

Round Table Meeting Regarding the Equities of Inter Partes Reexamination Proceedings, U.S. Patent and Trademark Office, Wash. D.C, February 17, 2004

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Overruling *In re Portola Packaging*¹ by amendment of 35 USC 303 (a) apparently did not open a flood gate of *inter partes* reexamination requests.² Accepting that a substantial new question of patentability may arise when reexamining prior art previously of record is an important addition to the public housekeeping function that *inter partes* reexamination provides, even in its present form. It is understandable how unwelcome it may be from the standpoint of the PTO to receive a reexamination request on issues of prior art already in the record. However, the public knows that the patent applicant and advocate are not in the same foxhole with the Examiner during the original discourse. With the limited time allotted for completing examination, 100% infallible results are humanly impossible. In dealing with this reality and achieving the goals of enhanced patent quality a more effective and efficient inquiry is needed to balance the equities in reexamination. Without a commitment to invigorate 37 CFR Subpart H, §§ 1.092-1.997, the patent bar and public lack clear direction. Aspects needing attention are discussed below.

Experience with *inter partes* reexamination after enactment of HR 2215 reveals that under foreseeable circumstances, the present rules have the effect of reducing the *inter partes* process to something less than an *ex parte* reexamination, from the vantage point of a third party requester. This situation can arise because of the language of 37 CFR §§ 1.947, 1.948, and 1.951 (b). These rules control the right of the third party requester to comment on determinations made by the reexamination Examiner, after the order is given. In every instance, these rules preclude a third party requester from responding to an office action, including an action closing prosecution, when the patent owner remains

silent. Significant issues of fact can evade adequate resolution, with the effect of leaving the record inappropriate for appeal. Impaling the third party requester with estoppels attaching to issues that were “raised or could have been raised” but precluded from adequate resolution is far out of balance of due process, invites capriciousness and does not serve the interests of efficiency.

Specifically, after the order granting reexamination, a third party requester cannot respond to the office action unless and until the patent owner responds. Additional comment and citations of prior art, to meet a preponderance standard on even the most rudimentary issues of fact, or in filling a glaring gap in assessing the level of ordinary skill, nonetheless cannot be brought to bear because §1.948 allows further comment and citation only as part of a “comments submission” under §§ 1.947, or 1.951 (b). Section 1.947 is triggered for the third party requester only upon a response by the patent owner. After the close of prosecution, § 1.501(b) is likewise triggered only if and when the patent owner responds. The third party cannot respond therefore after an action closing prosecution, and must await a right of appeal notice in this instance, take appeal and present additional prior art, affidavits, declarations, exhibits and/or comments in an appeal brief. Rule 1.975 would bar admitting affidavits, declarations, or exhibits on appeal without a showing of good and sufficient reasons why they were not submitted earlier. The showing is obvious where the rules have worked to preclude prior submissions by the third party requester. The crafters of 37 CFR, Subpart H are presumed to not have intended that (i) an *inter partes* reexamination could operate with less public access than is available in an *ex parte* reexamination, (ii) that a reexamination record could arrive in unacceptable form at appeal, and (iii) that review of such a record beyond the Patent Board could ensue.

Although not confirmed by empirical data, the 35 USC 315 (c) preclusion of issues “raised or could have been raised” standard may have the effect of exploding the issues in reexaminations, unduly burdening the PTO rather than attracting a sharper focus on

supposed errors in applying the basic patentability standards. The estoppels under 35 U.S.C. 315 (c) of essentially every issue, as well as on facts³ are certainly inequitable where a third party requester encounters unworkable rules, in light of §1.907. The mandatory third panel review (65 FR 76755) and proposed additional legal oversight anticipated in 65 FR 76758 is welcomed to facilitate quality in the reexamination process.

A fundamental problem not adequately addressed in the current reexamination scheme, and one that the public occasionally encounters owes to the skill in crafting patent claims that can be rendered inoculated from reexamination. As an example, claims issuing after 1999 in a mature art, to broad compositions of matter, characterized by an apparent novel performance parameter, or property limitation can evade adequate application of the law under 35 USC §§ 102 and 103 in the first instance and evade reexamination under the current rules, where claim features can be confirmed only by parameters in the intrinsic record, beyond explicit support in prior art patents or printed publications. A third party requester, not the Patent Office, is equipped and committed to look behind a façade if one exists, and the Patent Office is equipped to make determinations, but on a balanced record. The public is sensitized particularly where errors occur in the grant of claims representing a design around of the closest prior art. The estoppel on facts determined⁴ is inequitable absent a counterbalancing with more sophisticated, yet circumscribed rules to frame the questions and controverted facts and prescribe the evidence necessary for a determination. This is feasible in patent matters since factual matters can often be resolved by rebutted objective showings that are not of the sort requiring cross-examination or demeanor evidence.

The public interest is not served by continuing a wanton display of how the reexamination system can be gamed. Where the prior examination record would have supported shifting the burden to the patent owner but for a preponderance showing not apparent in the first instance, such a showing should be obtainable in a balanced, circumscribed reexamination. If the *inter partes* reexamination rules are fashioned to

better account for application of our basic patentability standards under 35 U.S.C. 102 and 103, this will contribute to strengthening the public faith in patents in no small way.

¹ 110 F.3d 786 (Fed. Cir. 1997), 42 U.S.P.Q.2d 1295 (1997), *petition for rehearing denied*, 44 U.S.P.Q.2d 1060 (1997). Enacted from HR 2215, Public Law 107-273 § 13105-(a).

² There were 5 *inter partes* reexamination requests filed between 2001 and Nov. 2002, prior to enactment of HR 2215. After HR-2215, from Nov. 2002 to the present as of Feb. 3, 2004 OG, there have been 28 requests filed.

³ § 4607 of the Optional Inter Partes Reexamination Act of 1999.

⁴ *Id.*