

**From:** Nancy J. Linck  
**Sent:** Wednesday, July 06, 2011 7:21 PM  
**To:** reexamimprovementcomments  
**Subject:** Streamlined Patent Reexamination Comments

Thank you for the opportunity to comment. If you have any questions, please let me know. Best,  
Nancy

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ROTHWELL, FIGG, ERNST & MANBECK, P.C.

July 6, 2011

Via Email: reexamimprovements@uspto.gov

The Honorable David Kappos  
Under Secretary of Commerce for Intellectual Property  
and Director of the United States Patent and Trademark Office  
Alexandria, VA 22313-1450  
Attention: Kenneth M. Schor

Re: Streamlined Patent Reexamination Proceedings, 76 Fed. Reg. 22854 (Apr. 25, 2011)

Dear Director Kappos:

Attached are my comments to the Office's specific proposals identified in the above-referenced request for information. I appreciate the opportunity to comment and the Office's efforts to improve reexamination.

As an initial matter, I am very concerned about an over-emphasis on "streamlining" when such streamlining has already had a negative impact on the quality of reexamination. Thus, while I understand that reexamination must be with "special dispatch," if it is to provide an alternative to litigation, I urge the Office to ensure that patent owners have a full and fair opportunity to protect their valuable patent rights – rights initially granted by the Office. Speed must be balanced with both procedural and substantive fairness. My experience is that it has not been balanced.

As noted in my June 1 presentation, I believe the *inter partes* reexamination statutes are fatally flawed and cannot be administered quickly and fairly. As an initial matter, a patent challenger must present all possible SNQs or be estopped from presenting them at a later date, either in court or in another reexamination. Because of that, the requests are necessarily voluminous. Significant time is then required for an examiner to do a thorough job reviewing such a request. Given the time pressure on examiners, the thorough job just doesn't happen, even though the brightest and best examiners have been assigned to the CRU.

There is a reason for the Federal Rules in district court litigation. They provide procedural safeguards and thus fairness to all parties. The reexamination statutes don't provide such safeguards. However, if the Office were to adopt similar safeguards, speed would be lost.

The Office has attempted to administer *inter partes* proceedings in the past, e.g., in protested reissues and interferences. These procedures have not been successful. While

interferences were ultimately handled by a handful of very experienced APJs, even then staffing 50 cases per year with approximately 8-10 full-time APJs doesn't provide a successful model for the Office. The Office should focus on its primary responsibility – examining and issuing valid patents in the first instance and leave *inter partes* matters to the courts.

Again, thank you for the opportunity to comment on the reexamination proposals. I wish you every success in your endeavors to improve the system.

Best Regards,

A handwritten signature in blue ink, appearing to read 'Nancy J. Linck', with a stylized, flowing script.

Nancy J. Linck

## A. Proposed Changes to Both *Ex Parte* and *Inter Partes* Reexamination

**Proposals 1, 2 and 3** would require additional explanation from the requester. To the extent doing so is designed to relieve the examiner from the responsibility of independently evaluating the proposed SNQs and rejections, **I recommend against adopting these proposals.** An independent examination is essential. Further, such changes may result in the filing of even larger requests than are being submitted presently and even more refusals on technical grounds. Claim charts “setting forth the pertinency and manner of applying cited prior art to every claim for which reexamination is requested,” § 311, should be sufficient. From that information, the examiner should be able to determine whether an SNQ exists.

**Recommendation:** I note that, when a request is found deficient, the filing fee is returned to the requester. In the interest of promoting compliance with the filing requirements, the filing fee should not be returned. In a somewhat analogous situation, when a patent owner requests waiver of the 30 page limit in *inter partes* appeals, the petition fee is not returned when the petition is denied.

**Proposal 4** would permit the examiner to select one or more representative rejections. An examiner faced with hundreds of pages of proposed SNQs and rejections has a difficult time performing his or her job in the short amount of time allotted. However, I question whether the procedure described in the proposal will accomplish the goal of streamlining. Because the statute requires “resolution” of each SNQ, *see* §§ 304 & 313, the examiner must ultimately address each SNQ. **I recommend against adopting this proposal** as it appears to further complicate an already very complex procedure.

