

Reexamination Statistics and the Federal Circuit's SNQ Clarification/Expansion

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The recent resurgence in ex parte reexamination demonstrates the importance of this post-grant review vehicle. It has become particularly important for patent challengers who may be estopped from requesting inter partes review (IPR), and for challengers who, for varying reasons, were unsuccessful before the Patent Trial and Appeal Board (PTAB). We review here the most recent ex parte reexamination statistics. We also cover new Federal Circuit case law elucidating what is required to establish a substantial new question of patentability (SNQ), which is the threshold requirement to initiate an ex parte reexamination.

As a preview, the most recent reexamination statistics indicate that both Requesters and Patent Owners may need to redefine what it means to succeed at the Central Reexamination Unit (CRU). This is because many patents emerge from reexamination only when claims are amended to avoid prior art.

In addition, Requesters and Patent Owners should consider the Federal Circuit's holding in *In re Collect*, 81 F.4th 1216 (Fed. Cir. 2023). There, the court lowered the threshold for finding an SNQ, bringing into play issues an Examiner circumstantially *might* have considered, but did not expressly consider in the file history. This is because the reexamination Requester should not have to disprove a negative implication when the Examiner fails to perform an act they could have performed.

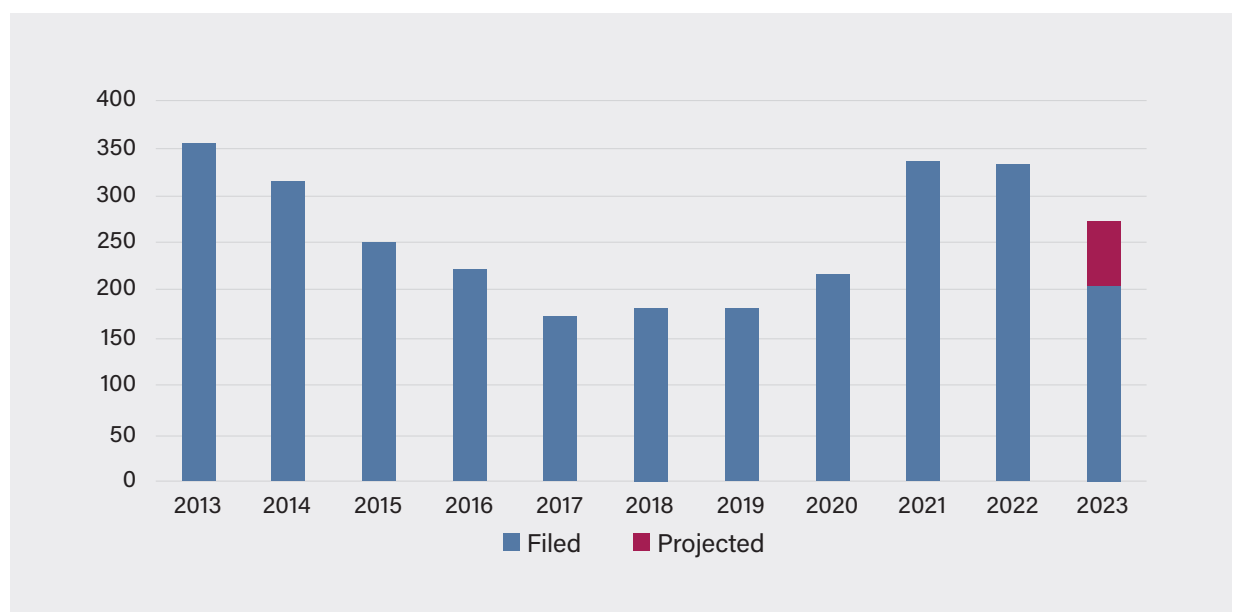
Statistics

After the America Invents Act (AIA) came into effect in 2012, ex parte reexamination filings steadily declined until 2019, when they began to rebound. Notwithstanding changes the current PTO administration has made with respect to discretionary denials of IPR petitions, 2023 saw a solid pace continue for a third straight year. However, reexamination requests will most likely never return to the popularity that they achieved in the years just prior to the passage of the AIA, when 600 to 800 new requests per year was the norm.

