

Strategic Third-Party Submissions Against Patent Applications



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The Leahy-Smith America Invents Act (AIA) expanded opportunities for third parties to submit publications and comments against patent applications pending before the U.S. Patent & Trademark Office (USPTO). New procedures under 35 U.S.C. § 122(e) and 37 C.F.R. § 1.290 went into effect September 16, 2012 that provide a window for third-party pre-issuance submissions with explanations of relevance. Used strategically, these procedures can provide a powerful and cost-effective tool for reducing infringement risks from overly broad patent claims. Legislative history claims these submissions “will allow the public to help the PTO correct its mistakes, and ensure that no patent rights are granted for inventions already available to the public.”¹ Pre-issuance submissions were permitted before, but the AIA has made them more attractive. Similar procedures are available in Europe.² Third-party observations can also be submitted against PCT applications up to 28 months after the earliest priority date.³ Businesses confronted with patent-active competitors or patent trolls should consider the benefit of standing programs for third-party submissions. Success of these programs will depend on diligent monitoring of application publications. A defensive (non-patent) publication program could also bolster a pre-issuance submission strategy.⁴ Practitioners should consider advising clients about pre-issu-

ance submissions whenever applications of interest are timely discovered.

OLD PROCEDURES

Pre-issuance, third-party submissions under 37 C.F.R. § 1.99 (2011) have been eliminated.⁵ That comes as no loss because no explanation of relevance of the submitted documents was permitted and timing restrictions were severe.⁶ As a corollary, third parties sometimes send prior art materials to an applicant’s patent attorney. To avoid allegations of inequitable conduct, the receiving attorney may need to disclose it pursuant to 37 C.F.R. § 1.56. This situation can (and will) still occur under the AIA, particularly if § 122(e) deadlines have passed.

Public use proceedings under 37 C.F.R. § 1.292 have been also eliminated. Third parties can now only challenge a pending application based on prior public use through a protest, or else wait to pursue post-grant review or a civil action.

Protests can still be made against a pending patent application under 37 C.F.R. § 1.291.⁷ As before, protests require citation of information (e.g., prior art) relied upon and a statement of relevance. However, protests are barred after an application publishes unless the applicant consents, ensuring third parties can almost never file them outside of reissue. 35 U.S.C. § 122(c).

NEW PROCEDURES

Items submitted under § 1.290 must be identified on a document list. A dedicated online interface is available for third-party submissions, and the USPTO has created a document list form SB/429 for paper filings.⁸ Identification of the real party in interest is *not* required, and the submitter need not be a registered patent attorney or agent. 77 Fed. Reg. at 42154 and 42164-65 (July 17, 2012). Although that allows “straw man” filings, waiver of privilege issues might arise in those situations.

Many types of publications can be submitted under § 1.290. Submissions need not be “prior art” but could be information

relevant to claim interpretation (e.g., dictionary definitions), data to rebut secondary evidence of non-obviousness, evidence that items are known substitutes, background information on how concepts were understood to solve similar problems in another industry, a published court opinion dealing with similar claims, etc. See 77 Fed. Reg. 42154 and 42161. The submitted art can be cumulative, so third parties can, for instance, resubmit prior art of record with a concise statement of relevance that calls the examiner’s attention to an obscure portion of the document(s) or provide a more extensive translation of a non-English document. *Id.* at 42153 and 42162. However, submitters are “cautioned that submission of documents drafted after the application was filed solely to contest patentability may result in non-entry of an entire third-party submission.” *Id.* at 42163.

The concise statement of relevance for a given document should be a claim chart or a narrative description, but for a given document only one can be provided (not both). 77 Fed. Reg. 42156 and 42164. Prominent headings should be used, to assist USPTO screening. A statement could, for instance, describe inherent features or point out items that appear only in a drawing. These statements are not treated as independent “evidence” but as a factual summary of the documents they describe. *Id.* A bare statement that a document is relevant is insufficient. *Id.* It remains to be seen how strictly the concision requirement will be enforced, though in all likelihood examiners will give very lengthy statements only cursory review.

The USPTO will *not* accept proposed rejections. 77 Fed. Reg. 42156 and 42164; *cf.* H.R. Rep. No. 110-314 at 36-37 (2007). However, a well-composed claim chart may imply much the same point. Prior art charts will be most effective when they address all limitations to support novelty rejections. Relying on examiners to formulate obviousness rejections based on submitted prior art that requires a complex combination of numerous references or a highly creative motivation for the combination may be unwise. The USPTO desires statements of relevance to be on separate papers, rather than on a single combined document. *Id.* at 42156. That is not a requirement in the final rule (though instructions for document list form SB/429 imply that it is). Practitioners may prefer a single claim chart, but the electronic filing interface will not accept a single document with state-

ments covering multiple publications. If multiple charts are used, filling in only key entries may call attention to a possible (yet unstated) obviousness rejection better than filling in every possible chart cell. Still, as a rule of thumb, anytime a submission seems to require a common claim chart for multiple documents it is probably too complex for effective pre-issuance submission.

A first submission can include up to three documents for free. For 4-10 publications, the fee is specified by 37 C.F.R. § 1.17(p), currently \$180.00. For additional documents, additional fees are required and, if filed electronically, separate submissions must be made for each set of ten documents. Document counts for online materials will be treated on a case-by-case basis. 77 Fed. Reg. 42163. Different articles on different pages of a given web site will count as separate documents, while a single article spanning multiple web pages will constitute only a single document. *Id.* If in doubt, assume extra fees apply.