**Recommendation:** A better approach to lighten the examiner’s burden would be to (1) place a page limit on the request; (2) charge a sizeable fee for each SNQ; and (3) substantively review each proposed SNQ and not adopt those that do not in fact pose an SNQ. Since denial of a request is non-appealable, the examiner does not have to contend with SNQs that are not adopted. In contrast, at least in *inter partes* reexamination, any SNQ that is adopted and on which a rejection is based can be pursued through appeal to the Federal Circuit (and likely will be by the party who lost at the Board).

**Proposals 5 and 6** would limit the timing of submission of evidence and amendments. **I recommend adopting proposal 5 and rejecting proposal 6.** Limiting submission times for amendments will result in the submission of an unnecessarily large number of new claims because the issues are not yet crystallized. In fact, that is already happening. For example, because a patent owner cannot submit amendments after a final Office action or ACP (when the need to do so may become apparent), patent owners must submit a large number of new claims with the first response. It is the patent owner’s single defense against the examiner’s wholesale adoption of a requester’s rejections. Furthermore, the proposal is contrary to statute: “[R]eexamination will be conducted according to the procedures established for initial examination . . . .

In any reexamination proceeding . . . , the patent owner will be permitted to propose *any amendment* to his patent *and a new claim or claims* thereto in order to distinguish the

invention from the prior art . . . , *or in response to a decision adverse to the patentability of a claim of a patent.*” 35 U.S.C. §§ 305 (EPR) & 314 (IPR)

**Recommendation:** Permit liberal and later amendment of claims, in recognition of the fact that the patent cannot be refiled, or, alternatively, permit continuing reexamination of a patent so that claims can be added after final, or after an ACP. If a patent owner were able to wait until the issues are crystallized to amend the claims or add new claims, fewer amendments would be made and fewer new claims would be added.

**Proposal 7** would not permit a claim amendment unless accompanied by a statement explaining how the proposed amendment renders the claims patentable in light of an SNQ. **I recommend against adopting this proposal for several reasons.** Again, this proposal is contrary to the statutory scheme: “[R]eexamination will be conducted according to the procedures established for initial examination . . . . In any reexamination proceeding . . . , the patent owner will be permitted to propose *any amendment* to his patent *and a new claim or claims* thereto in order to distinguish the invention from the prior art . . . , *or in response to a decision adverse to the patentability of a claim of a patent.*” 35 U.S.C. §§ 305 (EPR) & 314 (IPR).

The Office relies on *In re Freeman* to support this proposal. It does not do so. The court in *Freeman* held: A patentee cannot obtain broadened claims in reexam (by statute); and the patentee was prevented from arguing a different claim construction than that given by the district court because of issue preclusion. The Office relies on unclear dicta, taken out of context in the *Freeman* case.

**Recommendation:** Require examiners to do an independent evaluation of the request (read the references and independently determine whether all proposed SNQs are viable). Fewer requests would be granted and fewer SNQs would be adopted, thereby focusing the issues to be addressed. Fewer claim amendments and fewer new claims would be needed. The result would be fairer and may ultimately be faster.

## **B. Proposed Changes Specific to Ex Parte Reexamination**

**Proposal 1** would make permanent a pilot program permitting patent owner to waive the patent owner’s statement. As long as the waiver is optional and the examiner does not formulate an order prior to confirming the patent owner is waiving its right to file a statement, **I recommend continuing to give the patent owner this option.** However, it is important that the examiner not take a position prior to considering any patent owner’s statement that is filed in the reexamination. When an examiner has taken position without considering the patent owner’s position it unfairly prejudices the patent owner.

**Recommendation:** Consider giving the patent owner this option after the order has issued but before the first Office action on the merits. Doing so would likely increase use of the program and would permit the examiner to issue the Office action without waiting for the patent owner’s statement.

