



## Parallel Litigation and *Inter Partes* Review: Don't Forget About Reissue

*Inter partes* review (“IPR”) was introduced by the America Invents Act (“AIA”) to provide a trial-like proceeding for challenging the patentability of patent claims based on patents and printed publications. An IPR is often conducted in parallel with United States district court litigation involving the same patent, with an accused infringing party in the litigation filing a petition before the United States Patent and Trademark Office’s (“USPTO”) Patent Trial and Appeal Board (“the Board”) seeking a partial patentability review of the patent.<sup>1</sup> For the IPR trial to be instituted, the petitioner must establish a reasonable likelihood that it will prevail in showing unpatentability of at least one challenged claim. After institution, the AIA provides the patent owner with the opportunity to file a motion to amend the patent by cancelling any challenged claim and proposing a reasonable number of substitute claims. 35 U.S.C. § 316(d)(1).

Amending claims in IPR proceedings, however, has proven to be exceedingly difficult.<sup>2</sup> Amendments

in IPR proceedings are proposed by motion, and amendments are not entered as a matter of right. Rather, the patent owner bears the burden of proof to establish that it is entitled to the relief requested in the motion to amend, and if the motion is granted, the proposed substitute claims are added to the involved patent without examination. Accordingly, the Board has required that the patent owner show patentability over all prior art known to the patent owner, and not just over the references applied by the petitioner against the original patent claims. Patent owners have struggled in meeting this requirement and others (e.g., requirements relating to form and showing written description support for the amendment, etc.), and thus far, only a single motion to amend has been granted by the Board. To further add to the difficulty of amending in an IPR proceeding, a patent owner is permitted to file only a single motion to amend, and the petitioner may file papers opposing the motion.

In light of these difficulties, patent owners have increasingly been turning to reissue applications to pursue claim amendments. A reissue application is filed to correct an error in a patent, where, as a result of the error, the patent is deemed wholly or partly

<sup>1</sup> In an IPR trial, a petitioner may challenge the patentability of patent claims only on grounds that can be raised under 35 U.S.C. §§ 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

<sup>2</sup> See Jones Day Commentary, “Amending Claims During *Inter Partes* Review: Patent Practitioners Beware.” August 2014.

inoperative or invalid. Reissue applications can be used to correct errors such as a failure to perfect priority claims, defects in the specification or drawings, and claiming more or less than the patent owner had a right to claim in the patent. 35 U.S.C. § 251. Further, the Court of Appeals for the Federal Circuit has held that “adding dependent claims as a hedge against possible invalidity of original claims is a proper reason for asking that a reissue be granted.” *In re Tanaka*, 640 F.3d 1246, 1249 (Fed. Cir. 2011). Reissue applications thus offer patent owners the possibility of obtaining completely remodeled claim sets having claims that are broader or narrower than the claims of the original patent.<sup>3</sup>

Reissue requires surrender of the original patent but only on the date of issuance of the reissue patent. Thus, an IPR trial challenging a patent may proceed concurrently with a reissue application involving the same patent, and patent owners have been leveraging the use of such concurrent proceedings in a number of strategic ways, as described below. The use of reissue proceedings for pursuing claim amendments may reflect some patent owners’ belief that it is easier to amend in reissue proceedings versus IPR proceedings. This *Commentary* details strategies used by patent owners in filing reissue applications for patents challenged in IPR trials and provides additional considerations for patent owners filing such applications. The *Commentary* further details actions that an IPR petitioner may take when faced with competing IPR and reissue proceedings.

## Strategic Use of Reissue Applications by Patent Owners

Patent owners’ increasing use of reissue applications in conjunction with IPR proceedings may have roots in an oft-cited Board decision. In a decision on a motion to amend the claims in the *Idle Free Systems, Inc. v. Bergstrom, Inc.* IPR trial, the Board detailed requirements that a patent owner must meet to have a motion to amend entered in an IPR trial. Case No. IPR2012-00027, Paper 26 at 3-10. The Board further explained some of the limitations on amendments imposed in IPR proceedings and suggested the use of reissue proceedings as an alternative avenue for pursuing claim amendments:

<sup>3</sup> Reissue applications including claims that are broader than those of the original patent must be filed within two years of the grant of the original patent.

