

PRESENTING PREVIOUSLY CITED PRIOR ART IN A RE-EXAMINATION

A litigious patent owner approaches, citing a stack of prior art. An exhaustive prior art search reveals that the best art is already of record. Given that a previously cited reference, even a strong one, is not usually effective in litigation, are there any alternative ways to use some of these references? Gregory V. Novak looks at the options.

The re-examination alternative

A patent re-examination is similar to a litigation invalidity defence, but there are some key differences. For instance, unlike litigation, a re-examination cannot raise all statutory challenges to validity. Specifically, re-examinations may only be based on certain types of prior art, specifically prior art patents or printed publications that create a substantial new question of patentability (SNQ).

As the Federal Circuit found in *In re Etter*: “[T]he intent underlying reexamination is to ‘start over’ in the PTO with respect to the limited examination areas involved, and to re examine the claims, and to examine new or amended claims, as they would have been considered if they had been originally examined in light of all of the prior art of record in the reexamination proceeding.”

As re-examinations are more limited in scope than litigation invalidity defences, one might ask why one would choose them. One answer is gleaned by comparing the success rates of re-examinations to those of litigation. According to at least one study, courts find asserted claims to be invalid about 41 percent of the time in litigation. In *inter partes* re-examination, the United States Patent and Trademark Office [PTO] finds all original claims to be unpatentable in 60 percent of cases. In addition, in both *inter*

partes and *ex parte* re-examinations, there is a possibility of an intermediate success that is not available in litigation, namely that some allowed claims are only allowed after being amended.

It is important to note that when a patent holder amends original claims during a re-examination proceeding, tremendous benefits accrue to the alleged infringer. For example, past damages and treble damages are usually no longer available under the intervening rights doctrine. In *Bloom Eng'g. Co. v. North American Mfg.*, a company was held “not liable for infringement of...reexamined United States Patent...during the period before issuance of the reexamination certificate, because the claims were substantively changed during reexamination”.

In addition, claim amendments and prosecution history statements often create new non-infringement arguments. Therefore, the impact of cancelled, invalidated and amended claims results in a favourable outcome 95 percent of the time in *inter partes* re-examination.

The remarkable success rate of patent re-examination is attributable, at least in part, to differences in the presumption of validity between litigation and re-examination. In litigation, patent claims are presumed to be valid. Accused infringers bear the burden of proving

invalidity by clear and convincing evidence in the litigation context.

On the other hand, no presumption of validity exists during re-examination. In fact, during re-examination, “an examiner is not attacking the validity of a patent...” (*In re Etter*). Instead, in a re-examination, the examiner starts over and the requester must show claims to be unpatentable only by a preponderance of the evidence. Therefore, arguments challenging a patent in a re-examination generally have a higher chance of success than the same arguments would have in litigation.

Cited art

To meet the burden of proving invalidity, litigators prefer to rely on prior art not considered by the PTO because, as reported in *Am. Hoist & Derrick*, “[d]eference is due the Patent and Trademark Office decision to issue the patent with respect to evidence bearing on validity which it considered...”. On the other hand, “[w]hen new evidence touching validity of the patent not considered by the PTO is relied on, the tribunal considering it is not faced with having to disagree with the PTO or with deferring to its judgment or with taking its expertise into account. The evidence may, therefore, carry more weight and go further toward sustaining the attacker’s unchanging burden.”



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PATENT RE-EXAMINATION

In contrast, if the prior art cited during re-examination raises an SNQ, the PTO will consider it even if previously considered. Indeed, 35 U.S.C. § 303 makes clear that “[t]he existence of an [SNQ] 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”.

Raising an SNQ

An SNQ requires a specific showing that a prior art reference teaches something new concerning a claim that was not considered during an earlier examination (see the PTO’s Manual of Patent Examining Procedure (MPEP) for the full definition of an SNQ). Before ordering a re-examination, an examiner must first resolve the threshold issue of whether an SNQ exists in the request. Therefore, the more clearly and expressly a new technological teaching is presented, the more likely a re-examination request will be ordered.

Previously considered prior art may, by itself, be used to present an SNQ if the request presents the prior art in “a new light or a different way that escaped review during earlier examination”, (MPEP). An SNQ can also be found if the previously considered art is seen in a “new light”

or a “different way” than an earlier examination. The request should demonstrate to the examiner that the prior art is important in deciding whether the claim is patentable. In short, key considerations to obtaining an SNQ include presenting the art in a new light or different way and showing how the art is important while avoiding cumulative prior art.