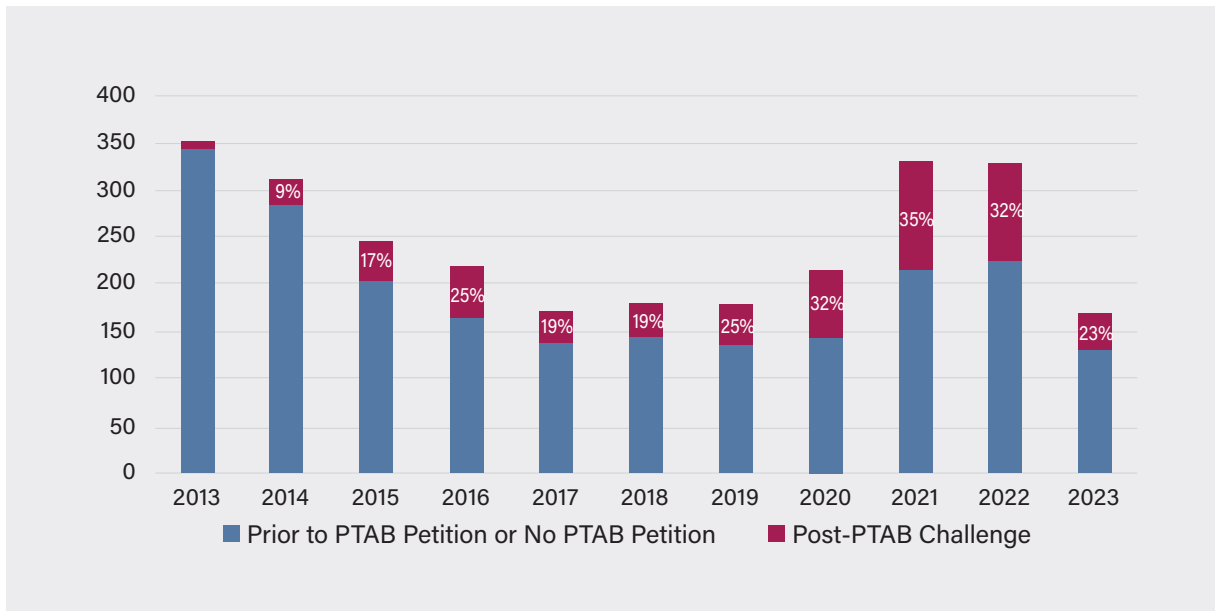
Beginning in 2020, about a third of ex parte reexaminations filed were against patents that had already faced an AIA challenge at the PTAB. The steady stream of requests for ex parte reexaminations filed after a "failed" AIA challenge has continued, but a dip in 2023 indicates that this trend should be watched closely in the coming years. Still, about a quarter to a third of all reexaminations in the most recent years were so-called do-over post grant challenges.

As we reported in our 2021 publication, historically, a CRU determination that all the claims of a patent were unpatentable at the conclusion of a reexamination proceeding was rare, coming in at around 10-15 % (whether or not a patent owner or a third party files the request). However, in recent years, the number of cases where all claims of