[A] challenged claim can be replaced by only one claim, and a motion to amend should, for each proposed substitute claim, specifically identify the challenged claim which it is intended to replace.... A patent owner may not seek to broaden a challenged claim in any respect, in the name of responding to an alleged ground of unpatentability. A proper substitute claim under 37 C.F.R. § 42.121(a)(2)(i) must only narrow the scope of the challenged claim it replaces.

...

A desire to obtain a new set of claims having a hierarchy of different scope typically would not constitute a sufficient special circumstance. An *inter partes* review is more adjudicatory than examinational, in nature. If a patent owner desires a complete remodeling of its claim structure according to a different strategy, it may do so in another type of proceeding before the Office. For instance, a patent owner may file a request for ex parte reexamination, relying on the Board’s conclusion of a petitioner’s having shown reasonable likelihood of success on certain alleged grounds of unpatentability. In appropriate circumstance, it may also seek to file a reissue application.

*Id.* at 5–6. Following the Board’s guidance in *Idle Free*, patent owners have filed reissue applications to pursue claim amendments. Some of the particular strategies employed by patent owners thus far are described below.

### Concede Unpatentability of Claims in IPR and File Reissue Application with Narrower Claims.

In a number of IPR trials, a patent owner has conceded that the challenged claims are unpatentable and filed a reissue application with claims that are narrower than the challenged claims. For example, patent owner ContentGuard Holdings, Inc. employed this strategy in Case No. IPR2013-00136. On February 12, 2013, petitioner ZTE Corporation filed a petition for *inter partes* review of U.S. Patent No. 7,359,884, assigned to ContentGuard Holdings, Inc. An *inter partes* review trial was instituted on July 16, 2013, and on October 23, 2013, ContentGuard filed a motion to amend claims. Then, in a telephone conference held on November 4, 2013, ContentGuard conceded the unpatentability of the claims being challenged in the IPR trial, and on November 6, 2013, ContentGuard withdrew its motion to amend claims.

A week later, ContentGuard filed a narrowing reissue application at the USPTO. See U.S. Appl. No. 14/080,321. In providing the required description of the error in the original patent, a reissue application declaration filed by ContentGuard stated that “Applicants seek to clarify subject matter recited in previously issued claim 1 by [reciting additional limitations] in new claim 71.” The claims pursued in the reissue application included subject matter similar to that recited in the motion to amend filed in the IPR trial.

The next day, ContentGuard filed a Request for Adverse Judgment in the IPR trial under 37 C.F.R. 42.73(b), asking the Board to cancel the claims at issue and enter adverse judgment. The Board issued a Final Written Decision on November 19, 2013, granting the Request and cancelling the claims at issue. ContentGuard then cited the file history of the IPR trial in the reissue application, and prosecution of the reissue application continued despite the Board’s cancellation of numerous claims of the original patent.

Other patent owners have similarly employed the strategy of conceding claims’ unpatentability in the IPR trial and filing a narrowing reissue application. See, e.g., U.S. Appl. No. 14/301,922, reissue application for patent involved in merged Case Nos. IPR2013-00213 and IPR2013-00236. Notably, in all cases in which a patent owner has conceded unpatentability of claims and filed a reissue application, the patent owner has filed the reissue application prior to a final written decision by the Board. This practice may be advisable particularly in situations where the patent owner concedes unpatentability of all claims of the patent, as the USPTO may hesitate in initiating proceedings to reissue a patent having no valid claims.

The use of narrowing reissue applications may reflect some patent owners’ belief that it is easier to amend claims in a reissue application than in an IPR trial. Given the difficulties patent owners have faced in amending claims before the Board, this belief appears reasonable. In contrast to IPR proceedings—where a patent owner can file only a single motion to amend and has the burden of showing patentability of the amended claims over all prior art known to the patent owner—in reissue applications, an applicant has an absolute right to amend prior to receiving a final office action. After amending, an examiner has the burden of showing that the amended claim is unpatentable. Applicants in reissue

applications are free to use requests for continued examination and extensions of time as in original prosecution, and examination is performed by the regular USPTO examination corps with special dispatch. Additionally, examination of reissue applications is an *ex parte* proceeding involving only the patent owner and the USPTO.

