

Preempting Patent Litigation With 3rd-Party Submissions

Law360, New York (February 13, 2012, 1:08 PM ET) -- On Jan. 5, 2012, the United States Patent and Trademark Office published notices of proposed rulemaking regarding its implementation of certain provisions of the Leahy-Smith America Invents Act. Any market competitor or would-be defendant hoping to preempt or minimize litigation by either preventing the issuance of a patent or invalidating an issued patent would be well advised to familiarize themselves with these proposed rules.

Third-Party Preissuance Submissions

Currently, 37 C.F.R. § 1.99 allows third parties to file with the USPTO, within the earlier of two months from the date of publication or prior to mailing of notice of allowance, published patent applications or printed publications directed to a pending published patent applications, provided the submission identifies the application to which it is directed, and includes a list of the patents or publications submitted, a copy of each listed patent or publication, an English translation of any pertinent parts and the required fee. However, the submission may not currently include any explanation of the patents or publications and service on the applicant is required.

Third Parties Have More Time to Make Submissions

The USPTO's newly proposed rules for implementing the "Preissuance Submissions by Third Parties" provision of the Leahy-Smith America Invents Act (effective Sept. 16, 2012) would remove Section 1.99 and add a new Section 1.290. Under new Section 1.290, third parties must also submit a "concise description of the relevance of each document."

In addition, the time for submission will be expanded to a date before the earlier of (1) the date a notice of allowance under § 1.311 is given or mailed in the application; or (2) the later of (i) six months after the date on which the application is first published by the office, or (ii) the date the first rejection under § 1.104 of any claim by the examiner is given or mailed during the examination of the application." It is recommended, however, that third parties continue to make their submissions at the earliest opportunity so that examiner has a full opportunity to consider it before issuing his first office action.

Patents, Published Applications and Printed Publications May Be Submitted Anonymously and for Any Relevant Reason (Not Just As Prior Art)

In its notice of proposed rules, that USPTO also clarified that such preissue submissions may be made by any third party, anonymously and in writing, and may consist of any patents, published patent applications or other printed publications "of potential relevance to the examination of the application." The submission may be directed to any nonprovisional utility, design and plant application, as well as any continuing reissue application and abandoned applications.

Importantly, although the third party is limited to submitting patents and published patent applications and other printed applications, it is not limited to submitting them only as “prior art” — they may be submitted for any reason provided they have some “potential relevance” to the examination of the application.

Where a third party is asserting that the submitted documents are prior art, the third party will bear the additional burden of establishing the date of the document (by affidavit, declaration or other evidence) if it is not already apparent on the face of the document. Not surprisingly, the USPTO recommends that third parties limit their submissions to the most relevant, noncumulative documents to ensure that the examiner will be able to identify and consider the best art.

Third Parties Must Submit a “Concise Description”

The third party must also submit a “concise description” of the asserted relevance of each document. The USPTO recommends that this “concise description” identify the most relevant pages, lines, figures or paragraphs of the accompanying documents and explain to the examiner the relevance of those documents in either a narrative description or claim chart.

The USPTO cautions that a “verbose description of relevance” may fail to draw the examiner’s attention to the relevant issues. Similarly, the examiner may not consider a submission where the “concise description” consists of nothing more than a conclusory statement that the document is relevant.

Additional Procedural Requirements

The third party must also submit: (1) a statement that the party has complied with the statutorily prescribed requirements of § 122(e); (2) a fee of \$180 for up to 10 documents (although this fee may be waived if it is the first and only submission by a party or a party in privity and consists of three or less documents); and (3) a statement that the third party does not have a duty to disclose the information. According to the USPTO notice, that last requirement is intended to prevent applicants from employing a strawman in an attempt to circumvent their initial disclosure statement requirements.

Although the USPTO notice states that third party preissuance submissions may be filed via the electronic filing system, the submissions will not be automatically entered into the electronic image file wrapper. Rather, the documents will first be subject to an initial (and purportedly prompt) review to determine compliance with 122(e). Noncompliant submissions will be not entered into the image file wrapper or considered, and the submitter will not entitled to a refund. Provided the third-party submission is properly made, however, those documents will become part of the prosecution history of the patent.

No Requirement to Serve the Applicant

Notably, third parties are not required to serve their submissions on the applicant. Nor will the applicant be directly notified by the USPTO. The submission will only be made available to the applicant through the electronic image file wrapper. Importantly, because the preissuance submission does not require service on the applicant and may be submitted anonymously, an applicant who is not in the habit of monitoring its own application may not immediately realize that the third party may be seeking to prevent the patent’s issuance.

Consideration by the Examiner

According to the USPTO, the examiner will consider a third party pre-issuance submission when he next takes up the application for action following the entry of the preissuance submission into the image file wrapper. The examiner is then to consider the submission in the same manner that he would consider information submitted by the applicant as part of an information disclosure statement.

