

Patent Armoring Via Reissue Proceedings

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In 2011, the America Invents Act implemented several new post-issuance proceedings to challenge patent validity. These new proceedings include post-grant reviews and inter partes reviews.[1] Initial experience with inter partes reviews has shown a high rate of successful invalidity challenges and patent claim cancelations. This high rate of success should alert patentees to the fact that some of their patent claims will likely be declared invalid if attacked in post-grant review or inter partes review. Thus, patentees should be proactive in thoroughly evaluating their IP portfolio for weaknesses before they are attacked in post-grant review or inter partes review.



Gaby L. Longworth, Ph.D.

One way to correct certain errors and perceived weaknesses that can render a patent partly or wholly inoperable or invalid in a later proceeding is by filing a reissue application. Reissue applications enable a patentee to amend or add new claims, and file continuation and divisional reissue applications from the reissue application. This article will address what a patentee should know before filing a reissue. In particular, the pros and cons of reissues, when reissues make sense, and how reissues can shield against possible post-issuance attacks.

The AIA-Created Post-Grant Proceedings Are the New Patent Destroyers

When the AIA was enacted, a major change was switching the United States from a "First to Invent" to a "First-Inventor-to File" system. While this was perceived as the most important change from past practice, perhaps few anticipated how successful the newly created post-grant patent validity challenges would become. Post-grant reviews and inter partes reviews each offer a method of challenging patent validity that is faster and less expensive than most district court litigations, and even ITC litigation.

Post-grant reviews must be filed by a third party within nine months of the grant of an eligible patent (a patent issuing from an application subject to the First-Inventor-to-File provisions of the AIA, which became effective March 16, 2013, or a reissue patent[2]).[3] Invalidity can be asserted on any ground related to patent invalidity under 35 U.S.C. §101, §102, §103, and §112, except best mode.[4] Inter partes reviews can be filed by a third party immediately after patent grant, or issuance of a reissue patent, for patents filed prior to March 16, 2013, or nine months after issuance of patents examined under the First-Inventor-to-File provisions of the AIA (i.e., patents filed on or after March 16, 2013).[5] The third party can request the cancellation of one or more claims for novelty or obviousness based

solely on printed publications and patents.[6] The burden of proof on the requesting party for these post-grant proceedings is "preponderance of the evidence" that the claim is unpatentable, which is significantly lower than the district court's "clear and convincing evidence" standard.[7] Claims are also primarily subject to a broadest, reasonable interpretation, potentially opening them up to a wider universe of prior art.

Because post-grant reviews are filed on patents filed on or after March 16, 2013, to date no post-grant review trial has been instituted.[8] However, a significant number of post-grant review filings is expected as more eligible patents issue. Inter partes reviews became available on Sept. 16, 2012, and filings have been steadily increasing. To date, 1,664 inter partes review petitions have been filed with the new Patent Trial and Appeal Board. For those petitions, the board instituted trial 80 percent of the time. And as of August 2014, the board issued final written decisions in 99 inter partes reviews and canceled 72 percent of the claims for which trial was instituted.[9] These statistics do not bode well for patentees.

Patentees need to identify weaknesses and/or strengthen their IP portfolio prior to being attacked in post-grant review or inter partes review. Any errors or perceived vulnerabilities should be identified, and patent validity assessed in view of new prior art discovered or old prior art not disclosed during the original examination. Filing a reissue application to correct errors and perceived weaknesses should make the patents more difficult to attack prior to a validity challenge being instituted.

Errors Correctable by Reissue

A patent owner files a reissue application to correct one or more errors in the patent that make the patent partially or completely inoperable or invalid.[10] A reissue application can be filed on any unexpired patent. A reissue application undergoes complete examination, similar to a standard nonprovisional application. Surrender of the patent for which reissue is requested is automatic upon the grant of the reissue patent.[11] The term of the reissued patent will remain the same as the original patent, unless a terminal disclaimer is filed.[12] Finally, under the AIA, there is no longer a need to declare that the error occurred without deceptive intent, thus potentially broadening the universe of correctable errors.[13]

Not all errors and weaknesses can be corrected by reissue. Correcting an improper terminal disclaimer, or removing a previously filed terminal disclaimer from an issued patent cannot be accomplished, and no new matter can be added during reissue.[14] Additionally, a patentee cannot file a reissue to add claims related to a nonfiled divisional after an examiner-mandated restriction requirement.[15]

Correctable errors include mistakes or inaccuracies in the specification or drawings, incorrect inventorship, claims that need to be broadened or narrowed, or improper referencing of a priority document, all subject to the new matter prohibition.[16] A broadening reissue must be filed within two years of the grant of the patent but narrowing reissues may be filed at any time.[17] In *In re Tanaka*, the Federal Circuit provided an easy entrée into a proper reissue application holding that adding one narrower claim in a reissue application is a sufficient basis for correcting an error under 35 U.S.C. §251 as the omission of a narrower claim from a patent can render the patent partly inoperative by failing to fully protect the disclosed invention.[18] Thus, a reissue application is proper when the error alleged is not including narrower (backup) claims as a hedge against possible invalidity of the original claims.[19]