These characteristics of reissue applications are in contrast to those of IPR proceedings described above and may appear to provide an easier path to obtaining amended claims. Patent owners should also consider, however, the possible effect of the AIA’s patent owner estoppel provisions. The patent owner estoppel provisions apply in situations where the Board finds claims to be unpatentable and prevent the patent owner from taking action inconsistent with the Board’s holding. As described below, when applicable, the estoppel provisions may make it significantly more difficult to obtain a reissue patent.

#### **Pursue Broader Claims and Revitalize a Dead Patent Family.**

In a number of IPR trials, a patent owner has filed a reissue application pursuing claims that are broader than the claims of the original patent being challenged in the IPR trial. For example, patent owner Accuplace employed this strategy in Case No. IPR2013-00196. On March 19, 2013, petitioner Primera Technology, Inc. filed a petition for *inter partes* review of U.S. Patent No. 8,013,884 (“the ‘884 patent”), assigned to Accuplace. The ‘884 patent included 20 claims, and the petitioner challenged each of the 20 claims in the petition. An *inter partes* review trial was instituted on August 5, 2013. The patent owner did not file a motion to amend claims in the trial.

On September 6, 2013—exactly two years after the issue date of the patent being challenged—Accuplace filed a broadening reissue application at the USPTO. See U.S. Appl. No. 14/020,322. The reissue application included claims 1–20 of the ‘884 patent in their original form, without amendments, and added a new independent claim 21 that was broader than any of claims 1–20. In providing the required description of the error in the original patent, a reissue application declaration filed by Accuplace stated, “Through error without any deceptive intent, the patentees and assignee claimed less than they had the right to claim in issued patent 8,013,884. For example, subject matter disclosed in the originally filed application was claimed too narrowly. This broadening reissue

application is being submitted to pursue new device claims of broader scope than presently issued device claim 11....”

On July 17, 2014, the Board issued a Final Written Decision, holding all claims (1–20) of the '884 patent unpatentable. In the Final Written Decision, the Board noted in a footnote that “Patent Owner filed Application 14/020,322 for reissue of the '884 patent, seeking to add an additional claim 21 to the patent. The reissue application is pending.” Case No. IPR2013-00196, Paper 50 at 3. Prosecution of the reissue application continued despite cancellation of all claims of the original patent.

Broadening of claims is not permitted in an IPR proceeding. Under 37 C.F.R. § 42.121(a)(2), a motion to amend may be denied where “[t]he amendment seeks to enlarge the scope of the claims of the patent or introduce new subject matter.” Broadening of claims is also not permitted in *ex parte* reexaminations under 37 C.F.R. § 1.552(b). Thus, for a patent owner wishing to pursue claims broader than those of an original patent, a reissue application may present the only means of doing so. Broadening reissue applications must be filed within two years of the grant of the original patent for which the reissue is sought, and a reissue patent will not be granted to “recapture” subject matter that was surrendered during prosecution of the original patent.

Patent owners may file broadening reissue applications for a number of different reasons. In a scenario similar to that of Case No. IPR2013-00196 described above, when faced with a possibility of claims being held invalid in the IPR trial, a patent owner may file a broadening reissue application to claim subject matter not previously claimed in the original patent (e.g., different embodiments of an invention, different inventive concepts, etc.). For example, the patent owner may determine that the amount of narrowing required to overcome the prior art in the IPR would result in claims that are of little or no value, and as a result, the patent owner may wish to pursue nonclaimed subject matter that is wholly different from that claimed in the original patent. The patent owner could pursue claims directed to such different subject matter in a broadening reissue application. Notably, the use of the broadening reissue application allows the patent owner to pursue nonclaimed subject matter despite the fact that the patent family no longer has any pending applications.

