

Closing Argument: Patent law reinvents itself

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It has been 40 years since I started in the patent business and an interesting 40 years it has been. In 1968, I began my career in patent law as a law clerk. I never aspired to become an "intellectual property lawyer." I had never heard of such a thing, nor had anyone else. We called it patent law. Life was not terribly complicated.

In 1970, I received my license to practice and found a paying job. It seemed I was being offered all the money in the world. A couple of New York firms offered me top dollar: \$15,000 a year to start. A firm in Cleveland offered me \$13,500 and I took that. I justified the choice with the logic that \$13,500 in Cleveland was worth more than \$15,000 in New York. Besides, who could resist living in a town that had a river that caught fire?

At one point in the 1970s, I dabbled in other areas of the law. I was a police prosecutor doing traffic and preliminary hearings until a deranged schoolteacher showed up in court one morning, pulled a Beretta .380 and started shooting — at one point at me! About eight months later I found myself in a bank during a robbery. Shortly thereafter I left Cleveland for a safer environment in Chicago and the full-time practice of patent law.

Soon after I arrived in Chicago, Congress launched the federal circuit. It turned out to be a patent-friendly forum that gave consistency to the practice. Then the federal circuit invented the Markman hearing so that a judge and not a jury would interpret patent claims that define inventions. Surely no one wanted juries to interpret patent claims with wild trial lawyers persuading juries to make decisions that had no justification in law or in science.

While there have been many other developments in patent law, it was Congress that prompted significant changes that led to new ways to practice patent law today. We now have ex parte re-examination of a patent in the U.S. Patent and Trademark Office (USPTO), an inter partes re-examination of a patent and the often overlooked, imaginative use of reissuing a patent in the USPTO.

In December 1980, a third party or patent holder acquired the right to request the re-examination of a patent and the director of the USPTO acquired the power to order the re-examination of the patent upon finding "a substantial new issue of patentability." Most practitioners representing patentees through ex parte re-examination found a real advantage in cutting a third party from prosecution of the patent during its re-examination if and when the USPTO found a substantial new issue of patentability.

In December 1981, I found myself enmeshed in two of the first ex parte re-examinations held in the USPTO. Later, the patent in the first instance survived a total of two re-examinations and two separate lawsuits.

Most likely in response to third parties being precluded from ex parte re-examination proceedings, and likely

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in response to the cost of patent litigation in the federal courts, Congress created inter partes re-examination proceedings, where, upon a third-party request, the USPTO can order re-examination of a patent upon finding "a substantial new issue of patentability." The third party can respond to a paper filed by the patentee. The trouble is that the patentee does not have an opportunity to reply to the third party's answer, an unfair advantage for the third party.

Both types of re-examination proceedings are to be handled with dispatch. The inter partes proceeding provides a real alternative to force a patentee into narrowing his claims. Procedurally, the third party gets the last word in briefing his position versus the patentee and, also, the presumption of validity evaporates during re-examination, as opposed to a court proceeding where a patent is presumed valid during infringement litigation. The inter partes re-examination proceeding is far less expensive than a lawsuit.

Possibly one of the most interesting and underutilized opportunities for patentees, however, has existed for years. This is the opportunity to reissue a patent "whenever any patent is, through error without any deceptive intention, [is] deemed wholly or partly inoperative or invalid ..." (35 USC § 251).

What many practitioners fail to recognize is that reissue of a patent can be more advantageous to a patentee than an inter partes or ex parte re-examination. Patent claims can be broadened if the application for reissue is filed within two years of the issue of the original patent. That is not the case for either ex parte or inter partes re-examination.

In reissue applications, third parties are excluded from the proceeding, except to file a protest. More recently, patentees have filed continuation reissue applications in the USPTO even after the USPTO has allowed a first reissue patent.

Even better, if the first application for reissue has been filed within two years of the issuance of the original patent, the continuation application also may have broadened claims even if that continuation reissue application is filed five or more years after the issuance of the original patent.

Although the practice is more complex, these changes have created wonderful opportunities for patent lawyers to leverage their practices into providing clients with living patent portfolios.

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