Reexam Requests Filed



Reexam-Requested Patents — PTAB Challenge Status



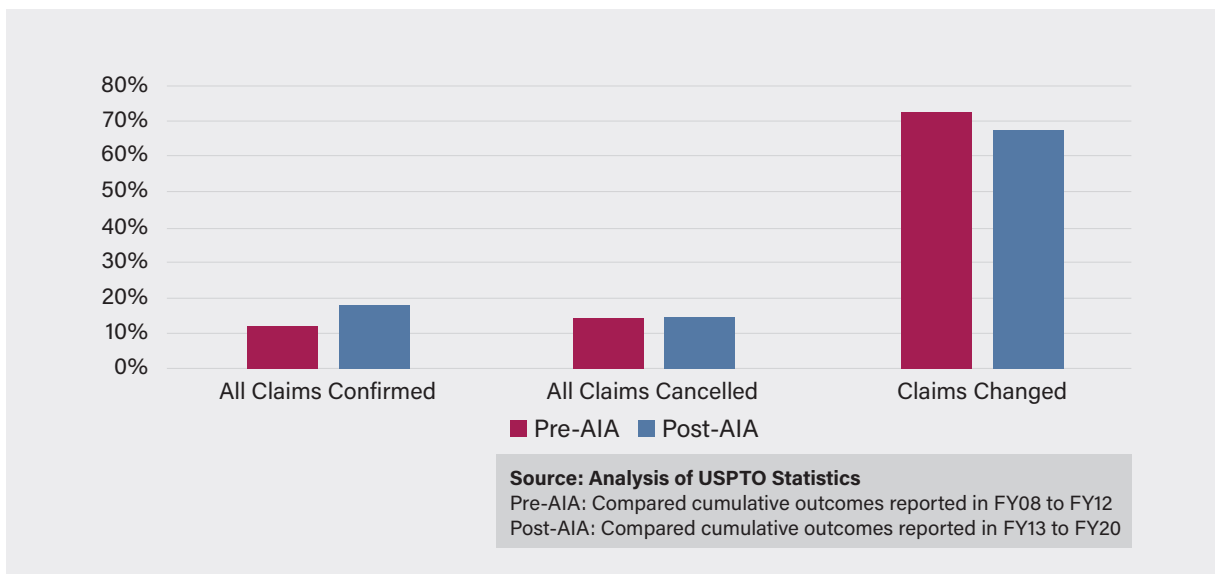
a patent are found unpatentable has increased to about 15-20% of the time. Thus, it appears it is becoming more difficult for Patent Owners to exit reexamination with unamended claims.

Not surprisingly, then, Patent Owners appear to have responded with more reexamination amendments. And those strategic amendments, in turn, have obtained favorable outcomes such as adding additional claims directed to infringing products. Without amendment, on the other hand, the reexamination process has benefited Requesters in recent years, with a majority of reexaminations terminating with none of the originally challenged claims confirmed as patentable.

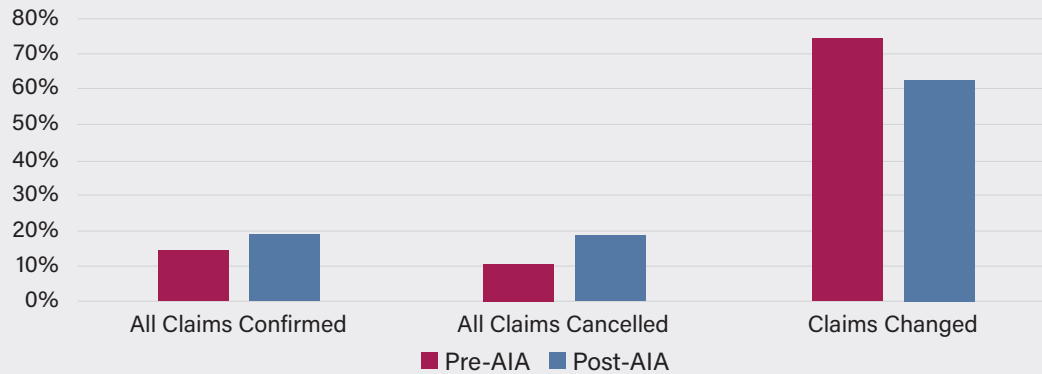
Of particular interest is a more granular breakdown looking at all outcomes for claims challenged in a reexamination request, showing 64% of challenged claims emerging from reexamination either canceled or narrowed in scope.

If we shift the analysis to consider new claims presented and allowed during reexamination, we can see why Patent Owners are seizing the opportunity to add new claims to their patents during reexamination. As shown, 17% of claims listed in reexamination certificates are newly added over the course of the reexamination. These new claims are a mixed bag result for Patent Owners. They emerge having survived CRU scrutiny, but due to

Ex Parte Reexam Outcomes Patent Owner Requester



Ex Parte Reexam Outcomes Third Party Requester



Source: Analysis of USPTO Statistics

Pre-AIA: Compared cumulative outcomes reported in FY08 to FY12
Post-AIA: Compared cumulative outcomes reported in FY13 to FY20

intervening rights, the new claims are only valuable from an infringement perspective from the conclusion of the reexamination proceeding going forward.

