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U.S. Patent Reexamination

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Developments in Reexamination

- *In Re Swanson*, (Fed. Cir. 2008)
- Federal Circuit decision rendered on September 4, 2008
- Issue: What Constitutes a Substantial New Question of Patentability?

Basis for Reexamination

- 35 U.S.C. § 302:
  - any person may file a request for *ex parte* reexamination of an issued patent based on prior art patents or printed publications.

Purpose of Reexamination

- To provide an important quality check on patents.
- Allows the government to eliminate defective or erroneously granted patents
  - (H.R.Rep. No. 107-120 (2002)).

Requirements for Reexamination

- The USPTO will grant a reexamination request only if "a substantial new question of patentability affecting any claim of the patent concerned is raised by the request."
  - 35 U.S.C. § 303(a)(2002).

Requirements for Reexamination

- Title 35 does not define what constitutes a Substantial New Question (“SNQ”) of patentability.
- When a word is not defined by statute, courts apply the principles of statutory construction to determine congressional intent.

Requirements for Reexamination

- Statutory Construction was addressed by *Swanson*
- “In interpreting statutes, we give effect to the intent of Congress by ‘look[ing] not only to the particular statutory language, but to the design of the statute as a whole and to its object and policy.’”

The *Swanson* Decision

- For the first time since the 2002 amendment to 35 U.S.C. 303(a), the Federal Circuit was provided the opportunity to determine the scope of reexamination and definition of SNQ.
- Ultimately, the Federal Circuit interpreted SNQ as “a question which has never been considered by the PTO.”

The *Swanson* Decision

- (1) Can a prior art reference raise a SNQ of patentability despite having been considered in previous infringement litigation? **YES**
- Prior judgment by Article III court on patent validity was no bar to USPTO from finding SNQ of patentability warranting reexamination regarding issue that had not been considered by USPTO.
  - Note: Article III court = U.S. Supreme Court and the lower courts established by Congress.

The *Swanson* Decision

- (2) Whether a prior art reference can raise a SNQ of patentability despite having been considered in previous USPTO proceedings? **YES**
- Prior art relied upon for rejection in prior USPTO proceedings could raise a SNQ of patentability where the prior art was presented for a "substantially different purpose."

Swanson – Background

- The Federal Circuit case was an appeal of a decision by the USPTO Board of Patent Appeals and Interferences (BPAI)
- The BPAI decision upheld the Patent Examiner's rejection of the claims of U.S. Patent No. 5,073,484 ("484 patent") during a reexamination proceeding instituted on the basis of prior art **already of record on the face of the patent**.

Swanson – Background

- **Initial Examination:**
  - Examiner initially rejected all claims as obvious under 35 U.S.C. 103, in light of combinations of references (including prior art **Deutsch**).
  - Deutsch relied upon only as a secondary reference for limited purpose of teaching an ancillary feature.
  - After claim amendments, the 484 patent was granted.

Swanson – Background

- **Prior Litigation & Judgment:**
  - Exclusive licensee of the 484 patent sued an alleged infringer for infringement; the alleged infringer counterclaimed that the claims of the 484 patent were invalid in light of Deutsch.
  - District court held that the alleged infringer failed to prove invalidity by clear and convincing evidence (35 U.S.C. 282).
  - On appeal, Federal Circuit affirmed.

Swanson – Background

- **Reexamination:**
  - The alleged infringer filed request for ex parte reexamination of the 484 patent, asserting claims were anticipated by Deutsch.
  - On reexamination, the Patent Examiner rejected the claims of the 484 patent based on Deutsch as primary reference.
  - The Board found that Deutsch raised a SNQ of patentability, and affirmed Patent Examiner's rejections.

Swanson – Analysis (Issue 1)

- **Issue 1 – Prior Judgment**
- 35 U.S.C. § 303(a) discusses references "previously cited by or to the Office or considered by the Office."
- Hence, the SNQ requirement bars "reconsideration of any argument already decided by the office, whether during the original examination or an earlier reexamination."

