
PATENTS POST GRANT PODCAST – S02 Ep03, REISSUE VS RE-EXAM, PT 2
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Andrew Zappia:

Greetings and welcome to Troutman Pepper's patent post-grant podcast series. My name's Andy Zappia and I'm joined today by my colleagues Mike Goldman and Megan O'Gara.

And this podcast is part two of a three-part series we are doing on the use of reissue or reexamination in the context of inter-party review or IPR proceedings or post-grant review, PGR, proceedings. The first part of this series, we talked about why a patent owner who is faced with one of these PGR or IPR challenges and believes improving or changing the claims would help their position would not want to do a motion to amend in the IPR PGR and might look to one of these other tools. And we talked a bit about the differences in the reissue and reexamination proceedings and pros and cons and why you might want to pick one or the other.

And here for part two, we're going to be assuming a patent owner believes it needs to make changes to the claims to improve its position and has selected reissue as the tool they want to use. And we're going to dig in a little deeper into reissue and some of the mechanics and strategic considerations and some of the nuances once a patent owner has made that choice and wants to go down the reissue road.

First, let's talk about reissue application and the mechanics of filing it by a patent owner involved in a IPR proceeding.

Megan Thisse O'Gara:

I can start us off here by revisiting a little bit about the reissue and what the requirements are for reissue filing and timing of filing that reissue application in the context of a parallel proceeding like an IPR or a PGR. Revisiting old ground, a little bit here, but remember that reissue is a tool that you can use as a patent owner to correct a variety of different errors in the issued patent, correct specification errors, errors in mentorship, perfecting priority.

What we're talking about here is correcting errors in the claims. And so, you can correct an error of claiming more than you had a right to claim in the original patent, narrowing those claims in reissue, or less than you had a right to claim in the original patent by broadening within a two-year limit on the broadening

Andrew Zappia:

From issuance of the patent?

Megan Thisse O'Gara:

Two years from issuance of the patent. Absolutely, yes.

The timing is really important on that and I would say that the very first thing that patent holders should do who are considering these procedures, and what Mike and I, when we counsel clients and they're thinking about reissue in general in any context, one of the first things we do is we look at that issue date. Really, our automatic is to say, "Are we within two

years? Let's present an opportunity for broadening those claims, presenting a new claim that has broader subject matter within that two years."

So, that's the first thought on timing that we have is really, are we within that two years?

And then really, timing in connection with the parallel proceeding at the PTAB. You've got to be careful about your timing there, as well. If all of your claims are challenged in that IPR PGR proceeding, you need to file a reissue application, or a reexamine, which we'll talk about in our next series here. You need to file it before the USPTO would issue a certificate that cancels all the claims of a patent. You need to get your reissue application on file before that happens. If all of your claims are challenged, you really want to have that timing in the back of your mind in case the IPR or the PGR goes south. Or if it's appealed, you need to do that before the federal circuit issues a mandate in relation to their decision that finds all the claims invalid or patentable.

So, that timing really needs to be closely monitored by a patent owner when they're in those types of proceedings.

Andrew Zappia:

And the PTAB does help you a little bit because I've noticed in final written decisions there's always a little footnote at the bottom.

Megan Thisse O'Gara:

Yeah.

Andrew Zappia:

Saying reissue or reexamination, so they're sort of giving you a hint that, if you want to do that, you got to do it certain timing. So, they actually tell you expressly in there.

Megan Thisse O'Gara:

Yeah, don't forget.

Andrew Zappia:

That's awfully nice of them, don't you think?

Megan Thisse O'Gara:

Oh, sure.

Andrew Zappia:

Yes. That's very nice.

Now, I'm thinking with a reissue, there's a couple ways you might want to use it. You might say, "Hey, I've got this IPR. I'm going to let it keep going. I'm going to keep that fight going, but I'm going to file a reissue," and kind of have them go in parallel. I've also seen these instances where folks take an adverse judgment in IPR and then they file a reissue.

Let's talk about those two things. Maybe we'll talk about the first one initially, which is, you intend to keep the IPR going, but you're going to file a reissue. How's that work?