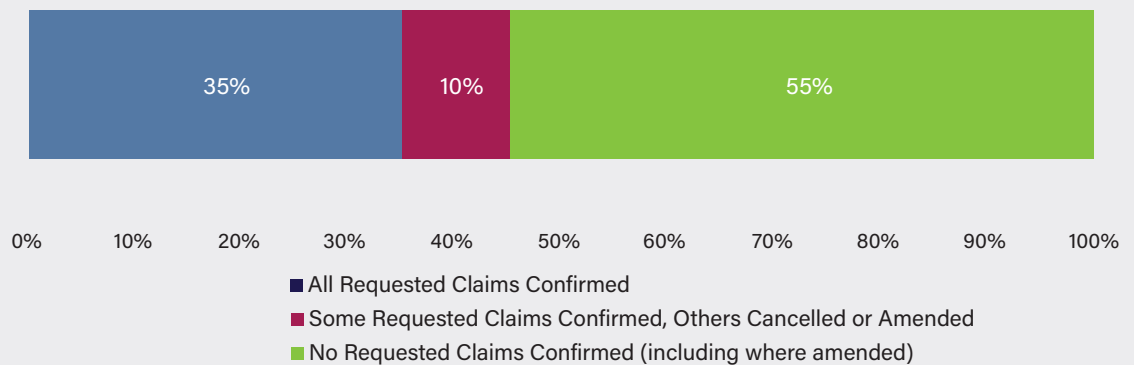
In the end, the statistics show that there are a variety of success metrics for both Requesters and Patent Owners.

Requesters may define success as forcing Patent Owner to submit narrowing amendments and adding new,

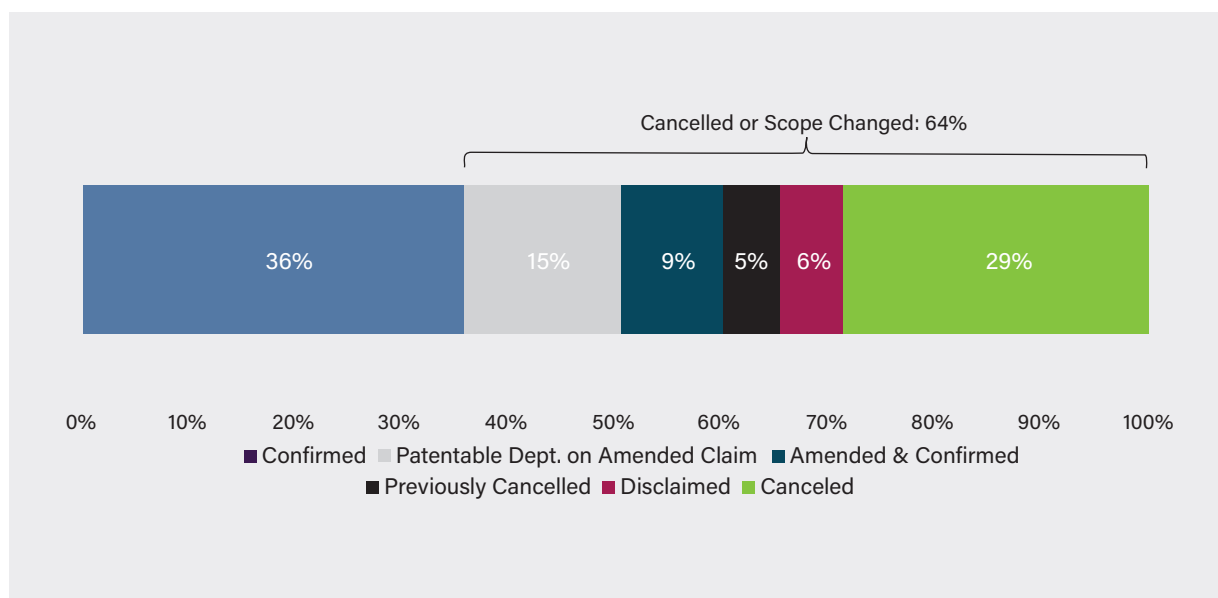
narrower claims to initiate intervening rights that help to eliminate or reduce damages.

