

Salvaging a Patent After a Post-Grant Trial

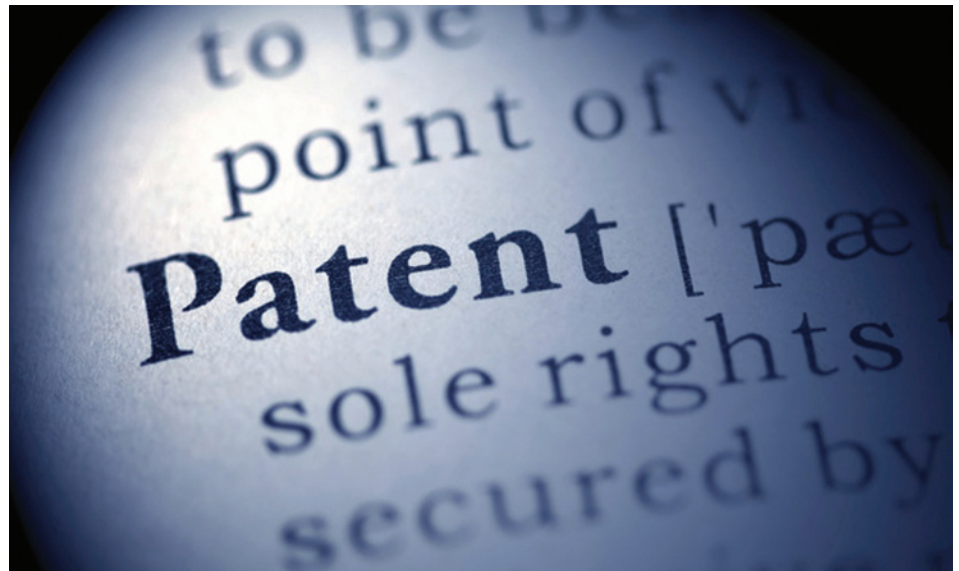
From the Experts

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When the Patent Trial and Appeal Board (PTAB) decides to institute a post-grant trial, the subject patent is in jeopardy. Statistics and analysis show that the PTAB, which is part of the U.S. Patent and Trademark Office (PTO), has canceled a large majority of the patent claims that it has reviewed in the more than 1,000 post-grant trials that have been completed since the PTAB's inception in 2012. But there may be steps that the patent owner can take to salvage something from its patent, in the event that the claims challenged in the post-grant trial are canceled.

A Motion to Amend and Post-judgment Estoppel

If the patent owner sees at the outset of a post-grant trial that the challenge to its claims is strong, the patent owner might consider a motion to amend its claims within the post-grant trial. To be sure, motions to amend have proven to be very difficult, as the PTAB has only granted a handful of those it



has considered. This difficulty is in large part due to rules that place the burden on the patent owner to demonstrate the patentability of the amended claims in the motion, which is far more stringent than the *ex parte* patent application process. There a patent applicant merely has to rebut any *prima facie* case of unpatentability that is first set forth by the PTO examiner. Further, in a motion to amend, the patent owner is usually only allowed to present one substitute claim for

each claim that is being challenged in the post-grant trial. Thus, a patent owner's opportunity to present new claims in a motion to amend is greatly limited.

But even if a patent owner chooses not to pursue a motion to amend, or if the patent owner's motion to amend is unsuccessful, there may still be other ways for the patent owner to obtain further claims based on the patent's disclosure after the conclusion of the post-grant trial. In this regard, it is

important to understand the effect of a PTAB final judgment that cancels challenged claims. After the post-grant trial, PTO rules establish an estoppel that precludes the patent owner from obtaining a claim that is not “patentably distinct” from any of the claims that are canceled. See 37 C.F.R. § 42.73(d)(3)(i). Generally speaking, this means that the patent owner cannot obtain in a further patent application proceeding (e.g., a continuing application or a reissue application) a claim that is of the same scope as a canceled claim.

It follows that this estoppel will, in almost all cases, preclude the patent owner from obtaining a claim that is broader in scope than any of the canceled claims. Nevertheless, this estoppel does not mean that no claims can ever be obtained based on the same patent disclosure as the canceled claims. In fact, during its rulemaking for post-grant trials, the PTO specifically did not adopt a proposed broader estoppel rule that would have precluded a patent owner from obtaining almost any further claims following a post-grant trial that resulted in canceled claims. It should also be noted that whether the patent owner did or did not file a motion to amend during the post-grant trial has no bearing on the estoppel.

There are two readily available procedures at the PTO that a patent owner might be able to use to obtain further claims from a disclosure of a patent being reviewed by

the PTAB. The patent owner could pursue further claims in a continuing application, or the patent owner could attempt to obtain further claims in a reissue application.