Megan Thisse O'Gara:

First of all, back to our timing, it makes a lot of sense when you're facing that two-year time period. That two-year window is closing. You want to get your reissue application on file even if you don't prosecute it right away. You want to get that reissue application on file within the two years to put your stake in the ground and to alert the public that, "Hey, we're going to seek a broadening reissue of this patent," and you let the proceedings proceed in parallel.

There are stays possible. There are suspensions possible in your reissue proceeding or four-year reissue proceeding when you have a parallel IPR or PGR. And you're going to let them both remain pending. You're going to let the IPR proceed, or PGR proceed. We're not going to get into the details of those. It's a very complex topic that we could spend another whole series of podcasts talking about stays in suspensions and how they're requested or how you move for those and how they're lifted.

Andrew Zappia:

I know there's a statutory provision on it. So, if you file a reissue and you have an IPR, say, and you're going to keep the IPR going, this question about whether or not to stay is something the patent office is going to address. They're going to decide whether or not to stay one of those procedures, right?

Megan Thisse O'Gara:

Yes.

Andrew Zappia:

So just before we move beyond the stay issue, Megan, I take it you have an IPR proceed, you file a reissue. Oftentimes, I've seen that neither petitioner or patent owner might make a motion to stay, right? Why would one or the other make those choices?

Megan Thisse O'Gara:

If you're the patent owner and, let's say, that you are within your two years from issuance time periods of for the patent, your timing is obviously very important for filing that reissue application and for telling the patent office and the public that you plan to broaden that patent via reissue. You're going to file your reissue application within two years, but you don't want to prosecute it right away. You want to see how the IPR, or the PGR turns out. You think you have a good position, but you wanted your reissue application on file for broadening purposes within the two years. You could file that application and then turn back to your PTAB proceeding and make a motion to stay that reissue.

Andrew Zappia:

Sure. And then I imagine in some instances a petitioner might say, "Well, they filed this reissue. Maybe it's a narrowing issue in that instance." And the petitioner doesn't want the two going in parallel, so they might make a stay motion. Right?

Megan Thisse O'Gara:

Absolutely. They might make a motion to stay in that context, even if the patent owner tries to resist and really wants to push through a narrowing reissue in parallel with the proceeding or maybe even try and beat the final judgment of the proceeding, whether appealed or not. They might try to do that as well and resist the motion to stay.

Michael Goldman:

Going back to the patent holder wanting to stay, even just if it's filing for broad and reissue, I mean, we talked in the prior embodiment of this podcast about the duty of candor reattaching. And might that be a reason as well to move to stay just because you don't want to have to deal with having to decide what to disclose in the adversarial proceeding to the central reexamination unit that decides the reissue? So, that would yet be another motivator to perhaps have a stay, so we don't have to deal with that headache.

Megan Thisse O'Gara:

Yeah, absolutely.

Andrew Zappia:

And then, will the patent office sometimes on its own decide to stay one or the other, even if no motion is filed?

Megan Thisse O'Gara:

Yes. The patent office can act on their own. They can act sua sponte to suspend the reissue application while the AIA proceeding is going.

Andrew Zappia:

Let's go back to this topic of filing the reissue and the IPR and not taking adverse judgment, so intending both to be procedures that will go forward. Separate from the stay issue, what other considerations come into play in that scenario where you're not taking adverse judgment in the IPR?

Megan Thisse O'Gara:

That's a good question, Andy. And I think that really, it's an iron in the fire, right? You're giving yourself an opportunity to amend your claims in a procedure that is more conducive to amending your claims than in a motion to amend during the IPR or the PGR proceeding.

You're also putting yourself in a position to have a timely filed reissue application to provide yourself a fallback, frankly, if things don't go well in the IPR PGR proceeding and you end up with a final written decision that results in cancellation of claims, and you really want to have an avenue to revive or rehabilitate that patent.

Michael Goldman:

Within the two years from issuance of the patent, the broadening concept is a convenient way to have your cake and eat it where you've given yourself a chance to go into reissue without

necessarily at that point presenting claims to narrow up the ones that are in the issued patent. So, it really just provides you a vehicle without potentially showing your hand that you're worried about the pending claims and, in fact, maybe create some anxiety for the patent challenger because, "Oh, not only do I think my claims are good, but here we're going to go out for broader ones that maybe will make things even worse for you." Maybe that's the way to look at it.