Considerations for Market Competitors and Would-Be Defendants

Third party preissuance submissions have the potential to provide a big reward for market competitors and would-be patent infringement defendants who are willing to up front their costs in order to avoid litigation. Actively monitoring competitors' applications and taking the time to research and submit potentially relevant patents, patent applications or printed publications, and to draft a concise (but convincing) statement for the examiner, could be extremely beneficial if the examiner ultimately relies on your submission and rejects your competitor's application.

Of course, if the examiner considers your submission during prosecution and still grants the application, it will be much more difficult (if not impossible) to rely on the same documents to invalidate the patent later (i.e., during post-grant review, inter partes review or litigation).

Citation of Prior Art and Written Statements

In its Notice to Implement Miscellaneous Post-Patent Provisions of the Leahy-Smith America Invest Act, the USPTO also proposed rules relating to third-party submissions of prior art and written statements. Under 35 U.S.C. § 301, any third party has always been allowed, at any time, to anonymously submit in writing prior art (patents and printed publications) bearing on the patentability of any claim of a particular patent, along with a written explanation of the pertinency and manner of applying such prior art to the claim(s) of the patent.

The citation and the explanation then become a part of the application's electronic file wrapper. Effective Sept. 16, 2012, Section 6(g) of the AIA will amend 35 U.S.C. § 301 and expand the scope of information that third parties may submit in the file of an issued patent and to be considered by the examiner during post-grant proceedings (e.g., ex parte reexamination, inter partes review and post-grant review).

Third Parties May Submit A "Claim Scope Statement" in Addition to/Instead of Prior Art

Under new 35 U.S.C. 301(a)(2), third parties will now also be able to anonymously submit a "claim scope statement" — i.e., a statement of the patentee filed in a proceeding before a federal court or the USPTO "in which the patent owner took a position on the scope of any claim of the patent."

In addition, third parties must also submit along with the patentee's statement any other documents, pleadings or evidence from the proceeding that address that statement. Notably, the USPTO notice suggests that deposition testimony of the patent owner occurring during the course of the federal court proceeding may be submitted in redacted form.

The USPTO's notice recommends that the party making the submission should also consider supplying the following information to the examiner: (1) the forum in which the statement was made; (2) the proceeding designation (case citation or USPTO numerical designation); (3) the status of the proceeding; (4) the relationship of the proceeding to the patent in which the submission is being made; (5) an identification of the specific papers of the proceeding containing the statement of the patent owner; and (6) an identification of the portion(s) of the papers relevant to the written statement being asserted to constitute a statement of the patent owner under 35 U.S.C. 301(a)(2).

Third Parties Must Also Submit A Detailed Explanation of the Pertinence of the Submission

Accompanying its submission of either prior art or a claim scope statement, third parties will be required to submit a detailed explanation, in writing, as to how the information in the submission is pertinent to the claim(s) of the patent and how it is applied to each of those claims.

Serving Submissions on the Patentee

The submission must be served upon the patent owner at the correspondence address of record in the patent and carried out in accordance with § 1.248. If service is unsuccessful, submission must include proof of bona fide attempt to serve. A submission will not be entered in to the file wrapper if it does not include proof of service or a sufficient explanation and proof of a bona fide attempt of service. Notably, where the patentee was not successfully served, but the third party submits proof of its bona fide attempt to serve, the patentee will only become aware of the submission if he is actively monitoring the image file wrapper record of the patent.

Consideration by the Examiner

If properly submitted to the USPTO and properly served on the applicant, “claim scope statements” will become part of the patent’s file wrapper. Notably, however, the USPTO is limited to only consider such “claim scope statements” to determine the proper meaning of a patent claim in an already ordered or instituted ex parte reexamination proceedings, and in inter partes review or post-grant review proceedings that have been instituted. The examiner may not consider “claim scope statements” during his determination of whether to institute an ex parte reexamination as, under those circumstances, the examiner must give the claims the broadest reasonable interpretation.

Considerations for Patent Infringement Defendants

Although the new rules relating to “claim scope statements” may have limited application for most, for defendants already in an infringement litigation, who have already obtained favorable testimony from the patentee regarding the scope of a claim, and where post-grant proceedings have already been initiated before the USPTO, the patentee’s statements may prove crucial in obtaining a claim construction that could effectively invalidate the patent.

Summary

These rules provide additional strategies market competitors and would-be defendants should consider as part of their arsenal. With a little foresight and some additional attention to your competitor’s patent applications and issued patents, you may be able to avoid (or at least minimize) litigation by preventing the issuance of a patent or invalidating an issued patent altogether.

Of course, it is always important to evaluate the strength of the patents, applications, printed publications or claim scope statements you seek to submit, as well as the current stage of any pending proceedings before the USPTO or the federal courts, before submitting those documents to the examiner.

Written comments on these proposed rules must be received on or before March 5, 2012. In the coming weeks, the USPTO will publish additional proposed rules relating to post-grant review, inter partes review and derivation proceedings of Sections 3 and 6 of the Leahy-Smith America Invents Act.

--By Margaret E. Ives and Eric J. Marandett, Choate Hall & Stewart LLP

Margaret Ives is a partner in Choate's intellectual property litigation group in Boston. Eric Marandett is chairman of the firm's intellectual property litigation group in Boston.

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