

Round Table on Equities in Inter Partes Reexamination Proceedings

Statement by

Charles Van Horn
Esq., Finnegan, Henderson, Farabow, Garrett and Dunner
on behalf of the AIPLA

February 17, 2004

MR. VAN HORN: I'm Charlie Van Horn, here today on behalf of AIPLA. AIPLA has supported inter partes reexamination to provide third parties with an efficient, effective, and relatively inexpensive procedure for the office to address issued patents. However, in spite of recent amendments that have removed some of the deterrent for use of this present system, other features remain that unduly limit use of this procedure.

Among the procedures of inter partes reexamination that are most often mentioned as being unfair to both competitors and the public interest in the grant of valid patents are: one, the estoppels created by participation in inter partes reexamination in the absence of the availability of discovery; two, limits on the issues that can be raised in reexamination; three, the limits, as Nancy mentioned, on the patents that are eligible for inter partes reexamination; and, four, an imbalance between the duties owed to the USPTO by the patent owner and the third-party requester.

We recognize that these features are ones of the law that USPTO has no control over to manage. We are not aware of any problems in the USPTO at this time in their administration of the inter partes system, but this is not true for ex parte reexamination where lack of special dispatch, supervisory review, and management oversight are unfortunately rampant.

The attractiveness and reliability of any post-grant system is and will be heavily dependent on the perception and reality of the USPTO can make it work. The AIPLA has created a special committee on patent legislative strategies to focus on legislative changes that are desirable and achievable for the U.S. patent system in the near term. Like the recent FTC report, one of the initiatives identified by the committee is a post-grant proceeding that contains an ideal mix of features for a fair, prompt, and effective resolution of new patentability issues that are typically addressed in the PTO examination process. The challenge is significant, for no country or office has achieved a system that is recognized as achieving these worthy goals, but the time is ripe to make another effort.

While our own consideration within AIPLA of an ideal post-grant opposition proceeding is far from complete, and we are very interested in the parallel effort being made by the USPTO, some of the features that are being seriously discussed at this time for such a proceeding are as follows:

First, although still controversial, an opposition request must be made within nine months of patent grant unless the patentee and requester agree to a later request. There are a significant number of people, however, that would support availability of this system throughout the term of the patent.

Secondly, the grounds for opposition include Sections 102 and 103 based on patents and publications and Section 112, first and second paragraph, except best mode.

Third, all direct evidence shall be presented by declaration with declarants subject to cross-examination by deposition.

Fourth, the opposition should be assigned to an administrative patent judge.

Fifth, parties have rights of appeal, as in the current inter partes reexamination system.

Sixth, there be no statutory estoppels based on participation in such a proceeding.

And, seven, a final USPTO decision or determination would occur within one year, with the possibility of a six-month extension.

Thank you very much.