Of course, if that doesn't afford itself, you've got a patent that's over two years from issuance. Well, that's not going to provide you the convenient way to hedge your bets about something going adversely in the IPR proceeding. So, then you would, as I think we've talked about before, go to hedge claims as a convenient way to basically get yourself into the other proceeding, a proceeding that's more hospitable to amending, and just basically have your place in line reserved in the case that the IPR goes badly.

Andrew Zappia:

Right. Because I guess, correct me if I'm wrong, but if you keep the IPR going, you fight that fight as a patent owner, maybe you win and that's great. But if you don't, you've got this reissue there. Whether it's broadening or narrowing, it's like a backup position. And you've got it filed in there. And so, you're giving yourself, as a patent owner, multiple opportunities to prevail, i.e., have claims survive the attack. Either you get amended claims and a reissue or maybe you beat the IPR.

Michael Goldman:

That's the reason you'd want to keep both pending. That would be the scenario of keeping both pending. And perhaps the way you do it is, you just go ahead and file your reissue application with either the hedged claims or the broadened claims depending on what your degrees of freedom are. And maybe you're happy to just put the brakes on it at that point as a patent holder and let it sit because you've accomplished what you want. You've got the tool to amend in a more hospitable forum. And on the other hand, wait and see what happens in the IPR before you move it forward. And if in fact the IPR goes well for you, if you don't really think you've got anything to broaden and you're not really all that excited about hedged claims, then you dropped the whole thing and just say you're going to abandon the reissue application and life goes on. But on the other hand, if things go badly in the IPR, you've got the tool ready and waiting for you to use, i.e., reissue.

Andrew Zappia:

And I suppose because the reissue is available after a final written decision as long as you've appealed it, no mandate or before the certificate, wouldn't there be some benefit to seeing that final written decision and seeing what the board did with, for example, art cited and what they said? Because that could help you craft, for example, narrower claims in a reissue. Is that something you think about?

Megan Thisse O'Gara:

Absolutely. I think you have to think about it. And you're going to have to show the patent office you thought about it. So, I think that it's absolutely a useful tool.

And some folks wouldn't file the reissue until after they received that final written decision. They have it in their mind that they're going to file a reissue application, but they don't do it at the outset. Their early-stage timing is typically after you get an institution decision or a move of no, based on the strength of the petition grounds that you're going to want to think about narrowing your claims or having a tool to use to amend your claims. So, maybe you do it early stage, like we've been talking about.

Maybe you do a late stage. Maybe you get the final written decision, you see how things shook out and you say, "I could really improve the claims in a reissue application." And you get it on file before that trial certificate comes down, canceling all the claims.

Andrew Zappia:

And theoretically you could do both, right? Because you could file a reissue before the final written decision and then file a continuation reissue after. Is that right?

Megan Thisse O'Gara:

Yeah, you can. We keep talking about broadening because it's so important. Really, it's so important if you're within that two years to get that reissue application on file to give you an opportunity to broaden aspects of the claim that you're able to broaden. Maybe you're going to narrow something up to address the grounds of the IPR and you could broaden in another way that makes that claim really commercially valuable. So, that's really important. And if you get that on file within the two years, you can file broadening continuation reissue applications. I mean, how great is that?

Michael Goldman:

After the two years? At this point?

Andrew Zappia:

Yeah.

Megan Thisse O'Gara:

yes, absolutely. It's a huge opportunity for a patent holder if they're within that two years when they filed that first reissue application. So, you're right. You can, after the final written decision, take stock of what is there, take stock of your reissue application that maybe you already have on file, and then maybe, you're right, file a continuation reissue application to cover some varying scope that would be helpful to you.

Michael Goldman:

Or you could just file an amendment so your reissue that's already pending to present whatever else you want to go forward with.

Megan Thisse O'Gara:

Yeah.

Michael Goldman:

You can do it any of those ways.

Andrew Zappia:

Sounds like there's a lot of flexibility.

Michael Goldman:

That's the name of the game of the reissue.

Andrew Zappia:

That's right. Let's talk about the other scenario, because I've seen these instances where a patent owner takes adverse judgment in an IPR and then files a reissue or might file the reissue just before. What are some of the scenarios where a patent owner might decide to go down that road?

