

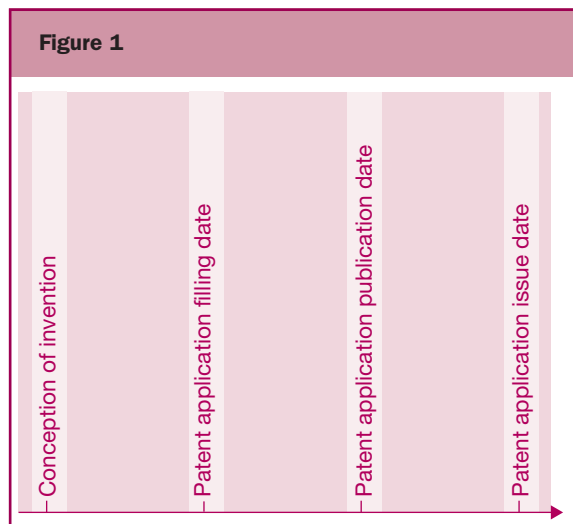
United States

Administrative challenges to US patents

Sooner or later, a patent manager or patent counsel will be faced with a patent which an employee believes should never have been granted or a patent application that he or she believes should never issue. Sometimes the patent or patent application is viewed as 'reinventing the wheel'; sometimes the technology described is deemed to be so weak as to be impractical; and sometimes the invention is believed to have been done by another – perhaps even by someone in the same company. The patent manager or counsel may also have information that leads him or her to suspect that a patent application will be filed on subject matter that does not appear to be patentable. Regardless, the patent manager or counsel needs to deal with the situation. This chapter provides examples of the approaches that can be taken depending on;

- the stage of the patent application or patent;
- access to good prior art;
- the budget; and
- the manager or counsel's tolerance for visibility to challenge it.

Figure 1 shows a timeline illustrating the stages in the life of a patent application.



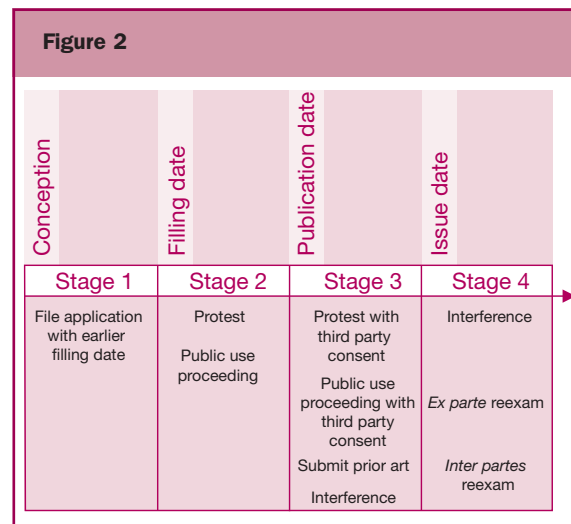
Utility patent applications typically publish after the expiration of an 18-month period from the earliest priority date. Of course, not all US utility patent applications are published before issuance. For example, utility patent applications will not publish before issuance if they:

- are no longer pending at the time they are scheduled to be published;
- are classified as a national security issue subject to a secrecy order;
- have issued as a patent in sufficient time to be removed from the publication process; or
- were originally filed with a non-publication request.

Figure 2 illustrates options available to patent managers and counsel to challenge the patent application or the patent of a third party at different stages in the prosecution.

Stage one

The first stage is the period of time between the third-party inventor's conception of the invention and the third party's filing of the application. The United States does not have a first-to-file system. Instead, the first



party to invent has the right to claim the invention in a patent. However, the first person to file in the United States still has substantial advantages compared to a later filer. For example, the burden of proof in any contest over which inventor is the first to invent rests with the later filer (also called the junior party in an interference proceeding). So, where a party is aware of another's intention to file a patent application on an invention to which it believes it is entitled, filing first can yield substantial advantage over the competition.

For the later filer, prior invention can be established with a showing of facts sufficient to show:

- an actual construction or use of the invention (called actual reduction to practice of the invention) prior to the filing date of the earlier filer;
- conception of the invention prior to the filing date of the earlier filer, coupled with diligence in working on the invention from before the filing date of the earlier filer to a subsequent actual reduction to practice; or
- conception of the invention prior to the filing date of the earlier filer coupled with due diligence from prior to the filing date of the earlier filer to the filing date of the earlier-filed application.

The filing of the patent application is deemed constructive reduction to practice. In the timeline shown in Figure 1, the filing date of the application serves as a constructive reduction to practice if there is no prior actual reduction to practice.