Continuing Application

A common strategy for a patent owner is to file a continuation application to pursue further claims after securing allowance of a first set of claims in a first application. And there is no rule limiting the number of continuation applications that a patent owner may file. Thus, by continuing to file continuation applications, the patent owner effectively can keep the patent disclosure “alive” as a basis for possibly obtaining additional claims in the future. This assumes, of course, that the patent disclosure provides support for multiple sets of patent claims.

If a continuation application is still pending during or after a post-grant trial involving the original patent, then the patent owner could use that continuation application to obtain claims from the patent disclosure that are patentably distinct from any claims canceled in the PTAB’s judgment (i.e., further claims not precluded by the PTAB’s estoppel rule). And there may be multiple advantages in using a continuation application to obtain further claims, as compared to amending claims with a motion to amend in a post-grant trial.

First, unlike a motion to amend during a post-grant trial, a continuation application is prosecuted

before a PTO examiner under the normal ex parte prosecution rules. This means that unlike a motion to amend during a post-grant trial, the patent owner/applicant will not have a burden to establish patentability of the claims. Rather, the patent owner/applicant need only rebut any prima facie rejections of the claims set forth by the examiner. And to rebut any rejection, the patent owner could use any of the usual techniques for ex parte prosecution, including conducting an interview with the examiner, tweaking the claims with further amendments, etc. Further, as the prosecution of the continuation application is ex parte, there will not be a third-party challenger raising arguments as to the patentability of the claims during the course of the prosecution.

Second, when the continuation application is being pursued after the institution of the post-grant trial, the patent owner/applicant will be knowledgeable of the prior art that forms the basis of the assertions in the post-grant trial. The patent owner/applicant may therefore be able to more effectively address the prior art during the ex parte prosecution than it could in conjunction with a motion to amend during the post-grant trial. For example, the patent owner/applicant can address the prior art in the continuation application with more varied claim scope, with additional evidence and with other arguments on patentability. Such a multifaceted approach to the prior

art might not be possible during the post-grant trial. It is also worth noting that there are no page limits for the papers submitted during the ex parte prosecution, as there are for some of the papers in a post-grant trial, including a motion to amend, and the limits can hinder the patent owner from fully developing its position.

Reissue Application

If the patent owner does not have a pending continuation application, then a reissue application could be an alternative option for obtaining further claims. By statute, a patent owner may file a reissue application to correct any error in a patent. And a correctable error under the reissue statute has been interpreted by the U.S. Court of Appeals for the Federal Circuit to include cases where the patent owner only obtained broad claims in its patent. *In re Tanaka*, 640 F.3d 1246 (Fed. Cir. 2011). Hence, a patent owner very often can pursue narrower claims through a reissue application.

Reissue applications are prosecuted ex parte before a PTO examiner. While there are some differences in reissue prosecution compared with regular prosecution, reissue applications will have all of the same advantages as a continuation application compared with a motion to amend. That is, the patent owner/reissue applicant need only rebut any prima facie rejections of the claims

set forth by the PTO examiner, and the patent owner can use all of the ex parte prosecution techniques in responding to the rejections.

One potential issue with a reissue application is timing. The PTO has stated that a reissue application still may proceed even where all of the patent claims are canceled by a re-examination certificate (re-examination being another type of post-grant procedure at the PTO). This means that a reissue application may proceed if it is filed before the claims are canceled in a re-examination proceeding. But the PTO also has suggested that if a re-examination proceeding that results in all of the claims being canceled is completed before the reissue application is filed, then the subsequently filed reissue application might not be allowed to go forward. Applying this same reasoning to the scenario of a reissue application corresponding to a patent being reviewed by the PTAB, it would be prudent for a patent owner to file the reissue application before the PTAB issues a final judgment in cases where all of the claims of the patent are being reviewed. To date, however, it does not appear that the PTO has addressed the issue of a reissue application being filed after all of a patent's claims are canceled by the PTAB in a post-grant trial.

It should also be noted that the PTAB has the discretion to stay a reissue application while the post-grant trial is pending. The PTAB

has indeed exercised its discretion and stayed reissue applications on numerous occasions, and thus the possibility of a stay is a factor that a patent owner should consider.

Conclusion

A post-grant trial might not be the end of the line for a patent, even if all of the patent's claims are ultimately canceled during the trial. Through continuing and/or reissue applications, the patent owner could still obtain further claims based on the same patent disclosure, with the further claims only being limited in scope by the PTAB's estoppel rule. A patent owner should seriously consider these possibilities for further claims at the outset of a post-grant trial.

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