Megan Thisse O'Gara:

I think there's a few different considerations when folks think about taking adverse judgment. First, the strength of the petition grounds. You may be facing down the barrel of what you know is a very difficult and expensive proceeding at the PTAB and you see reissue as an opportunity to make some clean amendments that would address those grounds. I think that's absolutely a consideration once you see the strength of the petition grounds or after the institution decision is made and the strength of those grounds are signaled by the PTAB in the institution decision.

I think that another big consideration, and I mentioned it already, is expense. If there's uncertainty around your chances of prevailing in the patent office trial, I think that that is a serious consideration for a patent holder where expense is a significant issue.

Andrew Zappia:

I've also seen instances where say a district court has rendered an unfavorable 101 decision on the patent. Is that another scenario where you might say, "Well, there's already a bad 101 decision. I've got this prior ARP challenge in the IPR..." Because you could firm up the claims on 101 also or try to in a reissue, right?

Megan Thisse O'Gara:

Absolutely you can. That is a big consideration when that factor's at play.

Andrew Zappia:

So, say you go down this adverse judgment route. I know there's some things you have to be careful about because you've got to present claims in the reissue that are sufficiently different, right, from what you're surrendering when you take adverse judgments. Maybe talk a little bit about how all that works.

Megan Thisse O'Gara:

Yeah. And you phrased it really well there that you are considered to surrender that subject matter really. And you have to show to the patent office that you're presenting narrower claims, patently distinct claims, that avoid that surrendered subject matter.

It can come in a couple of different forms. If all of the claims were challenged of your patent and they all wind up canceled as a result of the adverse judgment and the trial certificate that results from that, then if you filed your reissue application timely, you'll be given an opportunity to show the patent office that you are willing to abide by the surrender of that subject matter, that you are presenting narrower claims and that those claims are patentable over those claims that were lost as a result of the proceeding and the adverse judgment. And that can be a little nerve-wracking to be on the receiving end of the form in which it comes, which is in order to show cause by the patent office. So, the patent office will give you an order to show cause and say, "Prove it up. Show me how your claims are narrow and patently distinct of those that were lost."

Andrew Zappia:

Is that a communication with the patent office that comes early on after you file the reissue? And before they actually start up examination, they order to show cause?

Megan Thisse O'Gara:

Yeah, it can depend. It can be case to case when it arrives. But typically, in this scenario that we're talking about, you've requested adverse judgment and you've gone into the patent office, and you've previously filed your reissue application. The timing will likely be that you're doing it early on in the reissue application process. And that order to show cause is going to come early on before examination begins, just by the natural timing of requesting adverse judgment and filing your reissue application.

Michael Goldman:

Perhaps either in tandem or just before you request adverse judgment, submit an amendment beyond whatever you did to start the reissue, which presumably was perhaps more innocuous. Or maybe that is a starting round when you these claims aren't valid.

But it would seem to me, it'd be best to go ahead and say you're going to present claims of intermediate scope as your opening volley to have the reissue there. And then after you have a serial number and everything else, file an amendment that says either, "I just filed for adverse judgment," or "There's error because these claims that are already in the original patent have an error because they claimed too much," or however you want to say it. And then you proceed with your amendment right then so at least just have everything in there as far as what you're planning to do before there's an adverse judgment. And then if they go ahead and ask you to show cause, well, you're ready to go because everything's in there already. And that's the reason I really want to proceed with this reissue is to show you that these claims that we are now presenting are patentable over whatever was used to say that the originals were no longer patentable.

Andrew Zappia:

What advice can you give about how much you say or don't say about the error in the original reissue application? Because in this context where we're in a PGR or IPR, I imagine that's something you want to be careful about.

Megan Thisse O'Gara:

Yeah, I think we've hit on this before, right? Typically, you want to say as little as possible.

Andrew Zappia:

You want to say enough that they'll take up the reissue. It's not like a fall on your sword scenario.

Megan Thisse O'Gara:

Yes. And I think that it's different if you're in the context of a broadening because you could still, if you're within the two years, broaden and really thread the needle on all of this and broaden your claims while also addressing whatever issues were presented in the trial.