Filing a broadening reissue application within the two-year time limit may be used for other strategic reasons. Following the filing of a first broadening reissue application, continuing reissue applications based on the first broadening reissue application may be filed at dates more than two years from the original patent grant and still be used in pursuing claims broader than the original claims. The Federal Circuit held in *In re Staats* that broadened claims of a continuing reissue application need not be related to broadened claims of the parent reissue application that was filed within the two-year limit. 671 F.3d 1350, 1355 (Fed. Cir. 2012). The use of broadening reissue applications and continuing reissue applications may be a powerful tool for patent owners, as they may allow patent owners to revitalize a dead patent family and pursue claims with early priority dates that read on competitors' products that are currently in the marketplace.

#### **Pursue Claims of Different Scope in IPR and Reissue Application Proceedings.**

In at least one IPR trial, a patent owner has filed a reissue application pursuing claims of different scope than both the original claims of the patent and the substitute claims proposed in an IPR motion to amend. Patent owner Husky Injection Molding Systems Ltd. employed this strategy in Case No. IPR2013-00169. On February 27, 2013, petitioner Athena Automation Ltd. filed a petition for *inter partes* review of U.S. Patent No. 5,624,695 (“the '695 patent”), assigned to Husky. The '695 patent included 17 claims, and the petitioner challenged each of the 17 claims in the petition. An *inter partes* review trial was instituted on July 30, 2013, and on October 30, 2013, the patent owner filed a motion to amend claims. The motion to amend was contingent on the Board first finding the original claims of the patent to be unpatentable.

On April 16, 2014, Husky filed a narrowing reissue application at the USPTO. The reissue application included amendments to certain of claims 1–17 and added new claims 18–20. Notably, the claim amendments pursued in the reissue application were different from those proposed in the IPR proceeding.

On July 23, 2014, the Board issued a final written decision cancelling all claims of the '695 patent and denying the patent owner's motion to amend claims. Prosecution in the reissue application continued despite the Board's cancellation of all claims of the original patent.

In this case, the filing of the narrowing reissue application during the IPR proceeding provided the patent owner with three potential avenues for obtaining patentable claims: (i) during the IPR proceeding, the patent owner maintained that claims of the original patent were patentable without amendment, (ii) the patent owner filed the motion to amend claims that was contingent on the Board finding the original claims to be unpatentable, and (iii) the patent owner filed the narrowing reissue application including claim amendments different from those proposed in the IPR trial. If any of the claims (original or amended) were held to be patentable in the IPR, the patent owner could have abandoned the reissue application. With the Board's holding in the Final Written Decision cancelling all claims and denying the motion to amend, the patent owner may now continue prosecution of the reissue application. This "kitchen sink" approach may be employed by patent owners seeking to maximize their chances of finding patentable subject matter.

## Patent Owner Considerations

As described above, a number of patent owners have determined that it may be worthwhile to file a reissue application for a patent challenged in an IPR trial. But patent owners should not make this decision lightly. Any reissue application involves some risk. For example, even if the patent owner is seeking only to obtain claims that are broader or narrower than the original claims, the reissue process may expose other errors in the patent (e.g., errors relating to written description, enablement, subject matter eligibility, etc.). Also, reissue reopens prosecution of all claims, and the examiner may reject the claims on new grounds or grounds that were previously overcome during original prosecution. Reissue proceedings thus present the possibility of an undesirable prosecution history. In addition to these risks, patent owners should consider the effect that patent owner estoppel could have in a reissue application and also consider if intervening rights are at issue.

**Patent Owner Estoppel.** The Board has held claims to be unpatentable in a number of patents that are also involved in reissue proceedings. This holding of unpatentability triggers the patent owner estoppel provisions of 37 C.F.R. § 42.73(d) (3)(i). Under these provisions, if a patent owner's claims are found unpatentable in an IPR trial, the patent owner thereafter

cannot obtain in any patent a claim that is not patentably distinct from a claim that is finally refused or canceled in the IPR. The implications of patent owner estoppel could be significant in a co-pending reissue proceeding and may present a substantial hurdle in getting a reissue patent granted.

