
***PATENTS: POST GRANT PODCAST- S02 Ep04, REEXAMINATION IN IPR AND PGR PRACTICE
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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. This podcast is part three of a three-part series we are doing on the use of reissue or reexamination in the context of IPR, inter partes review, or PGR, post-grant review proceedings. In the first part of the series, we talked about why a patent owner who is faced with one of these proceedings might want to amend claims to improve its position in the validity challenge that's part of a PGR or IPR proceeding. We talked a bit about the differences in reissue and reexamination as an option to amend claims, and why parties might want to look at one of those mechanisms rather than the motion to amend procedure that's part of the IPR and PGR rules.

In part two of the podcast, we focus specifically on reissue as a tool to amend claims. Now, in part three we are going to provide a closer look at reexamination as a tool to amend claims in the context of an IPR or PGR, with a focus on the mechanics, and strategic considerations, and some of the nuances that come along with reexamination as a tool to amend claims. But Meg, just to start out and as a bit of review, what are some of the reasons why a patent owner faced with an IPR or PGR might not want to use the motion to amend procedure that's part of those proceedings?

Megan O'Gara:

Sure. Hi everybody. Hi Andy. Thanks for having me again on this podcast. Happy to talk about reexam today. So yeah, motion to amend in an IPR or PGR proceeding, first off, there's a very low grant rate of motions to amend. Less than a third of all motions to amend are granted in full or in part in the IPR context. And you are also facing an adversary, a well-equipped challenger, the petitioner can oppose the motion and fully attack patentability as to the amended claims that are being proposed in the motion to amend as substitute claims. It includes anticipation, obviousness, patent ineligible subject matter under 101, or issues relating to 112, including written description, enablement, and indefiniteness. So, that makes MTAs, motions to amend, in the IPR or PGR proceeding context very difficult, risky, and expensive.

Andrew Zappia:

You notice that there aren't a whole lot of motions to amend being filed, so maybe that's a recognition by practitioners that the procedure's not really attractive.

Megan O'Gara:

I think that's right.

Andrew Zappia:

And that's why in this podcast series we're talking a little bit about other mechanisms to amend claims. We talked last time about reissue, so we're going to dive deep in this podcast to reexamination. So Mike, assuming a decision's made that you want to try to amend claims, but you don't want to use the motion to amend procedure, can you explain how a reexamination procedure can be used to amend claims?

Michael Goldman:

Certainly Andy. Reexamination can be requested by any person during the time that the patent is enforceable. Here, of course, we're talking about a patent owner-initiated reexamination as opposed to what may be a little more common, which is a patent challenger-initiated reexamination. In any type of reexamination, there has to be a request and the request needs to be granted in order for the reexam to proceed. If a request is made and it is denied, the reexamination does not proceed any further. This is quite different than a reissue application, which is simply filed and examined just like applications in original prosecution. Reexamination also has a different threshold and scope of examination. To order reexamination, the request must present a substantial new question of patentability, sometimes referred to in abbreviation as SNQ. And it has to be based only on patents or print publications. So there's a couple things to keep in mind here. You have to identify patents or printed publications that present a new and noncumulative teaching that was not previously considered by the patent office during original prosecution.

Andrew Zappia:

Right. And as part of the reexamination request, if it's ordered, at some point can you put in amended claims? Is that how it works?

Michael Goldman:

Yes, the rules and the statute for that matter permit amendment of claims. And as we can talk about going forward, there is a particular way we think that should be done in order to best affect what a patent owner might want to do to improve his chances of being successful in amending claims compared to PTAB trial.

Andrew Zappia:

Gotcha. Hey Meg, when you do a reexam, what's the paperwork like? What does the request look like? What kinds of evidence can you put in with it? What is that?

Megan O'Gara:

So like you said, it is in the form of a request. The request doesn't have any page limits, that's one of the benefits of reexamination is that there are no page limits, no limits in general to the number of exhibits and pieces of evidence you can have to support your request. What we always counsel clients to include is a really fulsome request with an expert declaration, if possible, to support your request as a part of your paper. That said, you can make it cheaper if you're willing to limit yourself to only 40 pages. That's one strategy the patent office has

provided to incentivize folks and improve the accessibility of reexamination for smaller entities or requesters that are willing to limit their page count is a half price reduction.

Andrew Zappia:

Oh, so the filing fee is less if you adhere to some page count limit?

Megan O’Gara:

Yes, that's right, with the appropriate spacing and word counts associated with that.

Andrew Zappia:

Is that the pages of the request? Does it also apply to the pages of the declaration or is the declaration without fee?

Megan O’Gara:

The declaration is without fee, so it's really a limit on the request itself.

