

Changing The Rules Of The Game: Preissuance Submissions

Law360, New York (January 23, 2012, 1:02 PM ET) -- On Jan. 5, 2012, the U.S. Patent and Trademark Office published proposed rules^[1] relating to preissuance submissions^[2] under the America Invents Act of 2011. Preissuance submissions are submissions of prior art by third parties in pending patent applications, and are expected to change the rules of the patenting game. They can be filed in any nonprovisional utility, design and plant application, as well as in any continuing or reissue application. Preissuance submissions will reduce the risk that unpatentable claims will be allowed by examiners who are unfamiliar with the prior art. This new process is expected to improve the quality of issued patents.

Prior to the passage of the America Invents Act, the patent examination process was primarily an ex parte process. Submissions of prior art by third parties were allowed, but the third parties were not allowed to comment on the prior art. Many practitioners were reluctant to submit prior art without the ability to comment, because it was possible that the examiners would not apply the cited prior art in the manner desired by the third parties.

As a result, submissions of prior art by third parties in patent applications during ex parte prosecution were rare. Preissuance submissions by third parties will change the patent examination process into a quasi-inter partes process by allowing third parties to submit prior art to the USPTO and provide concise explanations of relevance. This can be done while remaining anonymous.

Preissuance submissions must also be filed at the beginning of the application process. The goal is to give the examiners the best prior art prior to issuance of the first office action on the merits. Specifically, any preissuance statements must be filed before (1) the date a notice of allowance is given or mailed in the application for patent; or (2) the later of — six months after the date on which the application for patent is first published, or the date of the first rejection of any claim by the examiner during the examination process. After these time periods, preissuance submissions are no longer allowed during the examination process.

Preissuance submissions must include a listing of the prior art being submitted, as well as "a concise statement of relevance." According to the supplementary information accompanying the proposed rules, a third party "may present the concise description in a format that would best explain to the examiner the relevance of the accompanying document, such as in a narrative description or a claim chart." The concise statement of relevance provides an explanation of how the prior art would be applied to the claims. It would seem possible for third parties to propose prior art rejections for the examiners, thereby allowing the examiners to accept or reject those proposed prior art rejections.

Third parties will want to take advantage of the preissuance submission process, as there are significant advantages over other processes for challenging patent claims.

First, unlike conventional patent re-examination proceedings, as well as the new post-issuance review and inter partes review proceedings under the AIA, third parties submitting preissuance submissions can remain anonymous. Thus, it is possible to challenge the validity of an applicant's patent claims without fear of retaliation by the applicant.

Second, unlike conventional patent re-examination proceedings, as well as the new post-issuance review and inter partes review proceedings, there is no estoppel.

For example, under 35 U.S.C. 315(c), a third-party requester in an inter partes reexamination proceeding "is estopped from asserting at a later time, in any civil action ... the invalidity of any claim finally determined to be valid and patentable on any ground which the third-party requester raised or could have raised" during the inter partes re-examination proceedings.

The practical effect of this is that the best prior art known to the third party must be supplied by the third party in the inter partes re-examination proceeding. The third party cannot submit a piece of prior art in a reexamination proceeding and withhold better prior art for subsequent litigation.

In contrast, preissuance submissions by third parties do not result in the same estoppel. Consequently, it is possible for a third party to supply prior art in a preissuance submission, while reserving better prior art for a post-issuance challenge.

Third, the cost and burden of filing a preissuance submission is significantly less than that of post-issuance procedures. The supplementary information accompanying the proposed rules suggests that no fee is required for the submission of three or fewer documents in a preissuance submission. A relatively small fee is required if more than three documents are submitted.[3] The official fee associated with a preissuance submission is at most a few hundred dollars compared to thousands of dollars for post-issuance proceedings such as inter partes reexamination.[4]

Fourth, the ability to potentially invalidate claims and generate prosecution history estoppel early in the examination of patent applications will provide greater certainty as to risk associated with pending patent applications. This can be important for individual inventors and corporations as they proceed to bring their products to market.

In conclusion, preissuance submissions will result in higher quality patents and greater certainty as third parties familiar with the prior art will be allowed to participate in the patent process.

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[1] 77 FR 448

[2] 35 USC 122(e) PREISSUANCE SUBMISSIONS BY THIRD PARTIES

(1) IN GENERAL.—Any third party may submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application, if such submission is made in writing before the earlier of—
(A) the date a notice of allowance under section 151 is given or mailed in the application for patent; or

(B) the later of—

(i) 6 months after the date on which the application for patent is first published under section 122 by the Office, or

(ii) the date of the first rejection under section 132 of any claim by the examiner during the examination of the application for patent.

(2) OTHER REQUIREMENTS.—Any submission under paragraph (1) shall—

(A) set forth a concise description of the asserted relevance of each submitted document;

(B) be accompanied by such fee as the Director may prescribe; and

(C) include a statement by the person making such submission affirming that the submission was made in compliance with this section.

[3] Proposed 37 C.F.R. 1.290(g).

[4] The current fee for an inter partes re-exam is \$8,800, whereas the proposed fee for a post issuance submission is \$180 for more than three and less than 10 documents.