Reinforcing Patents By Filing a Reissue

With the threat of a post-grant proceeding, reissues provide a way to strengthen a company's patents. If a patentee received patent protection for claims broader than the disclosure or the prior art should have allowed, those claims can be narrowed in reissue to preserve validity against possible future patent validity challenges.[20] Similarly, if a patentee discloses unclaimed embodiments or species, broader claims can be added by reissue, as long as the broadening reissue is filed within two years of the patent's issue date.[21] Additionally, similar to original examination, these claim amendments are entered as a matter of right as long as proper procedure is followed, unlike motions to amend practice in inter partes review where the ability to amend claims is severely limited.[22]

In fact, when a motion to amend claims is filed during an inter partes review, the motion will be granted only if: (1) the amendment responds to a ground of unpatentability involved in the trial; (2) the amendment does not broaden any aspect of the scope of the claims or introduce new matter; (3) the patentee proposes a reasonable number of substitute claims (the board has been very stringent typically allowing only one substitute claim per challenged claim); and (4) the patentee provides detailed support for the amendment in the original disclosure.[23] Also, the patentee bears the burden of proof to demonstrate that any new or amended claim is patentable over all prior art. The ability to easily amend or add claims is a significant advantage of reissue that is not readily available once a patent is challenged in an AIA proceeding at the PTO.

A patentee can also file a continuation reissue application off a reissue. The same requirements apply to such a continuation reissue application as during regular prosecution.[24] If some claims are rejected and others allowed in a reissue, the patentee can file a continuation reissue application to pursue the rejected claims and allow the first reissue application to issue. Filing a continuation reissue application could lead to separately assertable reissue patents, which may be more difficult to invalidate during inter partes review or post-grant review proceedings. Also, similar to original prosecution, reissue applications allow for requests for continued application procedures. Another benefit of a reissue continuation is the tolling of the two-year time period for presenting broadened claims as shown in *In re Staats*. [25] Here, a first broadening reissue was filed within the two-year period as required by statute. While the first broadening reissue was pending, a broadening reissue continuation was filed outside of the two-year period. The first two reissue applications were granted. While the second reissue was pending, and almost seven years from the original patent issue date, a third broadening reissue was filed. The Federal Circuit found this use of broadening reissue proper holding that the "section 251's two-year time limit applied to the filing date only" of the first broadening reissue application." [26]

During a reissue proceeding, the patentee can decide to abandon the reissue leaving the original patent in place.[27] However, as all reissue proceedings at the PTO are publicly available, any new prior art that came to light can potentially be used against the patentee in a later post-grant proceeding.

Risk Associated with Filing a Reissue Application

Although there are certain advantages associated with filing a reissue application, there is some risk. For example, during examination, the examiner may raise any reason for lack of patentability under any section of the statute and from any type of prior art, including obviousness-type double patenting. Thus, one risk of filing a reissue application is that the examiner can raise an obviousness-type double patenting rejection using a later-filed, earlier-expiring patent as the reference.[28]

In addition, filing a reissue application opens up the new reissue claims to attack under post-grant

review where the earlier issued patent was perhaps not eligible for post-grant review.[29] And it appears likely that regardless of whether a post-grant review or inter partes review is instituted before or after a reissue application is filed, the reissue can be stayed pending the outcome of the proceeding within the one-year statutory period from institution.

Recapture Precluding Broadening Subject Matter in Reissue

Patentees should be cognizant of the rule against recapture. The rule against recapture prevents a patentee from trying to reclaim subject matter that was surrendered during prosecution to overcome a rejection. In other words, subject matter surrendered during prosecution of the original patent cannot be recaptured by filing a reissue application. Surrendered subject matter includes the scope of claims that were canceled or amended to obtain the allowance of the original patent, or a particular claim limitation that was added or argued to overcome a prior art rejection. A patentee may also violate the rule against recapture by claiming subject matter in a reissue application that the patentee surrendered during prosecution of a related patent application.

Undoubtedly, when drafting and prosecuting patent applications, patent prosecutors should incorporate best practices gleaned from recent court decisions and post-grant proceedings to obtain strong patents. However, to protect already issued patents that may be vulnerable to attack, reissue offers a patentee several strategic options and may be a useful weapon in a patentee's arsenal to strengthen its patents before they are attacked.