Patent Owners may define success as shepherding a patent out of reexamination even if that means accepting narrowing amendments. And Patent Owners should also consider taking advantage of reopening examination to add *new* claims focused on infringement reads, along with any amendments to strengthen the original claims.

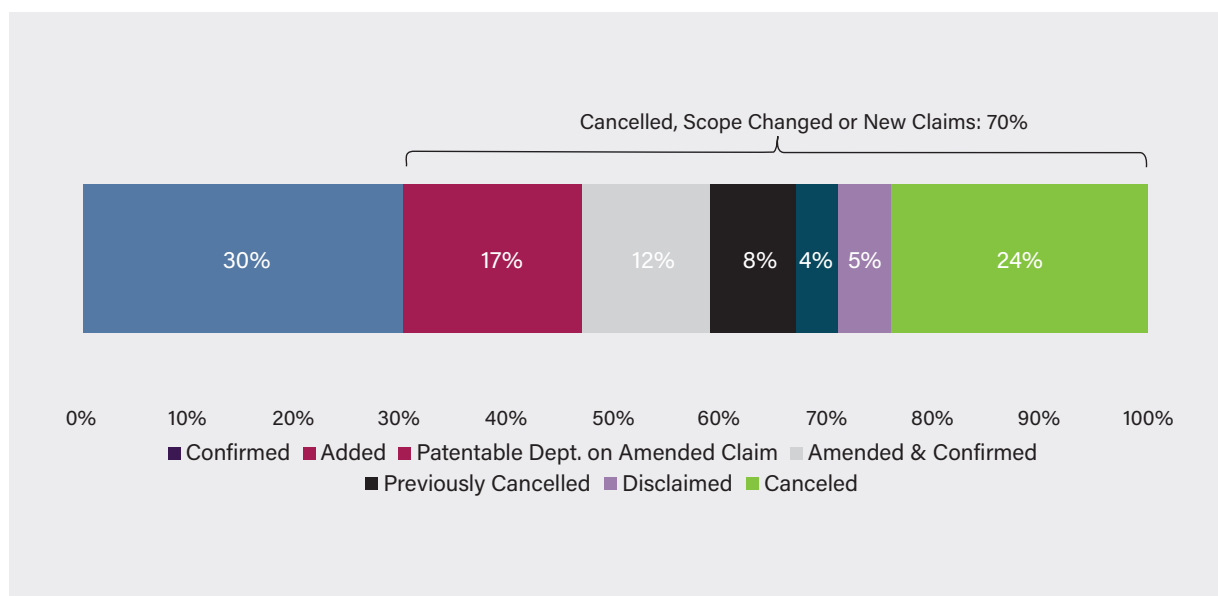
Reexam Proceeding Outcomes 2021-23



Claim Outcomes: Requested Claims Only 2021-23



Claim Outcomes: Requested and Added Claims 2021-23



***In re Collect* clarifies/expands the boundary of SNQ**

Requesters and Patent Owners alike have often wrestled with whether circumstantial evidence pointing to what an Examiner should have considered during prosecution before allowing a claim effects whether that same issue is ripe to be an SNQ. For example, if a small IDS is submitted and acknowledged during the original prosecution and that IDS contains prior art that explicitly reads on the patented claims, is the examiner's consideration of that IDS a deterrent to using that prior

art in reexamination? Or is there an obviousness double patenting (ODP) SNQ when an Examiner examining an entire family of patents inconsistently issues ODP rejections during original prosecutions?

