

## Strategic Decisions For Using Reissue And Reexamination In Patent Litigation 1998

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Reissue and reexamination proceedings provide unique opportunities for influencing questions of patentability and validity in preparation for, during, or as an alternative to litigation. Though there is no litmus test for deciding whether to initiate reissue or reexamination proceedings, there are identifiable strategic considerations that should be addressed prior to making a decision.

A patentee may choose to initiate reissue or reexamination proceedings when an accused infringer has found prior art that was previously not considered by the Patent and Trademark Office. That prior art can be submitted to the Office through these proceedings with the goal of obtaining a favorable decision concerning patentability.

A patentee's decision to pursue reissue or reexamination also may be motivated by the discovery of new information concerning the accused infringer's product. In that instance, the patentee seeks to obtain issued claims covering the accused product.

Another reason may be to create a record to influence claim construction. Two recent Supreme Court cases, *Markman v. Westview Instruments, Inc.*, and *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, emphasize the significance of the prosecution history in interpreting claims and evaluating the scope of equivalents (under the doctrine of equivalents). In the context of litigation-induced or -inspired reissue or reexamination proceedings, the patentee may influence the "landscape" of the litigation by reinforcing his desired claim interpretation through statements made in arguments and amendments filed during the proceeding.

What about risk? According to the Federal Circuit-which held in *Hewlett-Packard Co. v. Bausch & Lomb Inc.* that "reissue is essentially a representation of all claims"-claims may not survive the process, and surviving claims may not cover the infringer's product. That said, the PTO is generally considered an advantageous forum for a patentee. Reissue, for instance, is an ex parte proceeding, thus precluding active participation by the accused infringer. Further, PTO statistics suggest that the patentee will most likely be awarded a reissue patent.

There clearly are situations, however, in which a patentee should prefer to litigate his case in district court without resort to any PTO proceeding. A patentee, for example, may prefer a jury to hear evidence of copying or willful infringement, such that the accused infringer can be painted as being the "bad guy."

But neither reissue nor reexamination is of any value to the patentee until a favorable action is received from the PTO. Depending on the status of the ongoing litigation at the time the PTO proceeding is initiated, and whether the litigation is stayed, a patentee can be faced with having to explain away a non-final rejection to a jury who will possibly not appreciate the subtleties of patent prosecution. In that situation, appropriate motions can be filed to preclude presentation of this evidence at trial.

A patentee may also file a reexamination request urging that the prior art being offered does not present a substantial new question of patentability. This action results in PTO consideration of the art, and effectively neutralizes the accused infringer's prior art if the request is denied.

The patentee then may be in a strong position to successfully persuade a court to enter a summary judgment of validity. A district court, though not bound by the PTO's confirmation of patent claims, should give credence to the proceeding in which validity is challenged in district court based on the same prior art presented during reexamination. (See *Custom Accessories, Inc. v. Jeffrey-Allan Industries, Inc.*)

An accused infringer will most commonly pursue reexamination in order to invalidate a patent or to limit the scope of the claims. He also may be motivated by a desire to reduce costs or to completely avoid litigation.

Reissue may be initiated only by the patentee or his assignee. Because the prosecution files of a reissue application are available to the public, however, an accused infringer can readily monitor reissue proceedings, and can cite prior art to the PTO in an effort to defeat the claims.

Alternatively, the accused infringer can forward the art, with detailed comments concerning its applicability to the pending claims, directly to the patentee. The patentee would then be obligated to disclose the art to the PTO, or risk violation of the duty of disclosure. If the patentee fails to disclose the art, the accused infringer may have succeeded in creating an inequitable conduct defense.

There also is the opportunity under *Markman* and *Hilton Davis* for the accused infringer to influence the claim construction by forcing the patentee to make narrowing amendments thus avoiding the accused infringer's product, or to make statements that create prosecution history estoppel. The patentee may also be forced to distinguish over the prior art in a way that limits the claim scope, creating an argument that the accused product merely practices the prior art.

If a request for reexamination is filed, it will likely be granted. Any claims surviving reexamination will have been twice blessed by the PTO, rendering successful arguments for invalidity far more difficult. (See *Transmatic, Inc. v. Gulton Industries, Inc.*)

Despite the possibility of "twice blessed" claims, there may be good reasons for the accused infringer to assume the risks associated with requesting reexamination. For example, where the prior art references are strong and/or involve complex technology, an accused infringer may prefer to make his case to a technically trained examiner rather than to a judge or jury.

The grant of reexamination itself also establishes the "materiality" of the cited references. If the evidence shows that the patentee (or his attorneys) were aware of the art during prosecution, and failed to disclose it, the accused infringer may have established the bases for an inequitable conduct defense. An accused infringer will, at least, be able to avoid any summary determination of validity in litigation where reexamination is granted.

An accused infringer may also prefer reexamination due to the relative standards of proof required to show invalidity. In patent litigation, the patent is presumed to be valid, and the defendant bears the burden of providing invalidity by clear and convincing evidence. In contrast, the accused infringer requesting reexamination is not held to any similar standard. The statutory presumption of validity, moreover, does not apply in reexamination. (See *In re Etter*).

No single answer exists to the questions of whether and how reissue and reexamination proceedings should be used in patent litigation. Instead, each case requires an assessment of the pros and cons concerning these proceedings in accordance with overall litigation strategy.

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