But it depends on whether you're broadening or narrowing because the requirements are different for the type of error that you need to present to the patent office. If you're narrowing your claims, it could be the matter of checking a box and just saying that you claimed more than you had a right to claim and narrowing your claims accordingly. You can also, like Mike said, at your initial volley to get the reissue application on file, maybe you want to just present some hedge claims and some dependent claims, claims of intermediate scope and detail your error in that way, that you've failed to protect your invention by the full extent allowed by the law in failing to present those dependent claims. If you're broadening your claims though, you have to detail the way in which you're broadening your claims. So, that is a little bit trickier because you need to really flesh that out in one way, at least one error, in the body of your error statement to the patent office.

Michael Goldman:

So, the fact that you have other errors, i.e., your original claims aren't patentable, you can remain silent on that-

Megan Thisse O'Gara:

Yes.

Michael Goldman:

... by focusing on these more innocuous things. You don't have to identify every error. You just need to identify one.

Andrew Zappia:

So, let's assume we file the reissue and whether it's adverse judgment or you're keeping the IPR going, and you overcome the order to show cause. Isn't it then like normal prosecution, like you're back in prosecuting a case? Is it different? Once you're over those hurdles, how is it different? And is the timing like normal prosecution? Or is it longer shorter?

Megan Thisse O'Gara:

Yes, it is similar to regular prosecution with the exception that you're living with the patent owner estoppel that came from requesting adverse judgment. Or, assuming your IPR didn't go your way, that you're living with the result of that proceeding if it was adverse to you as a patent owner. So, that adds an extra nuance.

But it is like regular prosecution. You get full examination of those claims. It's in front of the central reexamine unit, which is different than regular prosecution being in front of the examiner in the examining corps. And these are specialized examiners that handle reissue and reexamination proceedings. And although it's like regular prosecution, it is a little bit faster. They're handled and they're treated in a manner that puts these reissue applications in a special position in the docket to proceed more quickly through the docket than other cases.

Andrew Zappia:

We talked about this a little bit in part one of this series, but maybe it's good to just mention again. You're in the reissue, overcome the [inaudible 00:21:29] clause, you've gone through the prosecution, you've got allowed claims. What happens then and how would that impact an IPR proceeding? Or how's that different from re-examination and coming out with claims in a re-exam?

Megan Thisse O'Gara:

In the re-issue context, it is a little bit similar to a regular prosecution in this way. You get a notice of allowance. You have allowed subject matter. You pay your issue fee. And you get a new reissued patent. You get a brand-new patent that reissues the original patent, so the original patent then becomes surrendered upon issuance of the reissued patent.

Important to our discussion here, when you're considering whether or not to pursue a reissue or a reexamination in order to amend your claims, either in parallel with or as an off-ramp to an IPR or PGR proceeding, the new reissued patent, it's a new patent subject to a new estoppel under Section 3-15-B. So, the one-year time period from which an infringer or an alleged infringer has from service of a complaint to filing an IPR proceeding, it will be affected by that. It's a new patent that's not subject to any original estoppel.

Andrew Zappia:

It's a new patent. So, for petitioners in an IPR or PGR, they get a whole new shot without any time-

Megan Thisse O'Gara:

That's exactly right.

Andrew Zappia:

And this probably goes without saying, but the reissue patent is still subject to the same term, meaning you don't get any extra term with a reissue patent.

Megan Thisse O'Gara:

Yes. It is for the term of the original patent.

Andrew Zappia:

Well, any other closing thoughts on strategies or mechanics if a patent owner has chosen reissue as its mechanism to make changes to the claims in the context of a IPR or PGR?

Megan Thisse O'Gara:

Absolutely. I think reissue is an incredibly flexible tool that patent owners can think about using when they're faced with an IPR or a PGR. You always want to be thinking about the tools that you can use to your advantage to invent claims. And reissue presents a really flexible tool to use. The other tool is re-exam and that's been highlighted by the USPTO via their 2019 notice. And we're going to talk a little bit more about the mechanics of re-exam in our next podcast.

Michael Goldman:

And in fact, both proceedings before the central re-examination unit are generally far more favorable to amending than in the PTAN proceeding.

Andrew Zappia:

Well, thanks Mike and Meg for talking about reissue and the options and strategies for that. For part three of this series, we'll get into the mechanics of re-exam in the context of an IPR or PGR proceeding.

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