The effect of the AIA's patent owner estoppel provisions have not yet been seen in practice. In the context of original prosecution, a claim is rejected under the doctrine of nonstatutory obviousness-type double patenting when the claim is "not patentably distinct" from a reference claim, where "not patentably distinct" means that the claim is either anticipated by, or would have been obvious over, the reference claim. It is not clear if this same standard will be applied in interpreting the AIA's patent owner estoppel provisions. Thus, patent owners should monitor currently pending reissue applications to determine how the estoppel provisions are being applied and what effect the provisions are having in the prosecution of the reissue applications. Until such information is known, a cautious patent owner should consider attempting to narrow claims within the context of the IPR trial to avoid such estoppel.

**Intervening Rights.** For reissue proceedings, intervening rights arise under 35 U.S.C. § 252. Under the doctrine of intervening rights, if claims of an original patent are substantively amended during a reissue proceeding, the liability of an alleged infringer may be limited to the date the amended claims of the reissue patent issue and not the issue date of the original patent. Thus, if substantive changes are made to the original claims, the patent owner may be entitled to infringement damages only for the period of time following issuance of the reissue claims. Patent owners contemplating reissue proceedings should consider if intervening rights are at issue, and if so, closely review the scope of the claim amendments to be made in the reissue proceeding. Patent owners should further be aware that under 35 U.S.C. § 318(c), IPR also gives rise to intervening rights.

## Petitioner Considerations

Although prosecution of a reissue application is an *ex parte* procedure, a petitioner in a co-pending IPR trial need not sit by idly. Specifically, as described below, the petitioner should consider filing a motion to stay the reissue proceeding pending completion of the IPR trial. The petitioner should also

consider filing a protest in the reissue application. If a reissue patent issues, the petitioner should consider filing post grant review (“PGR”) and IPR challenges to the reissue patent.

**Stays.** In situations where an IPR trial and a reissue application are co-pending, the petitioner in the IPR trial should consider filing a motion with the Board to stay examination of the reissue application pending completion of the IPR. Filing such a motion may be worthwhile for several reasons. First, if the IPR trial ends with a holding of unpatentability of one or more claims, the staying of the reissue proceeding ensures that the patent owner estoppel provisions of 37 C.F.R. § 42.73(d) (3)(i) apply in the reissue proceeding. Second, a stay of the reissue proceeding necessarily decreases the patent term of the resulting reissue patent.

Under 35 U.S.C. § 315(d), the Board has the authority to regulate multiple USPTO proceedings involving the same patent. Specifically, under § 315(d), the Board “may determine the manner in which the inter partes review or other proceeding may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.” Under this section, the Board has the authority to stay a reissue proceeding until the completion of an IPR trial and has done so in a number of instances.

For example, in Case No. IPR2013-00217, petitioner Hewlett-Packard Company filed a petition for *inter partes* review of U.S. Patent No. 7,162,549 (“the ‘549 patent”), assigned to patent owner MCM Portfolio LLC, on March 27, 2013. At the time of the petition’s filing, a reissue application for the ‘549 patent had been pending for more than four years, and a significant amount of prosecution had occurred in the reissue application. See U.S. Appl. No. 12/351,691.

Despite the advanced stage of the reissue application, on May 10, 2013, the Board issued an Order Staying Concurrent Examination of Reissue Application under 37 C.F.R. § 42.122(a). The Board explained that because the patentability of certain claims was at issue in both proceedings, conducting examination of the reissue application concurrently with the IPR proceeding would duplicate efforts within the USPTO and could potentially result in inconsistencies between the proceedings. The Board further stated that the patent owner could amend the claims in the reissue application and

change the scope of the challenged claims while the Board is conducting its review. Additionally, the Board noted that by statute, the IPR trial should be completed no later than one year from institution, and that any Board decision in the IPR trial may simplify issues in the reissue application. Based on this rationale, the Board ordered that examination of the reissue application be stayed until the termination or completion of the IPR trial. The stay in this case will likely be lifted upon issuance of the Board’s Final Written Decision, consistent with the Board’s Order and with past Board action. See, e.g., Case No. IPR2013-00122, Final Written Decision at 2, lifting stay of co-pending *ex parte* reexamination proceeding.