Previously considered prior art can also be combined with other art not previously considered to present a ‘new’ obviousness-based rejection. While this approach satisfies the new prong of the SNQ, care should be taken that the combination is also non-cumulative. Therefore, the never considered prior art should also disclose what was previously found to be allowable subject matter. For example, if it was determined during prosecution that the prior art did not teach element C of elements A, B and C, then combining the previously used prior art with a reference teaching element C is likely to present an SNQ for that claim.

There are also ways to use previously considered prior art without combining the art with another reference. One way is to find relevant passages in the reference that are material to the claims at

issue, but were not previously discussed on the record. Another possible option is to present the old art with new evidence, such as an expert declaration or patent owner admission that provides a new and different understanding of the reference compared with a previous examination. The different passages or evidence should not simply restate information that was previously considered. An examiner will often rely upon this requirement when making a determination of whether an SNQ is present.

After overcoming these hurdles, the requester must provide an explanation about how the prior art was previously considered to provide a point of reference to the examiner. Specifically, the requester should summarise the previous arguments and explain how the new technological teaching would have affected the previous examiner’s final determinations. The explanation need not describe why the previous determinations made by the PTO were incorrect. Instead, the discussion should focus on how the new technological teaching would have led the examiner to the correct conclusion.

Having addressed how to present an SNQ using previously considered prior art in a



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re-examination request, the PTO now has the proper information to decide the request. If the examiner orders re-examination, the order will specify the grounds for acceptance for each SNQ. For this reason, it is imperative that the request, whether based on new or previously considered prior art, clearly and specifically identifies each SNQ. By following this approach, the examiner can easily reiterate or simply copy (or incorporate by reference) the analysis from the request. Moreover, following proper procedure facilitates review by the examiner and increases the likelihood that the examiner will give sufficient consideration to the arguments presented in the request.

Upon reviewing the request, the examiner will make a determination about whether to reject claims. If the SNQs were carefully crafted, the examiner will already have reasoned how the prior art applies to the most important claim limitations—normally the limitations that formed the reasons for allowance. In addition, by convincing the examiner of the unpatentability of the claims from the very beginning, it is less likely that the patent owner will persuade the examiner to change position later.

Conclusion

The presentation of SNQs based on previously considered prior art is fraught with pitfalls, especially when presenting previously cited prior art. When the stakes are high, re-examination is an invaluable tool, but only in the hands of experienced and careful practitioners. The effective practitioner must therefore consider all available prior art when crafting a re-examination request, including previously considered art. Despite the reluctance to use previously considered prior art in litigation, a practitioner should be mindful that success based on this type of prior art is not foreclosed in re-examination. Therefore, if a patent owner knocks on your door asserting the best prior art reference has already been considered, perhaps the best response is that the PTO just might agree, after taking a different look at the prior art in a 'new light'.

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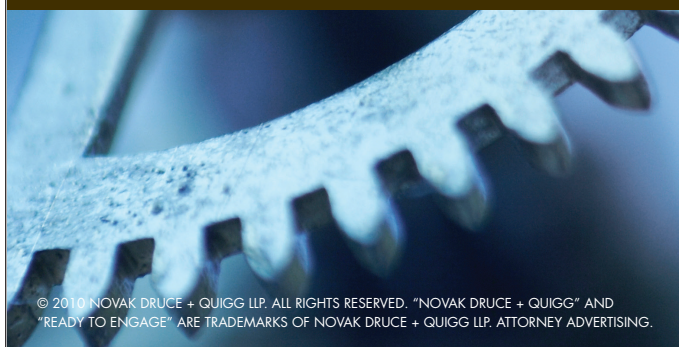


Gregory V. Novak is the CEO and managing partner at Novak Druce + Quigg LLP. Novak serves as national intellectual property counsel to a number of publicly traded corporations and manages Novak Druce's industry-leading patent re-examination practice. He has acted as lead counsel in more than 60 intellectual property-related cases, both as plaintiff's counsel and defendant's counsel, and advised in more than 200 patent re-examinations. In addition to his thriving legal practice, Novak launched the Novak Druce Centre for Professional Service Firms at the University of Oxford's Saïd Business School in October 2009.



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