

# THE COALITION FOR 21ST CENTURY PATENT REFORM

*Protecting Innovation to Enhance American Competitiveness*

## POST-GRANT PROCEDURES

Prior to 1982, once a patent was granted, the only means the public or a competitor had to challenge it was in federal court, either as a defense to a claim of patent infringement or in a declaratory judgment action. Since a DJ action could only be filed if there was a sufficient threat of suit to create the immediacy and genuine adversity needed to satisfy the requirements of the Declaratory Judgment Act, 28 U.S.C. § 2201, this placed a competitor in a difficult position. Where a competitor believed that a patent might not be valid or infringed by a product it wished to manufacture, the competitor's choices would be to a) avoid the patent by not manufacturing the product or modifying the product to avoid infringing (not always possible), b) manufacture the product and risk being sued for infringement, or c) seek a license under a questionably valid patent.

Acting on a recommendation initially made by President Lyndon Johnson's Commission on the Patent System in 1966, Congress established an "ex parte" reexamination system in 1982 (Ex Parte Reexam in the chart). Under this system, a member of the public or the patentee could request that a patent be reexamined, at any time during its term, in the United States Patent and Trademark Office on the basis of patents and printed publications. While this opened the door for third parties to challenge patents, once the Office agreed to reexamine a patent, the procedure was, as its name implies, "ex parte." The process was essentially the same as the initial examination between a patent examiner and an applicant, but in this case, between the patent examiner and the patentee. The third party was excluded from the proceeding once it was initiated. For this reason, many third parties do not use the procedure because they do not want to present their best evidence and then not be able to advocate its relevance.


After some sixteen years of experience with ex parte reexamination and its limitations, Congress added an "inter partes" reexamination system to the patent law. In an inter partes reexamination, a member of the public could request that a patent be reexamined, again, at any time during its term and, if the Office initiates such a proceeding, the third party can participate. Each time a patentee responds to an Office action (an opinion by a patent examiner regarding the patentability of a claim in the patent), the third party may comment on the patentee's response, giving the examiner a different perspective on the patentee's response. As with ex parte reexamination, the basis for challenging a patent in an inter partes reexamination is limited to the validity of the patent in view of the teachings of prior patents and printed publications. Congress also made the procedure entirely prospective and added some other limitations that may have discouraged its use.

Concluding that a more robust administrative review was needed to enhance the quality of patents issued by the USPTO, both the FTC and NAS recommended an additional post-grant procedure, one in which any ground of invalidity could be raised and promptly resolved in an administrative proceeding in the USPTO. The underlying rationale was that by providing such a robust, all-issues reexamination procedure, promptly after patent grant, with strict time limits for completion, members of the public would be incentivized to use the procedure to invalidate or limit patents that should not have been granted. At the same time, by requiring that such proceedings be brought within nine months of patent grant and normally completed in one year, uncertainty regarding the enforceability of patents would be minimized. S. 23 provides such a procedure (Post-Grant Review in the chart). It would also make several improvements to the existing inter partes reexamination procedures including requiring procedures be completed in one year and assigning them to APJs, raising the threshold to initiate such proceedings, etc. (Inter Partes Review in the chart).

# POST-GRANT PROCEDURES

Element	Post-Grant Review	Inter Partes Review	Ex Parte Reexam
Availability	9 mo. after grant	Life of patent	Life of patent
Issues	All issues of patentability	Patentability based only on patents, printed publications & admissions re: scope of claims	Patentability based only on patents, printed publications & admissions re: scope of claims
Time to Decision	1 year	1 year	No limit
Threshold	Information, if not rebutted, demonstrates more likely than not a claim is unpatentable	Reasonable likelihood that Petitioner will prevail on at least one claim	Substantial new question of patentability
Decision Maker	3 APJs	3 APJs	Examiner
Estoppel	1. PTO - "Raised or reasonably could have raised" 2. Litigation - "Raised"	1. PTO - "Raised or reasonably could have raised" 2. Litigation - "Raised or reasonably could have raised"	

 = Acceptable

 = New