As a practical matter, in stage one the application has not become public information so it is rare that a company has invented an invention that the manager or counsel believes will be the subject of an imminent patent filing by another. However, if a company finds itself in this rare situation, provided that it believes in good faith that its inventors are the first and true inventors, it should consider filing an earlier application to the invention. In order to establish a prior invention in litigation or in an interference based on an earlier conception date, a third party will be forced to establish an earlier actual reduction to practice or due diligence from the time of conception to the actual reduction to practice or the filing of the application. Since any subsequent proof must be corroborated with evidence (eg, a laboratory notebook), a careless or later-filed third party may be unable to make this showing.

Stage two

The second stage is the period of time between the filing date and the publication date of the utility application.

Utility patent applications publish after the expiration of a period of 18 months from the earliest priority date and not all US utility patent applications will publish before issuance. The US Patent and Trademark Office (USPTO) is required by law to establish appropriate procedures to ensure that no protest or other form of pre-issuance opposition to the grant to a patent on an application may be initiated after publication of the application without the express written consent of the applicant. As a practical matter, a patent manager or counsel will rarely be aware of a patent application before it publishes, because a non-published application is not generally available to the public, but there are some administrative options that can be exercised.

Protest without consent of patent owner

If the serial number of a US patent application to be challenged is known, a protest may be filed by a member of the public against a pending application; this will be matched with the application file if it adequately identifies the patent application. A protest must include, among other things, a listing of the patents, publications or other information relied upon and a concise explanation of the relevance of each item. A protest may raise inequitable conduct issues and such a protest will be entered into the application file without comment on the inequitable conduct issues raised therein.

Any corporation, government entity or person may file the protest, including an attorney or representative on behalf of an unnamed real party in interest. A member of the public filing a protest will receive no communication from the USPTO relating to the protest. The limited involvement of the member of the public ends with the filing of the protest.

Public use proceedings without consent of patent owner

A petition for a public use proceeding is supported by affidavits or declarations indicating that there is a public use or sale of the claimed invention that occurred more than one year prior to the filing date of the application. Any corporation, government entity or person, except the applicant, may file a petition for a public use proceeding, including an attorney or representative on behalf of an unnamed principal. The petition must contain a sufficient description of the subject matter alleged to be in public use or on sale to allow a comparison to the claimed subject matter.

Stage three

The third stage is the period of time between the publication date and the issue date of the utility application. The application is available to the public.

Protest/public use proceedings with consent of patent owner

Similar to stage two, the filing of protests and public use proceedings is permitted in stage three, with the exception that the patent owner must consent to the protest or public use proceeding because of the statutory requirement that no protest or other form of pre-issuance opposition may be initiated after publication of the application without the express written consent of the applicant. It is difficult to imagine a situation where a patent owner would consent to a protest or public use proceedings. Such proceedings will stall the progress of the patent filing. In addition, the patent owner will enjoy a presumption of validity in litigation after issuance that is not available prior to issuance of the patent. Consequently, it is likely that the patent owner would prefer to address issues in litigation with this presumption rather than in a protest or public use proceeding. Rather than consent to a public use proceeding, a patent applicant can always submit to the USPTO information relating to any conflict in a patent application asserted by another. In order to satisfy its continuing duty of disclosure, the patent owner can file an information disclosure statement to inform the USPTO about the issues of protest or public use proceedings.

Submit prior art

A member of the public may submit up to 10 references (to patents or publications) within two months of either the earliest of the date of publication (most common) or the date of notice of allowance of another's patent application. Submissions filed after the expiry of the two-month period must be accompanied by an explanation of why the submission could not have been filed earlier. For example, the claim scope may change during the prosecution of the patent application such that a person would not have reasonably anticipated the scope of the amended claims.

The submission may include only patents or publications. It cannot include:

- affidavits or declarations;
- any markings or highlights on the patents or publication; or
- any explanations of the patents or publications.

However, redacted versions of a patent or publication containing only the most relevant portions of the patent or publications may be submitted.

As an alternative to submitting the prior art references directly to the USPTO, it may be effective to send the references to the patent owner or representative, which may then submit the references to the USPTO in

an information disclosure statement as part of its continuing duty of disclosure.

Interference

A patent applicant may attempt to contest the actual inventorship of an invention (also called provoking an interference) by copying claims from the third-party application in either the pending application or a continuation application and notifying the USPTO that it has done so. The claims should be copied within one year of the date on which the third-party application was published.

An interference may be declared by the USPTO when an applicant requests it and the claims are otherwise allowable. The interference can include challenges to patentability, which can result in the cancelling of claims from both applications. In addition, the third party may assert that the claims are not properly supported by the specification. Priority evidence of each party is reviewed to determine who has the right to the valid claims.

