

THE COALITION FOR 21ST CENTURY PATENT REFORM

Protecting Innovation to Enhance American Competitiveness

April 25, 2007

POST -GRANT REVIEW WOULD PERMIT UNLIMITED “SECOND WINDOW” ATTACKS

Current Law – a patent may be challenged at any time by the public in ex parte or inter partes reexamination on the basis of prior patents and publications. A patent owner may also file a reissue application to correct certain mistakes.

S. 1145/H.R. 1908 – would continue ex parte reexamination, enlarge and expand inter partes reexamination, continue patent reissue provisions, and add a new post-grant review procedure that would allow a member of the public to challenge a patent, on any ground of invalidity, in the first 12 months after grant, and also at any time after grant if a substantial reason to believe patent causes or is likely to cause significant economic harm or if the patentee alleges infringement. Only a preponderance of proof would be required to establish the existence of factual evidence, even oral disclosures, at any time after grant.

Coalition Position – the Coalition supports an all-issues post-grant opposition procedure in the PTO in which any member of the public can promptly (within 9 months) challenge the validity of an issued patent and appeal any determination in favor of the patent owner to the Federal Circuit. However, we oppose the new opportunities under the legislation to make serial challenges to a patent throughout its life. Further, the legislation does not include the other changes necessary to make such challenges administratively feasible by repealing the “best mode” requirement, and limiting the unenforceability defense to cases of actual fraud on the PTO.

Public Policy Rationale – the legislation would allow unlimited challenges much later in the life of patents and does not include other reforms necessary to make such challenges administratively feasible, balanced, and fair to patent owners. There is no effective incentive for the public to challenge patents promptly after grant – many challenges could come only after the patent owner has made significant investments based upon the presumed validity of the patent. Most significantly, patent owners could be subject to serial challenges from different challengers throughout the entire life of the patent.

There is no justification for expanding the opportunity to administratively challenge issued patents beyond an initial 9-month window when the legislation retains and expands the existing ex parte and inter partes reexamination procedures which are available throughout the life of a patent. Adding yet another unbounded opportunity to challenge patents will subject the patent owner to additional harassment and breed uncertainty in the marketplace for the patentee’s property rights.

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