Andrew Zappia:

So, you can make the declaration as long as you want with no fee impact?

Megan O’Gara:

You sure can. Whether someone will read it is another question.

Andrew Zappia:

Right, right. Of course.

Michael Goldman:

I think it's important to keep in mind that even though you can put as many pages in as you want, as Meg alluded to, it may not be the best move to put in too much because the reader may just not read all of it. The other thing I would just want to point out is, the approach that a patent challenger might take, and how much they put in a reexamine request would be likely very different than in a patent holder context, a patent holder initiated reexamine. Because the patent challenger might only have that one opportunity to get its words in edgewise. So if its position isn't fully laid out at the outset, that may never make it to the central reexamination unit once they move forward the reexam. On the other hand, a patent holder-initiated reexam, the patent holder is going to be involved the whole way through, so if more needs to be said, it can always say it later on.

Andrew Zappia:

Maybe we'll talk a little bit more about the mechanics of the actual amendment request in the context of the reexam. Mike, can you give some thoughts on the strategy there?

Michael Goldman:

Claim amendments can be filed, as we talked about a minute ago, with a reexamined request or in the reexamination process. The fact that it is possible to have your request be accompanied by amendment doesn't mean it's a good idea to do that. The conventional wisdom in filing amendments by a patent holder-initiated reexam, or by a patent holder in any context, prior to granting of the request is that it's not a good idea to submit an amendment until such time as the request is granted. So conventional wisdom is to wait. And why is that? Because if you go ahead and put an amendment in before the request is granted, the concern would be that what happens if the request is denied? You've put out an amendment that makes changes to the claims for some reason, and you may never really get to have that amendment considered if the reexam is denied and other procedures aren't otherwise available to submit that amendment.

So usually we counsel people to wait until the request is granted before a proceeding. That said, once the request is granted, it's prudent to file the amendment as soon as you can. One, because the reexam process does not permit the usual amount of prosecution that you see in normal prosecution or reissue prosecution where there are continuations and divisionals available to buy time in order to submit the amendments that are needed to get the case allowed or declarations. Reexam is usually a process where you get a first office action after the request is granted, and then you'll likely get one more office action, and then prosecution starts to end. So it's best to keep that in mind and get your amendment and as soon as the reexamination is going forward so that you're able to have sufficient time to prosecute your case and get those amendments in shape for the patent office to allow your claims.

Andrew Zappia:

Ah, so it sounds like the strategy might be to put in your request and the evidence you want, and maybe have the amendments ready, and once the reexam is ordered or granted, then you file the amendment right away. Is that the strategy?

Michael Goldman:

I like that. Yeah.

Andrew Zappia:

In reissue, in some circumstances, you can put in a broadening amendment, but here is it correct you can only narrow in reexam?

Michael Goldman:

That's right.

Andrew Zappia:

Okay.

Michael Goldman:

If you're doing that, that is narrowing the scope of the claims and presumably, is going to put them in shape to distinguish the claims from whatever challenges you're concerned about with regard to patentability of the original claims.

Andrew Zappia:

Gotcha. Now, one other thing I was thinking about is in a patent owner-initiated reexam, because you have to show this substantial new question of patentability, right, is a patent owner admitting an invalidity problem with the current claims and other strategies to try to mitigate that admission problem or concern?

Michael Goldman:

Yeah, that on its face always seems to worry people. And I think the first thing to keep in mind is that the standard that you have to meet of a substantial new question of patentability is not a standard that equates to lack of patentability. It's simply that there's a question of patentability, a new one, but not necessarily that the question is sufficient to establish lack of patentability. So I think there's that to start with. In the context of a patent owner initiated reexam, what we would generally be thinking about doing in the context of a parallel PTAB challenge is to use whatever the petitioner has presented in his petition for an IPR or PGR as your substantial new question of patentability and simply put that in without, in any way agreeing with it, but just say that whatever that he petitioner raised in this other proceeding is sufficient to raise a substantial new question of patentability and therefore, please grant my reexam request on that basis without ever saying that you agree with it or not.

Andrew Zappia:

Right, so you're not raising new art, you're just parroting what the petition says and using that as a basis to get a reexam ordered.

Michael Goldman:

Exactly. And that's the beauty of it, that's already out there, whatever the petitioner said is out there, so you're not making things any worse by simply using that as your basis to get the reexam started.

Andrew Zappia:

If you use the motion to amend procedure in IPR for example, you have to address the grounds in the motion, so it's really a similar approach and you just are using the reexam mechanism.

