

## Client Alert.

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# USPTO Proposes Streamlined Reexamination Procedures

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Earlier this week, the United States Patent Office (USPTO) proposed changes designed to streamline *ex parte* and *inter partes* reexamination procedures.<sup>1</sup> The USPTO's action coincides with Congress's proposed patent reform legislation, the "America Invents Act." The Act is currently on the House floor, and seeks to replace *inter partes* reexamination with post-grant review and *inter partes* review proceedings.<sup>2</sup> The Act provides a transition period of several years when *inter partes* reexamination may still be requested, and preserves *ex parte* reexamination as an option. Thus, even if the America Invents Act becomes law, the USPTO's proposed rules would still be relevant to reexamination for at least a few years.

The USPTO is seeking comments on the proposed changes and also poses several questions, in particular as to limiting the length of reexamination requests, setting time limits for responsive filings, and changing the standard for granting reexamination requests. While the proposed changes and questions are directly applicable to the present reexamination system, similar issues would likely arise for any post-grant review or *inter partes* review proceedings that would be implemented if the Act became law. The deadline for comment is June 29, 2011.

Many of the proposed changes are minor or are already considered best practices. This Client Alert does not address most of those proposals. However, some proposed changes would be significant, affecting the number of substantial new questions of patentability (SNQs) and rejections that an examiner could consider, the ability of the patent owner to amend claims, and the flow of Office actions in *inter partes* reexamination.

### EXAMINER MAY GROUP MULTIPLE SNQS AND REJECTIONS

The proposed changes include two changes that allow for the examiner to reduce the number of issues addressed during reexamination.

The first of these proposed changes, Part A.3, states that if the request contains multiple SNQs, the requester will be required to state why the SNQs are noncumulative from each other. SNQs not persuasively explained to be "substantially different from each other will be deemed to constitute a single SNQ" by the examiner.

The second proposed change, Part A.4, states that after finding SNQs and issuing a reexamination order, the examiner may select one or more "representative" rejections from multiple rejections adopted against a single claim. By making this selection, the examiner is stating a belief "that all of the rejections within the group of adopted rejections will clearly fall if the representative rejection is not sustained."

The Requester may attempt to rebut the examiner's designation of a representative rejection in the Requester's

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<sup>1</sup> Streamlined Patent Reexamination Proceedings, 76 Fed. Reg. 79, 22854 (Apr. 25, 2011), available at <http://www.gpo.gov/fdsys/pkg/FR-2011-04-25/pdf/2011-9805.pdf>.

<sup>2</sup> See Robert Saltzberg & Benno Guggenheimer, *Inter partes Reexamination Reinvented?*, IP Quarterly (Spring 2011), <http://www.mofo.com/files/Uploads/Images/110425-Intellectual-Property-Quarterly-Newsletter-Spring-2011.pdf>.

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comments or during the appeal process. If a patent owner overcomes the representative rejection, then “the examiner will consider whether any other rejection within the group overcomes the deficiency of the representative rejection.”

## Estoppel Considerations

It is unclear how the *inter partes* reexamination estoppel provisions, 35 U.S.C. 315(c) and 371(b), would interact with the examiner’s new ability to limit what SNQs and rejections are separately analyzed.<sup>3</sup> Requesters would need to consider whether they would be estopped from later raising invalidity positions based on cumulative SNQs or rejections not designated “representative.” Would it be fair to treat SNQs and rejections not explicitly addressed by the examiner as issues that the requester “raised or could have raised” under the estoppel provisions?

## PATENT OWNER MAY ONLY AMEND CLAIMS TO OVERCOME AN SNQ

Part A.7 would allow the patent owner to amend a claim only if the amendment “renders the claims patentable in light of an SNQ.” This proposed change is potentially beneficial to the requester in both *ex parte* and *inter partes* reexaminations. For example, the patent owner presumably could not amend a claim just to overcome an unfavorable district court claim construction. Under this proposed change, the patent owner would have to justify why each new claim is necessary in light of the adopted rejections based on the SNQs.

## COMBINING THE ACTION CLOSING PROSECUTION (ACP) AND RIGHT OF APPEAL NOTICE (RAN)

Part C.2 proposes that the current ACP and RAN in an *inter partes* reexamination be combined into one final Office action. This change would effectively eliminate an entire round of Office actions and responses.

Under current practice, after the reexamination order, the patent owner and the requester have the opportunity to respond to at least one nonfinal Office action and to the ACP, which is effectively a final Office action. However, the combined ACP/RAN under the proposed changes would eliminate an entire round of communication between the examiner, the patent owner, and the requester. This change may result in reexaminations reaching the appeals phase faster than under current practice.

This proposed change, along with others concerning early presentation of evidence and amendments, would, even more so than under current practice, motivate the parties to present their best arguments and evidence early in the proceeding — after the first Office action and before the ACP/RAN. Arguments presented in response to the first Office action may be the only real chance to persuade the examiner to reject claims or confirm patentability.

## CONCLUSION

Given the current long pendency of reexaminations (approximately three years), practitioners should commend the USPTO’s efforts to streamline reexamination. Many of the proposed changes would just require that requesters and patent owners conform to what are already considered best practices by many patent attorneys. As discussed above, however, some changes introduce new uncertainties and impose new burdens on the parties. In any event, the USPTO’s proposed changes and Congress’s patent reform efforts leave practitioners with much to consider.

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<sup>3</sup> See Robert Saltzberg & Benno Guggenheimer, *Should Estoppel Stop You from Requesting Inter partes Reexamination?* (Aug. 24, 2009), <http://www.mofo.com/pubs/xpqPublicationDetail.aspx?xpST=PubDetail&pub=7903>.

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