—By Gaby L. Longworth, John M. Covert and Matthew Smith, Sterne Kessler Goldstein & Fox PLLC

Gaby Longworth, Ph.D., and John Covert are directors and Matthew Smith, Ph.D., was a 2014 summer associate in the biotechnology/chemical practice group at Washington, D.C.-based intellectual property law firm Sterne Kessler Goldstein & Fox. The authors thank their colleague Jason D. Eisenberg for his valuable contributions to this article.

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[1] Covered Business Method review is another AIA-implemented post-issuance proceeding to challenge the patentability of one or more claims in a covered business method patent. The discussion in this article equally applies to Covered Business Method patents.

[2] 35 U.S.C. §251.

[3] 35 U.S.C. §321 (2012).

[4] 35 U.S.C. §§321(a)-(c); In Covered Business Method proceedings, the USPTO has indicated that obviousness-type double patenting (ODP) is not available as it is non-statutory.

[5] 35 U.S.C. §311 (2012).

[6] 35 U.S.C. §311 (2012).

[7] 35 U.S.C. §§316(e), 326(e) (2012).

[8] A post-grant review petition was filed on August 5, 2014, challenging U.S. Patent No. 8,684,420 B2 to Choon's Design Inc. covering the Rainbow Loom toy for making colorful rubber band bracelets popular with grade-school age children. LaRose Industries, LLC v. Choon's Design Inc., PGR2014-00008.

[9] <http://www.ipwatchdog.com/2014/03/24/ptab-death-squads-are-all-commercially-viable-patents-invalid/id=48642/>

[10] 35 U.S.C. §251 (2012).

[11] 37 CFR §1.178(a).

[12] MPEP §§1405, 1416.

[13] MPEP §1401; 35 U.S.C. §251(a).

[14] *In re Dinsmore*, 2013-1637, slip op. 2 (June 10, 2014, Fed. Cir.); *In re Yamazaki*, 702 F.3d 1327, 1328 (Fed. Cir. 2012); 35 U.S.C. §251 (2012).

[15] *In re Watkinson*, 900 F.2d 230 (Fed. Cir. 1990); *In re Orita*, 550 F.2d 1277, 1280 (C.C.P.A. 1977).

[16] *Forest Labs, Inc. v. Ivax Pharms., Inc.*, 438 F. Supp. 2d 479, 497 (D. Del. 2006), *aff'd*, 501 F.3d 1263 (Fed. Cir. 2007); *C.R. Bard v. M3 Sys.*, 157 F.3d 1340, 1354 (Fed. Cir. 1998); 35 U.S.C. §251 (2012); MPEP 1402.

[17] 35 U.S.C. §251 (2012).

[18] *In re Tanaka*, 640 F.3d 1246, 1249 (Fed. Cir. 2011) (holding that "adding dependent claims as a hedge against possible invalidity of original claims is a proper reason for asking that a reissue be granted.").

[19] *In re Tanaka*, 640 F.3d 1246, 1249 (Fed. Cir. 2011).

[20] *In re Tanaka*, 640 F.3d 1246, 1249 (Fed. Cir. 2011).

[21] *Chisum on Patents* § 15.03(1)(a).

[22] 37 C.F.R. §1.173.

[23] 37 C.F.R. §42.121.

[24] See *In re Graff*, 111 F.3d 874, 876-77 (Fed. Cir. 1997).

[25] *In re Staats*, 671 F.3d 1350, 1355 (Fed. Cir. 2012).

[26] *In re Staats*, 671 F.3d 1350, 1355 (Fed. Cir. 2012).

[27] 37 C.F.R. §1.178; MPEP §1416.

[28] See reissue application file wrapper of U.S. Patent No. 5,800,808, assigned to Yeda Research and Development Co., Ltd.; and *Gilead Sciences v. Natco Pharma* (Fed. Cir., April 22, 2014).

[29] From Patent Reissue: Strategic Use After AIA by Donna Meuth, Erika Arner, Deborah Herzfeld and Tom Irving.

[30] From Patent Reissue: Strategic Use After AIA by Donna Meuth, Erika Arner, Deborah Herzfeld and Tom Irving.

[31] *North Am. Container, Inc. v. Plastipak, Inc.*, 415 F.3d 1335, 1349 (Fed. Cir. 2005); *In re Clement*, 131 F.3d 1464, 1468 (Fed. Cir. 1997); MPEP §1412.02.

[32] *North Am. Container, Inc. v. Plastipak, Inc.*, 415 F.3d 1335, 1349 (Fed. Cir. 2005); *In re Clement*, 131 F.3d 1464, 1468 (Fed. Cir. 1997); MPEP §1412.02.

[33] *In re Mostafazadeh*, 643 F.3d 1353, 98 USPQ2d 1639 (Fed. Cir. 2011); *In re Youman*, 679 F.3d 1335 (Fed. Cir. 2012); MPEP §1412.02.

[34] *MBO Labs., Inc. v. Becton, Dickinson & Co.*, 602 F.3d 1306 (Fed. Cir. 2010).