In August, the Federal Circuit answered these questions in *In re Collect*, 81 F.4th 1216 (Fed. Cir. 2023). Much of the press related to this case rightfully surrounds its obviousness double patenting holding and whether ODP should take into account patent term adjustment (PTA), which is not directly addressed in this article. However, the decision also provides a clarification of what constitutes an SNQ.

In *Collect* the core SNQ issue addressed was this: If the Examiner had all related patents in front of them and did not issue an obviousness double patent (ODP) rejection, does that remove ODP from being a proper SNQ because it was circumstantially already considered by the Examiner? According to the Federal Circuit, no – circumstantial evidence that an Examiner considered an issue is not sufficient to preclude an SNQ.

Here, the Examiner handling the family of patent applications issued ODP rejections for some patent applications in the family, but not for the applications underlying the patents addressed in this Federal Circuit case. Patent Owner argued the spectrum of ODP rejections proved the Examiner considered ODP for all family members and allowed these claims without issuing an ODP rejection. Thus, Patent Owner contended, Requester was not allowed to use ODP for the patent as an SNQ since it was not a *new question* or in a question viewed in *new light*. *Id.* at 1230. The USPTO countered that mere knowledge of the family of related patents is not enough to prove the Examiner considered ODP for each and every patent in that family, and as such, that ODP was a proper SNQ. *Id.*

Under a substantial evidence standard, the Court affirmed the Board's determination that an issue that only *might* have been considered by an Examiner, without more, can be properly raised as an SNQ. *Id.* at 1231. Namely, the Court held:

We agree with the USPTO that the Board's determination that the reexamination requests raised a substantial new question of patentability was supported by substantial evidence. *Collect*'s arguments lack merit and amount to little more than attempting to prove a negative. The examiner's willingness to issue ODP rejections of claims in other *Collect*-owned patent applications but not in the challenged patents and his knowledge of the reference patents do not affirmatively indicate that he considered ODP here. Further, "[t]he existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the [USPTO] or considered by the [USPTO]." 35 U.S.C. § 303(a). And, as the Board notes, neither party points to anything in the prosecution history that affirmatively indicates that the examiner considered whether or not an ODP rejection should be made. We thus conclude that the Board's findings were supported by substantial evidence and that a substantial new

question of patentability was present in the underlying *ex parte* reexaminations.

A substantial new question of patentability requires just that—a substantial new question. Here, where *Collect* itself does not indicate a single portion of the prosecution history explicitly showing that the examiner considered ODP, the threshold for showing a substantial new question has been met. The fact that this case is before us here without terminal disclaimers having been required itself strongly suggests that the examiner did not consider the issue.

Id.

Because ODP is proper for consideration in reexamination, Requesters and Patent Owners alike should consider all ODP implications that may arise during reexamination proceedings.

And although a narrow issue in *Collect*, i.e., ODP, we will wait and see if the holding is used by Requesters and the USPTO to expand what may be considered a proper SNQ. For example, the authors believe by the Court's logic, an expansion of what is available for an SNQ might also encompass lessening the deterrent of using art found in an IDS that was not directly addressed during prosecution even if indicated as being considered by the Examiner.

Potential Implications on § 325(d) analysis

As also discussed in 2021, we addressed a comparison between SNQ analysis and § 325(d) analysis to determine if "the same or substantially the same prior art or arguments previously were presented to the Office." One could argue that under the Court's *new* SNQ guidance here the Court might have moved the threshold to deferentially deny a reexamination proposed rejection or PTAB Ground. But we will have to see if Requesters or Petitioners utilize *Collect* to expand what art they believe should be available in these challenges. And we know that the Federal Circuit will not be able to weigh in under Supreme Court precedent, e.g., *Thryv, Inc. v. Click-To-Call Technologies, Inc.*, 140 S. Ct. 1367 (2020).

Final Thoughts

Requesters and Patent Owners alike should heed statistics when considering expectations of success in reexamination because, as noted in the 2021 publication, reexaminations are full of unique rules and traps for the unwary. Failure to involve reexaminations specialists is a mistake for patent challengers and a fatal lacuna for Patent Owners