Stage four

The fourth stage is the period of time after the issue date of the utility application.

Interference

Similar to stage three, an interference may also be declared by the USPTO in the fourth stage. The claims must be copied within one year of the date on which the third-party patent issued.

Ex parte re-examination

A third party may file a request for re-examination by the USPTO of any claim of a patent on the basis of any prior art patent or printed publication. Other prior art such as public use or on-sale prior art cannot be used in the re-examination to prove an offer of sale. In making the request, the third party must set forth the pertinency and manner of applying the cited prior art to every claim for which re-examination is requested. No further third-party input is permitted in an *ex parte* re-examination. Thus, in making a request for an *ex parte* re-examination, a third party assumes a risk that the USPTO will not appreciate the pertinency of the reference to the claims, which may make it more difficult to challenge the validity of the patent using that reference during litigation.

Inter partes re-examination

A third party may also request a re-examination where it can participate in the re-examination. This is called an *inter partes* re-examination. The USPTO can decide whether to grant a request for an *inter partes*

re-examination on the basis of any prior art patent or printed publication. Among other things, the request must set out the pertinency and manner of applying cited prior art to every claim for which re-examination is requested. Within three months of filing the request, the USPTO will decide whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications.

The patent owner may propose amendments or new claims, but these amendments and new claims may not enlarge the scope of the claims. Each time that the patent owner files a response to an action on the merits from the USPTO, the third-party requester shall have one opportunity, within 30 days of receiving the patent owner's response, to file written comments addressing issues raised by the USPTO or the patent owner.

Inter partes re-examination was intended to be a litigation alternative. However, it has not been widely used because of the limitations placed on the third party if the *inter partes* re-examination determines that valid claims exist. The third party is prevented from asserting in later litigation the invalidity of any claim finally determined to be valid and patentable on any ground which the third party raised or could have raised during the *inter partes* re-examination proceedings. However, under special circumstances in later litigation the third party may assert invalidity based on newly discovered prior art that was unavailable to the third-party requester and the USPTO at the time of the *inter partes* re-examination proceedings.

Re-examination and re-issue – yet another stage

After stage four, a patent owner may file a re-examination

or re-issue application. If a re-examination or re-issue application is on the list of patents to challenge, the patent manager or counsel may have the opportunity to assert new prior art which was not recorded in the previously issued application. Such applications open up the possibility of the patent owner filing additional prior art and triggers the duty of disclosure. The resulting assertion of prior art can result in the rejection of claims previously allowed by the USPTO.

A protest should be filed within two months of the announcement of the re-issue in the *Official Gazette*. A petition is required to enter the protest if a final rejection has been issued or prosecution on the merits has been closed.

A petition for public use proceedings should also be made within two months of the announcement of the re-issue in the *Official Gazette*. A petition may be used to request more time. The petitioner can participate in the proceedings if the petition for a public use proceeding is filed in a re-issue application.

If the patent owner has filed an *ex parte* re-examination or re-issue application, an *ex parte* or *inter partes* re-examination may still be requested to raise a substantial new question of patentability. The USPTO may decide to merge the proceedings.

Conclusion

Several approaches can be taken to challenge patent applications and patents that do not involve litigation. Depending on where the application is in the process, patent managers and counsel should consider the various administrative remedies which cost a fraction of court actions.

Timothy E Bianchi is a patent attorney with bachelor's and master's degrees in electrical engineering. He provides counselling in domestic and international patent matters, opinions and patent enforcement strategies, and has over 13 years' patent prosecution experience. He represents a variety of companies nationally and abroad. Mr Bianchi is chair of the Minnesota Intellectual Property Law Association's Patent Prosecution Committee and has been voted a 'super lawyer' by Minnesota Law and Politics magazine since 2003.

Timothy E Bianchi
Shareholder
Tel +1 612 373 6912
Email tbianchi@slwip.com
Schwegman, Lundberg & Woessner PA
United States



Marvin L Beekman is a registered patent attorney admitted to practice in Minnesota and before the USPTO since 1994. His practice includes patent prosecution, IP counselling and opinions. Mr Beekman's expertise includes biomedical devices, electronics and integrated circuit design and fabrication. He previously served as attorney and director of operations for a maturing engineering company. Mr Beekman received his BSE in electrical engineering from Dordt College and his JD from Hamline University School of Law.

Marvin L Beekman
Officer
Tel +1 612 373 6960
Email mbeekman@slwip.com
Schwegman, Lundberg & Woessner PA
United States