Michael Goldman:

Yeah. And if you follow our strategy of submitting an amendment after the request is granted, then the request is granted, and if you're basically going to get rid of the initial claims, you're in an ex-party proceeding at that point where nobody else has much of a chance to participate other than you in the patent office and you are able to make the arguments in a manner akin to what you would do in normal prosecution.

Andrew Zappia:

Ah, okay. One other thing I was thinking about is, and Megan, I was going to throw this one to you. You put in a reexam request, but you have this IPR or PGR also pending, well, what does the patent office do when you have these different proceedings pending at the same time? Will it allow them all to go forward? Is it going to stay one of them? How's that work?

Megan O'Gara:

The office can stay examination of a reexam proceeding pending any final written decision in that PTAB trial proceeding that addresses the same patent. Usually, that's done by motion in the PTAB trial itself and the board ordinarily, will stay a parallel office proceeding where good cause exists. And that includes, for example, an ongoing PTAB trial, which is subject to statutory deadlines, that year deadline from institution and is addressing the same or overlapping claims. Even a single overlapping claim, we've seen that be cause for a stay of a patent issue in a parallel office proceeding, that is typically considered good cause to stay the reexamination proceeding or the pending office proceeding.

Andrew Zappia:

Assuming the reexam is ordered, not stayed, Meg, what happens next once it's ordered? And now, we talked about putting in an amendment right away, assume you do that. What's the process then?

Megan O'Gara:

Let's sort of rewind a little bit. So we put our request in, we've provided rationale to support a substantial new question of patentability, or perhaps several substantial new questions of patentability. The central reexam unit at the patent office then orders the reexamination, we put in our amendment, which maybe we narrow the pending claims, maybe we just add additional, what we refer to as hedge claims. We add additional dependent claims, new dependent claims to the end of the claim set. So we put in our claim amendments, we may get an office action. And an examination will proceed in front of the central reexamination as normal. I'm air quoting, you can't see my air quotes Andy, but I'm saying as "normal," with the exception of really timing. So on timing, there is a very limited life of a reexamination and extensions of time are only permitted for good cause.

And important to know this when you're going into it as a patent owner, that you can't continue examination as of right. You can't file a request for continued examination like you could during regular prosecution or even reissue prosecution. So that's a significant difference between the two proceedings. And once this reexamination is ordered, they really try to only give you two office actions. You're going to get a non-final office action and a final office action, and then your only remedy, at that point, to continue on is appeal to the PTAB of any final office action. Once it's ordered, you can't withdraw it and you can't abandon it. That is a real difference from reissue practice as well. In reissue, you can walk away from the reissue and leave the original patent in place. You cannot do that in reexamination and that is another significant difference between these two mechanisms for amending claims as opposed to doing it during the IPR or PGR proceeding.

Andrew Zappia:

When you're having this back and forth with the patent office, with the office actions, et cetera, and a reexamination, what's the claim construction standard?

Michael Goldman:

It's the broadest reasonable interpretation throughout the reexamination process. And the broadest reasonable interpretation would appear to be something that makes reexamination less attractive to a patent holder because it's as a result of the broader interpretation, claims are more likely to drag in more prior art than the narrower district court or PTAB interpretation of claims. However, whether that's really so, or whether it's just a theoretical difference between BRI and the district court standard is really something that is debatable, so may not really amount to that much of a difference in most cases.

Andrew Zappia:

Gotcha. So Mike, one other question I had is, and I think you touched on this a little bit earlier is, if you do a reexam, can the petitioner in an IPR or PGR wiggle a way to participate in it or are they not a participant?

Michael Goldman:

They can try. Once a reexamination proceeding is requested by the patent holder, if the petitioner in a PTAB trial wants to also get into a reexamination proceeding on that patent, they would have to file their own request for reexamination and hope that the patent office will merge the two proceedings together. The limitation of doing that in the context of a patent holder trying to amend the claims is that, once the amendment is submitted, depending on the scope of the amendment, the central reexamination unit will be focused on that amendment, perhaps entirely, and the reexamination request that a petitioner in an IPR or PGR files would be only limited to the claims in the original patent. So they can certainly try to make some comments about the amendments, but it really would be outside the scope of their request and would likely be ignored by the patent office, if not stricken, as being irrelevant to that reexam request.

Andrew Zappia:

Gotcha. Hey Meg, I was wondering, people know that with IPRs and PGRs there's various estoppels. What about with reexam, like a patent owner-initiated reexam, is a patent owner going to get hit with any estoppels?