Swanson – Analysis (Issue 1)

- What about prior litigation?
  - 35 U.S.C. § 303(a) only mentions actions "by the office" (*i.e.*, USPTO), not courts.
  - Did Congress intend the SNQ requirement to bar reconsideration of arguments already decided by *courts as well as the USPTO*?

Swanson – Analysis (Issue 1)

- Court holds **NO** - considering an issue in litigation is not equivalent to the USPTO having had the opportunity to consider it.
- **Rationale:**
  - PTO examination procedures have different standards, parties, purposes, and outcomes compared to civil litigation (see next slide).

Swanson – Analysis (Issue 1)

	Litigation	USPTO Examinations
Presumption of Validity	Patent is presumed valid under 35 U.S.C. 282	No presumption of validity
Standard of Proof	Clear and convincing evidence standard to overcome presumption	A preponderance of evidence (substantially lower standard)
Claim Construction	Claims construed to sustain validity (*In re Yamamoto*)	Claims given broadest reasonable interpretation, consistent with the Specification (*Trans Tex. Holdings*)

Swanson – Analysis (Issue 1)

- These differences show that court's final judgment and examiner's rejection are NOT duplicative.
- Thus, Congress did NOT intend a prior court judgment upholding validity of claims to prevent USPTO from finding a SNQ of patentability regarding an issue never considered by the USPTO.
  - During reexamination, USPTO is not bound by a court's claim construction.

Swanson – Analysis (Issue 1)

- **Holding 1:**
  - "We, therefore, conclude the Board did not err in holding that the prior district court litigation did not prevent the Deutsch reference from raising a 'substantial new question of patentability' under 303(a)."

Swanson – Analysis (Issue 2)

- **Issue 2 – Prior USPTO Proceedings**
- "The 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 Office or considered by the Office."
  - 35 U.S.C. § 303(a)(2002).

Swanson – Analysis (Issue 2)

- When is SNQ precluded?
  - The test is whether the particular question of patentability presented by the reference in reexamination was previously evaluated by the USPTO.
  - "[T]he PTO should evaluate the context in which the reference was previously considered and the scope of the prior consideration and determine whether the reference is now being considered for a **substantially different purpose**."

Swanson – Analysis (Issue 2)

- A single prior art reference can create multiple grounds of rejection and thus raise multiple "questions of patentability."
- SNQ requirement merely bars "a second examination on the identical ground that had previously been raised and overcome."
- If the reference is now being considered for a "substantially different purpose," then SNQ exists.

Swanson – Analysis (Issue 2)

- Holding 2:
  - "In light of the extremely limited purpose for which the examiner considered Deutsch in the initial examination, the Board is correct that . . . [whether Deutsch anticipates claims of 484 patent raises] a substantial new question of patentability, never before addressed by the PTO."
    - Note: In the reexamination, Deutsch was relied upon as the primary reference.

Swanson – Analysis (Issue 2)

- **What constitutes a SNQ?**
  - "[A] question which has never been considered by the USPTO."
  - Neither court judgments nor prior USPTO proceedings necessarily bar a finding of SNQ of patentability warranting reexamination.

Swanson - Implications

- **Scope of SNQ as determined by *Swanson*:**
  - A SNQ warranting reexamination can exist *even if* a federal court considered the question.
  - A reference may present a SNQ *even if* the examiner considered or cited a reference for one purpose in earlier proceedings.

Swanson - Implications

- By endorsing the USPTO's broad view of what qualifies as a SNQ, *Swanson* expands the capacity for prior art to be used as basis for reexamination request.
- Third party can more easily use the reexamination statute to challenge a patent's validity.
- *Swanson* makes reexamination a more attractive option for challenging validity, especially after losing in litigation.

Reexamination – Warning

- **Reexamination may invoke *de facto* estoppel:**
  - Any claim held valid under reexamination will be significantly more difficult to invalidate in subsequent litigation or proceedings.
  - Ideally, reexamination should be requested based on prior art that the examiner failed to adequately consider.

Thank you.

Any Questions?