant the petitioners’ motions to stay the litigations pending the outcome of the cumulative *Inter Partes* Review proceedings.

In view of these considerations, the Office is encouraged to consider whether they have authority to promulgate rules that interpret the *Inter Partes* Review estoppel provisions as consistent with the intent of Congress, namely prohibiting an *Inter Partes* Review based on an issue which could have been presented in an earlier *Inter Partes* Reexamination.

**The Post Grant Window “Dead Zone” Is  
Anomalous and Unduly Prejudicial to the Public**

Patents issued after September 16, 2012 and before about 2016 will not be subject to *Inter Partes* Review for the first nine months after issuance and will also be ineligible for Post Grant Review (PGR) by dint of their effective filing dates. These patents will provide undue leverage against accused infringers given the practical reality that courts are less likely to stay litigation when a defendant delays the initiation of a post-grant proceeding for nine months. Defendants accused of infringing such patents may be forced to use *ex parte* reexamination, which is inherently more advantageous to patent owners. The Office should urge Congress to pass a technical correction amendment which addresses this anomaly.



PGR is limited to patents maturing from applications filed on or after March 16, 2013 (except covered business method patents). Of course, it will take several years for such patents to issue from the Office. Until such time, likely 3-5 years after March 16, 2013, PGR will not be an option for third parties seeking to challenge the validity of an issued, non-business-method patent.

For patents ineligible for PGR, the AIA nevertheless mandates that an *Inter Partes* Review may not be requested until 9 months after the patent's issuance. The *Inter Partes* Review section of the AIA provides:

- (c) Filing Deadline- A petition for inter partes review shall be filed after the later of either—
  - (1) the date that is 9 months after the grant of a patent or issuance of a reissue of a patent; or
  - (2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

This provision makes no exception to the 9 month window for patents based on their eligibility for PGR.

Accordingly, for the stream of first-to-invent patents that will issue over the next several years, third party requesters will have to wait 9 months before filing a request for *Inter Partes* Review. The effect of the unavailability of patents for PGR until at least 2016 will be to create a multi-year, dead zone relative to those newly issued patents that fall under the pre-AIA first to invent system.

The effect of this dead zone may be to encourage patentees to initiate lawsuits within days of issuance and thereby force third parties into less effective *ex parte* reexamination proceedings. Such quick-trigger litigation is incentivized by the practical consideration that many district courts will be substantially less willing to stay litigation pending post-grant proceedings if the third party waits nine months to file a petition for *Inter Partes* Review. Especially for defendants sued in courts with a particularly swift dockets, at that point discovery



may be well underway and the trial date may be set. A third party may still resort to *ex parte* reexamination but that option is much less attractive for third party requesters based on the inability to participate in the proceeding or an appeal an adverse decision. Moreover, a later *Inter Partes* Review may be denied if the issues presented in an earlier *ex parte* reexamination were substantially similar.

Thus there will be a strong incentive for patentees who receive patents after September 16, 2012 up until about 2016 to take advantage of the nine month *Inter Partes* Review “dead zone” by suing immediately. That will work to the substantial prejudice of the targeted third parties. This effect is anomalous, temporary and not in the public’s best interests. The Office should promptly seek a technical correction amendment which addresses this temporal asymmetry<sup>3</sup>.

**Difficulty in Enforcing *Inter Partes* Review Estoppel Given  
Permissive Anonymity in Later *Ex Parte* Reexamination Requests**

The AIA precludes a third party from maintaining a proceeding on any ground that the third party reasonably could have been raised in an earlier *Inter Partes* Review. Given that *ex parte* reexamination requests are often filed anonymously, we suggest that the Office require a statement by each *ex parte* reexamination requester that this estoppel provision does not apply.

The new *Inter Partes* Review estoppel provision applies generally to proceedings before the Office:

**315 (e) Estoppel**

(1) PROCEEDINGS BEFORE THE OFFICE- The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in

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<sup>3</sup> It is believed that Congress and the USPTO are actively considering a technical amendment to the AIA for the purpose of addressing potential inconsistencies.



interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

(emphasis added) The estoppel outlined above applies not only to a subsequent request for *Inter Partes* Review from the same requester (or privies) but to any "office proceeding." In particular, this estoppel prevents the filing of an *ex parte* reexamination request if it is directed to issues which could have been raised by the same party in a previous *Inter Partes* Review.

However, given that *ex parte* reexamination requests can be filed anonymously the question arises as to how the Office can effectively enforce this estoppel. Since a later *ex parte* reexamination request might not identify the party-in-interest, it may be difficult for the Office to determine if the request should be denied under 315(e)(1)<sup>4</sup>.

It is suggested that the Office require a statement from any *ex parte* reexamination requester that the estoppel provisions of 315(e)(1) do not apply to the Requester, somewhat akin to what is required now of *Inter Partes* Reexamination requesters. For completeness, the Office could also require *ex parte* reexamination requesters to identify any previous *ex parte* reexamination filings. This would help the Office prevent the maintenance of an *ex parte* reexamination filed that the same third party filed before the *Inter Partes* Review.

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<sup>4</sup> To the extent that the Office interprets the statute's use of "maintain" as excluding *ex parte* patent reexamination (due to the lack of active participation by a petitioner, RPI or privy), such an interpretation is believed to undermine Congress' purpose in broadening the estoppel provision to other Office proceedings.



Should you require further clarification or explanation with regard to any of the above,  
please feel free to contact us.

Very truly yours,

Oblon, Spivak, McClelland,  
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A handwritten signature in cursive script, appearing to read "S. McKeown".

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