**Proposal 2** would permit the examiner to include a provisional FAOM with the order which “may become final in the next action,” in cases in which the patent owner has not waived the right to file a patent owner’s statement. **I recommend not adopting this proposal.** Again, the patent owner would be prejudiced by the examiner’s taking a position prior to hearing from the patent owner. While labeled “provisional,” given the time pressures on the examiner, it is unlikely the examiner would change his or her position and prepare a different FAOM. Further, based on the proposal, the FAOM is not in fact provisional. Thus, given the way the Office has proposed handling the FAOM, it appears contrary to the statute in that reexamination would begin prior to the expiration of “the times for filing the statement and reply.” § 305. It could also prevent the patent owner the opportunity to submit amendments and new claims, if the patent owner elects not to file a statement, again contrary to the patent owner’s statutory rights.

### **C. Proposed Changes Specific to Inter Partes Reexamination**

**Proposal 1** would permit a requester to dispute the examiner’s designation of a “representative” rejection. See my recommendation re “representative” rejections above (A.4). To the extent the Office adopts A.4, this proposal would add further complexity to the procedure. With that said, **I have no recommendation** regarding this proposal.

**Proposal 2** would consolidate the ACP and the RAN and replace them with one final Office action. If the Office provides patent owner with a fair opportunity to respond and amend claims after final, then **I recommend adopting proposal C.2.**

**Proposal 3** would limit a requester’s brief to appealing an examiner’s decision that a claim is patentable and permit additional bases to cancel a rejected claim only in a respondent brief. **I recommend adopting proposal C.3.** This proposal conforms to the statute and is consistent with court appeals.

#### **Answers to questions proposed in the notice:**

1. Yes, with the caveat that streamlining is balanced with fairness for the parties.
2. Yes, absolutely.
3. Yes, particularly the page limit for appellate briefs.
4. No, it would be contrary to statute. But see recommendation under A.6 above.
5. No, it should critically evaluate whether an SNQ has been presented. That’s not happening today in many cases.
6. The times for filing are appropriate in most cases, but petitions should be more liberally granted (and decided promptly). Many times, there are valid reasons for needing additional time.

7. This must be done on a case-by-case basis but should not be arbitrary. Petitions should be decided promptly by someone charged to handle petitions so that petitioners are treated fairly and evenly.
8. No. Information becomes available over the period a reexamination is proceeding, particularly when coupled with litigation. Placing such restrictions on the submission of an IDS is not justified by statute and would be very burdensome on the patent owner.
9. *Ex parte* reexaminations should not be merged with *inter partes* reexaminations. Reissues should not be merged with a reexamination. The procedures and rights of the parties are quite different in the three procedures, and merging jeopardizes those rights. If multiple *ex parte* reexaminations or *inter partes* reexaminations are filed close in time, then merging makes sense. Otherwise, it does not.
10. Relief should be by petition for extension of time (which must be decided immediately and not arbitrarily). If a requester has lost more than 5 days due to service (and can establish a delivery date), then additional time should be permitted to compensate for the lost time.
11. Regarding electronic communication, the Office should permit electronic filing of all documents (including declarations and exhibits). It should also permit the examiners to send communications via email (such as the grant of a petition for extension of time). Until the Office accommodates such filings, it should not require requesters and patent owners to e-file.
12. Given the statutory scheme at present, the Board cannot step in the shoes of the examiner. The examiner must handle amendments and new issues.
13. The reexamination procedures must be fair. Too much emphasis on speed has detracted from the quality of reexamination. Each change must be made with fairness in mind and with the understanding that valuable rights –rights initially granted by the Office – are at stake. Petitions are very important to reexamination (similar to motion practice in court). Thus, there should be an office devoted to reexamination petitions to ensure the decisions are well considered and not arbitrary and are issued quickly. The CRU examiners should not decide petitions. See also my recommendations above.