

Reproduced with permission. Published April 08, 2011. Copyright © 2011 The Bureau of National Affairs, Inc. 800-372-1033. For further use, please visit <http://www.bna.com/copyright-permission-request/>

PATENTS

The authors describe the current methods for third parties to submit prior art publications in challenges to pending U.S. patent applications and how the patent reform bills in Congress would create a new challenge opportunity through pre-issuance submissions.

Current and Potential Methods to Undermine a Competitor's U.S. Patent Application



BY W. KEITH ROBINSON, AND M. AAMIR HAQ

Introduction

One of your most important clients has sent you an e-mail message with a recently published patent application attached. The message reads, "Our competitor filed the attached application. How do we keep them from getting this patent granted?"

This question is one a patent practitioner is sure to hear more than once in her career. It is usually accompanied by other comments such as, "There is no way this is patentable, we've been doing this for years," or "This is well-known, how can they patent this?," or the gloom and doom statement, "If our competitor gets this coverage, they will put us out of business." Essentially,

The authors are associates with Foley & Lardner, Washington, D.C.

your client wants to know what can be done to prevent or impede its competitor's receipt of a patent.

Under current law, the options are limited. The Patent and Trademark Office has a few procedures that allow third parties to submit prior art to the patent office for an examiner's consideration. These procedures, however, are severely limited due to narrow timing requirements. In the average case, by the time a third party finds out about a patent application, it is too late to use the current PTO procedures.

The Patent Reform Act of 2011 (now known as the America Invents Act),¹ which is now working its way through Congress, attempts to address this situation. It

¹ This article references the text of the bill, S. 23, adopted by the U.S. Senate (81 PTCJ 593, 3/11/11). The U.S. House of Representatives introduced its version of patent reform, H.R. 1249, March 30 (81 PTCJ 697, 4/1/11). The text on pre-issuance submissions is virtually identical in the House bill. Of course, the particular language finally included in the final form of the Act may change.

would provide a third party the opportunity to submit prior art and comments to the PTO in a slightly expanded time frame. The proposed legislation, as well as other current options for impeding a competitor's prosecution, are explored below.

Proposed Pre-Issuance Submissions by Third Parties

Section 7 of the Patent Reform Act of 2011 is entitled "Pre-Issuance Submissions by Third Parties." The proposed section permits a third party to submit printed publications that may be relevant to a pending patent application at certain times during prosecution of the application. The printed publications may include a patent, a published patent application, or any other printed publication. The submission will be considered by the examiner and included in the record of the patent application.

As to timing, Section 7 specifies that the third party must submit the published documents before the *earlier* of (1) the mailing of a Notice of Allowance, or (2) the *later* of (a) six months after the application publishes or (b) the mailing of a first claim rejection under Section 132. For most utility applications (excluding continuations, continuations-in-part, and the like), a Notice of Allowance is mailed well after a first rejection and six months post-publication. Thus, Section 7 effectively allows a third party to submit prior art before (i) the six month post-publication date, or (ii) prior to the first rejection, whichever is *later*.

The timing for submission will no doubt be affected by the Technology Center within which the target application is being examined. For example, in the Communications Technology Center 2600, the average application does not receive a first rejection until 30 months after the filing date. Accordingly, under the proposed procedure, a third party will typically have around one year after the application is published at the 18-month mark to submit prior art. Other technology areas will have shorter deadlines. For example, the average application in the Biotechnology and Organic Chemistry Technology Center 1600 receives a first rejection 20 months after filing. For these applications, a third party will typically have to submit prior art approximately 24 months after the filing date, i.e., no more than 6 months after publication. A chart is provided at the end of this article illustrating how these time frames compare with current options.

To have prior art considered, Section 7 requires that the third party submit a concise description of the relevance of the each submitted document, a fee, and a statement affirming that the submission complies with the section's requirements. The exact meaning of "concise" has not been defined. Thus, it will be up to the PTO to determine the limits on third-party commentary.

While some may argue that the proposed procedure is too restrictive, as discussed in detail in the next few sections, the proposed procedure gives a third party much more flexibility with regard to timing and commentary than current options available through the PTO.

Current Options for Pre-Issuance Submissions by Third Parties

Currently, there are at least four options available for a third party to provide prior art or other information in

a competitor's *ex parte* patent prosecution. These include third-party submissions, protests, public use proceedings, and letters to opposing counsel. Each is important to understand because, even if Congress adopts Section 7 as currently written, the procedure will not take effect until one year after the enactment date, and in many instances, a third party may be outside the timeliness window.

Third-Party Submissions

The PTO's Rule 99, 37 CFR § 1.99, allows third parties to submit patents or publications relevant to a pending published application for consideration by the examiner. The submission is limited to ten total documents and must be filed within two months of the publication date or prior to a mailing of a Notice of Allowance, whichever is *earlier*. In practice, the two-month post-publication window is too short for many third parties to avail themselves of this option because companies generally do not make it a habit to monitor published applications.

There is a limited exception to these deadlines. If the third party could not have submitted the patent or publication earlier (e.g., an amendment submitted in the application significantly changes the scope of the claims and therefore the third party could not have been reasonably expected to submit prior art earlier), the art may be submitted after the deadline. To invoke this exception, the PTO requires a petition with a satisfactory explanation.

The submission is also limited insofar as it cannot include any commentary about the patent or publication. This exclusion makes it difficult to explain the document's relevance to the examiner. As a result, there is a risk that the examiner will overlook or not understand relevant portions of the patent or publication, especially in complex technologies or where long documents are submitted. The PTO, however, does allow the third party to redact portions of the document. Thus, third parties should consider redacting portions of the document to help the examiner hone in on relevant text.