Megan O'Gara:

For the patent owner, the estoppels that attach are those that are like regular prosecution. That's who we're focused on as being the requester here, third parties can challenge a reexam proceeding, but we're focused here on patent owners. They're fully subject to the regular prosecution estoppels that would be associated with reissue or regular prosecution. Their appearance before the patent office and the reexamination proceeding and any positions they took would form part of the intrinsic record for claim construction and can be the subject of prosecution history estoppel assertions.

Andrew Zappia:

Right, and that would be the same in reissue, right?

Megan O’Gara:

Sure would. Yep.

Andrew Zappia:

Yeah. And how about preclusion's in layer litigations? If the patent owner takes certain positions in prosecution, could there be preclusions and other proceedings, potentially?

Megan O’Gara:

The arguments been made, but the federal circuit and district courts have repeatedly rejected issue preclusion or collateral estoppel arguments about positions taken by requesters and reexaminations. And they've also emphasized that district courts aren't bound by PTO claim constructions under the BRI. So I think those arguments can be made, I think it's not likely to be successful though.

Andrew Zappia:

Gotcha. So Mike, assuming you make it through the reexam prosecution process and you have allowable claims, what happens then?

Michael Goldman:

Well, you get a certificate of reexamination from the patent office that tells you what the outcome of the reexamination is, which hopefully tells everyone that your claims as amended or original were all confirmed. There may be some that were canceled, but that is the document you get at that point. And that is quite different than what happens in reissue where you issue a new patent. So the certificate of reexamination is done in the context of the original patent, whereas a reissue patent is a new patent. This may have a significant effect in the standpoint of 35 USC 315 as far as the one-year bar from the time a patent holder files a complaint on a particular patent to being able to have someone go into the PTAB with an IPR petition or a PGR petition.

Andrew Zappia:

Right, because a reissue a new patent, right? There would be a new patent the challenger could try to bring into the PTAB. A reexam is not a new patent, so it raises a question about that one-year time bar.

Michael Goldman:

That's right. So if you've already consumed the one year by the time your reexam certificate comes out, the question would be are you out of luck as far as challenging those claims that were added through amendment during the reexamination in an IPR or a PGR? I think the question has to be that you aren't, but there's been no cases that say that right now, so there is the question whether you're able to use the PTAB proceedings in that situation.

Andrew Zappia:

Right. And I guess, now, we've talked some about reissue in our prior podcast. We've talked today about reexam. I'd like to get some closing thoughts from each of you, and Meg, I'll start with you, about what circumstances might lead you to prefer the reexam tool as opposed to the reissue tool?

Megan O'Gara:

Well, I think we can start with where we just ended, and we can say that it is somewhat of an open question at the moment, but if you are really interested in taking advantage of the fact that a reexamination could provide at the end a certificate of reexam that would be appended to your original patent, such that you could really use that 315B one year bar to your advantage to preclude an opponent from dragging you back into an IPR or a PGR, that would be a really good reason to look at reexam. I think it's not a certain reason, but it could be a really good reason to go the reexam route. I think that if you're past the two-year mark from issuance, and that you're going to have to narrow the claims and reissue anyway, that might not be tipping your hat toward reissue, maybe reexam still becomes a good option for you. And I don't know what you think, Mike, but I think that the timeline in a reexam could be an advantage for you. What do you think about that?

Michael Goldman:

Yeah, that's kind of where I come out as well. My view is that properly executed, a reexam request filed without an amendment by the patent holder, followed by a very quick amendment once the reexamined request is granted, could work out very well in the sense of, particularly, if you're amending all the claims, going to a proceeding that is going to be held with special dispatch and a proceeding that's ex parte. And that until you're successful in getting those claims to come out in a reexam certificate, the patent challenger, even if it files a second reexam request can't be involved, which is very different than the situation that occurs where there's a motion to amend in an IPR or PGR. So I think that's a big advantage from my perspective. Another distinction that may militate towards using reexam is, reissue is a proceeding that will consider all challenges relating to a patent such as 112 101 in addition to 102 and 103.

Reexamine, on the other hand, is limited to issues relating to patents and printed publications as far as patentability under 102 or 103. If you have a 102 or 103 issue relating to something that is outside of a patent or printed publication, that does not get considered in reexam. In addition, reexams will not consider 101 issues. And as far as 112 issues go, reexamination only looks at those to the extent they relate to amendatory subject matter. So the ability to pull a lot of issues off the table in a reexam compared to a reissue makes a reexamination a very, potentially, attractive choice amongst the two.

Andrew Zappia:

That's all very interesting. I want to thank you, Mike, and Meg for your discussion of reexam, but also our two prior podcasts that talked about amendment strategy generally and reissue. I found it very interesting and I think practitioners listening will gain a lot from considering these various tools to amend claims, if they are concerned about the motion to amend procedure.

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