This decision and others show that the Board will generally exercise its discretion to stay a concurrent reissue application if it is possible that the proceedings could result in duplicative efforts, inconsistencies, and different claim scope for claims at issue in both proceedings. More generally, the Board may stay a concurrent reissue application if it is possible that a reissue patent could issue before the Board’s final written decision. As the Board is well-aware, on the date of issuance of a reissue patent, the original patent is surrendered. Thus, if a reissue patent issues while an IPR trial of the original patent is pending, the IPR trial would become moot because the original patent no longer exists. Stays may be granted less often in situations where it is clear that the IPR proceeding will be completed prior to issuance of a reissue patent.

**Protests.** Examination of a reissue application is an *ex parte* procedure. However, a petitioner in a co-pending IPR trial may be able to affect a reissue proceeding by submitting art and arguments for consideration by the examiner. The mechanism for accomplishing this is a third-party protest under 37 C.F.R. § 1.291.

A protest may be filed by any member of the public against a pending reissue application. The protest may include any information that, in the protestor’s opinion, would make the grant of a patent improper. Although prior art documents, such as patents and publications, are most often the types of information relied on in protests, protests may also be based on any facts or information adverse to patentability (e.g., information that the invention was in public use or on sale, information relating to inventorship, litigation-related materials such as complaints, answers, depositions, answers to interrogatories, exhibits, etc.).

Active participation by a protestor ends with the filing of the protest, and the protestor is not permitted thereafter to argue the protest before the USPTO. Specifically, 37 C.F.R. § 1.291(c) (5) requires that a second or subsequent protest be directed to significantly different issues than those raised in the earlier protest, and the second or subsequent protest will not be entered into the application file if it is clear that the protestor is merely seeking to participate in the examination process. For example, arguments relating to an Office action or a patent owner's response would not be entered into the application file. The protest must be submitted prior to the date the application was published under 37 C.F.R. § 1.211, or a notice of allowance under 37 C.F.R. § 1.311 was mailed, whichever occurs first.

At least one IPR petitioner has filed a protest in a co-pending reissue application. See, e.g., U.S. Appl. No. 14/010,377, a reissue application for U.S. Patent No. 6,945,013 being challenged in Case No. IPR2014-00041. The protest submitted in this case was more than 1,000 pages long and included publications, items of additional information, and an explanation of the relevance of each publication and item. The items of additional information included the IPR petition filed in the co-pending IPR trial, the Board's institution decision in this trial, and documents from an ex parte reexamination involving the patent.

Notably, third-party preissuance submissions under 35 U.S.C. § 122(e) and 37 C.F.R. 1.290(a) *cannot* be used in a reissue proceeding. Preissuance submissions are not permitted in reissue applications because reissue applications are considered post-issuance proceedings.

**Challenges to Reissue Patent.** If a reissue patent is granted, a petitioner in a co-pending IPR trial should consider post-grant challenges to the reissue patent. First, PGR procedures under the AIA may be requested on or prior to the date that is nine months after the grant of the reissue patent. Notably, under 35 U.S.C. § 325(f) and 37 C.F.R. § 42.202(a), a PGR petition may not request a post-grant review for a claim in a reissue patent that is identical to or narrower than a claim in the original patent unless the petition is filed not later than the date that is nine months after the date of the grant of the original patent. Thus, PGR is largely available only for new claims that are included in the reissue patent.

Second, IPR procedures are available as normal, starting nine months after the reissue patent is granted. If the patent owner sues the petitioner alleging infringement of the reissue patent, a petition requesting IPR of the reissue patent must be filed by the petitioner not more than one year after the date on which the petitioner is served with a complaint alleging infringement of the reissue patent. 35 U.S.C. § 315(b).

## Conclusion

Patent owners should consider filing reissue applications for patents challenged in IPR trials. As described above, reissue applications can be used as a hedge against a possible holding of claim unpatentability in the IPR trial and for other strategic reasons. Patent owners should be aware, however, that reissue requires surrender of the original patent and that there are risks to reissue applications. Petitioners in IPR trials that are co-pending with a related reissue application should consider filing a motion to stay the reissue application and filing protests in the reissue application. Both patent owners and petitioners should monitor currently pending reissue applications to determine what effect the AIA's patent owner estoppel provisions may have in the prosecution of these reissue applications.

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