Protests

Rule 291, 37 CFR § 1.291, allows a third party to file a protest against a pending application. The protest may include patents, publications, or other information (including litigation-related documents). Unlike a third-party submission, the protest may include a concise explanation of the relevancy of each document. The protest, however, must be made prior to the date of publication or the mailing of a Notice of Allowance, whichever is *earlier*. Because the protest must essentially be filed pre-publication, a protester must either know of the application based on a World Intellectual Property Organization publication designating the United States, or obtain knowledge of the application from another source (e.g., the inventor).

In cases where a third party is aware of an application but does not know the exact application number, the PTO allows the third party to direct the protest to the Office of Petitions with as much identifying information as possible (e.g., name of the inventor, type of technology, filing date time frame, assignee, priority document number, etc.). The Office of Petitions will then try to match the protest with the appropriate application, so that the third party may proceed with the protest.

Public Use Proceedings

Rule 292, 37 CFR § 1.292, allows a third party to file a petition for a proceeding to show that an invention has been in public use or on sale for more than one year before the filing date. The petition must be supported by affidavits or declarations. Upon receipt of the petition, the director will determine whether a public use proceeding should be initiated.

Similar to a protest, the petition must be made prior to the date of publication or the mailing of a notice of allowance, whichever is *earlier*. Thus, to potentially initiate a public use proceeding, the third party must have knowledge of the application via a WIPO publication or an insider.

Letter to Opposing Counsel

Rule 56, 37 CFR § 1.56, imposes a duty on applicants to disclose all material information to the PTO. A common tactic, therefore, to get prior art in front of the examiner is to send a letter with prior art to the attorney of record for the application, and basically compel the attorney to disclose the prior art to the PTO to comply with the duty of disclosure requirements. Such letters may be sent anytime prior to issuance of the patent.

One drawback of this approach is that there is a risk that opposing counsel will “bury” the prior art in an Information Disclosure Statement with numerous other documents. This drawback can be mitigated, however, by providing material commentary as to the relevance of the prior art in the letter to the attorney of record. If the attorney takes a cautious approach, the attorney will submit this letter with the prior art to the PTO, and

therefore there is a better chance that the examiner will notice the prior art and understand its relevancy.

Conclusion

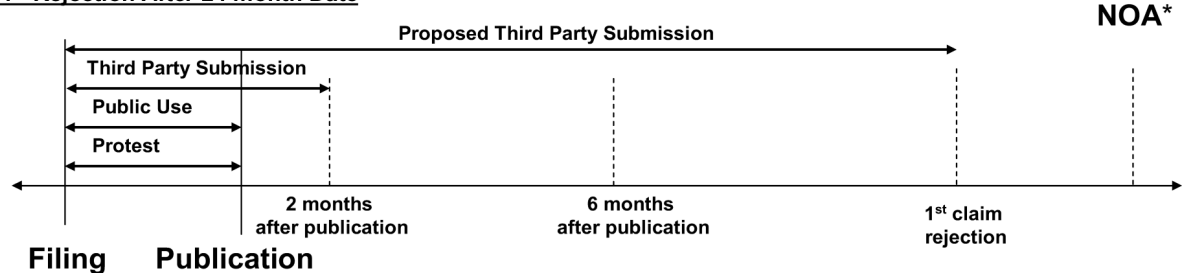
The current PTO procedures provide a few choices for a third party to influence the prosecution of a competitor's patent application prior to issuance. In the case of protests and public use hearings, the third party may submit documents and explain their relevancy, but must know of the application's existence prior to publication in order to meet the timeliness requirement. In the case of third-party submissions, the third party has a short two-month window post-publication, but cannot explain the relevancy of the documents submitted. In each case, the time frame within which a third party can act is extremely limited.² The third party may also attempt to force disclosure of prior art at any time prior to issuance by sending prior art to the attorney of record and/or the applicant. However, it is uncertain if and how the prior art will be presented to the PTO.

Current legislation seeks to offer more flexibility for pre-issuance submissions. If S. 23 is passed, Section 7, in its present form, will in most cases allow an interested third party to submit prior art *directly* to the PTO for consideration *after an application has been published* with an *explanation of the prior art's relevance*. The legislation in its current form has been passed in the Senate and is now moving to the House for consideration.

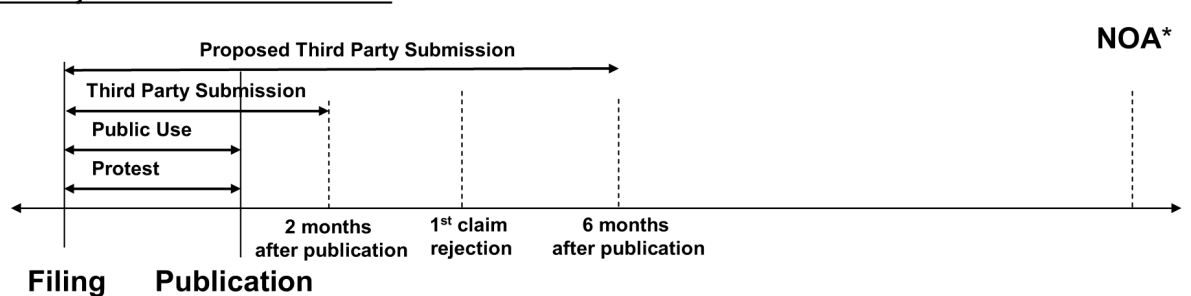
² The PTO estimates that only 65 protests and only 160 third-party submissions are filed each year. See 75 Fed. Reg. 1,592 (Jan. 12, 2010).

Exemplary Timelines

(1) 1st Rejection After 24 month Date



(2) 1st Rejection Before 24 month Date



* Both charts assume that the Notice of Allowance occurs after the first rejection and the 24-month date.