English translations are required for foreign-language publications, but only for portions identified as being of relevance on the document list. § 1.290(d)(4); 77 Fed. Reg. 42156 and 42160-61. Listing an entire document requires a complete translation. The translation can be “a reliable machine translation and need not be certified.” *Id.*

The document list must identify the date of publication or other date when a non-patent publication was publicly available. § 1.290(e)(4); 77 Fed. Reg. 42154 and 42161-62. Date evidence may be difficult to establish, such as for marketing pamphlets or web pages. To establish dates for web pages, the USPTO will accept printouts from web archives, like www.archive.org, or dates of retrieval stamped on printouts. Declarations, affidavits, or corroborating evidence can also be submitted, though the applicant can dispute such evidence without the submitter having an opportunity for a sur-reply. *Id.* at 42157 and 42161-62. Documents with cloudy publication histories may be poor candidates for pre-issuance submissions, and may be better held for a post-issuance challenge. If corroborating evidence is omitted from the document list, it will not count for fee calculations. Failure to sufficiently establish publication data for even one item on the document list will make an entire submission non-compliant—so don’t neglect this requirement. *Id.*

Pre-allowance submissions must be received by the USPTO prior to the later of either (a) six months after publication or (b) the date of a first rejection is given or mailed. 35 U.S.C. § 122(e)(1) (B). Certificates of mailing are not available, making electronic filing preferable. § 1.290(i); 77 Fed. Reg. 42155, 42158 and 42167. Restriction requirements mailed more than six months after publication typically lack a claim rejection and therefore should not bar third-party submissions. Yet as soon as a notice of allowance is mailed it is already too late for a submission. 35 U.S.C. § 122(e)(1)(A). For maximum effectiveness, with less chance of disregard due to examiner “inertia,” submissions should be made before a first office action.

An entire third-party submission must be compliant for entry, and partial non-compliance—other than minor typographical errors—will result in non-entry of the entire submission. 77 Fed. Reg. 42152, 42155 and 42167-69. The USPTO can provide submitters an e-mail notice of non-compliance, which will not be included in the official record. *Id.* If a third-party filing under § 1.290 is deemed non-compliant, opportunities for correction are limited. Deadlines are not tolled for resubmissions. Any corrected, resubmitted materials must be received by the USPTO prior to the statutory deadlines. Therefore, materials should be submitted as early as possible to permit re-submission as needed. In particularly complex situations, separate submissions can compartmentalize risk that a defect with respect to one will adversely affect submission of the remaining documents. If a third party believes a submission was improperly deemed non-compliant, a petition to the Director of the USPTO should theoretically be possible under 37 C.F.R. §§ 1.181 or 1.182.

The new § 122(e) procedures are not available for reissue applications, reexaminations or other post-issuance proceedings. 77 Fed. Reg. 42151. However, “[w]here a submission is filed under § 1.290 in a reissue application, the [USPTO] will process the submission as a protest under § 1.291 . . .” *Id.* at 42154.

MONITORING PROGRAMS

Pre-issuance submissions are useful only so much as the third party becomes aware of the relevant application in time to act. A monitoring program is therefore crucial. Such a program can bring additional

value beyond § 1.290. It dovetails nicely with ongoing freedom-to-operate analyses, and helps prepare for possible post-grant review proceedings, permitted for only nine months after issuance.

There are many ways to monitor patent application activity. The simplest is to set up one or more automated keyword- or patent classification-based searches using electronic patent databases. These searches can monitor particular assignee or applicant names, keywords relating to the technology, or patent classifications, and can provide automated alerts whenever new publications meet the criteria. Such searches can run periodically. Because the USPTO publishes applications every Thursday, the shortest necessary interval is weekly. An interval no greater than three or four months will ensure that published applications are found in time. The efficacy of the search will depend on recall of the selected keywords. If a foreign-originating application contains translations not contemplated in the search parameters (e.g., “airfoil” vs. “aerofoil”), forget about finding *that* application. Subject-matter-based keywords and patent classification searches may provide the broadest automated search coverage, but may also lack precision—making filtering the results more burdensome. Revisiting search parameters periodically (e.g., yearly) is wise. Regarding the use of assignee names, note that published applications may or may not list the present or eventual assignee, depending on the information an applicant chooses to identify and when an assignment is completed. If the assignee name is omitted, a typical patent database will *not* return it in search results—meaning patent applicants might reduce adverse submissions by omitting assignee information or applying in the inventors’ names.

Ad-hoc approaches can include monitoring competitor activity in the marketplace, such as noting “patent pending” designations at trade shows, on web sites, etc. Although not comprehensive, this type of monitoring can cue more extensive analysis.

Manual searching provides a more robust approach to monitoring published applications. Chief among those efforts are patent clearance studies performed by patent counsel, particularly when new products or processes present new infringement risks.

For high-exposure technologies, a combination of monitoring approaches is best. No one approach will be perfect. Businesses

should educate employees about monitoring efforts, to allow for action within the relatively short windows available for third-party submissions (or post-grant review). Reliable monitoring will require suitable staffing for analysis.

STRATEGY

Third-party submissions against pending applications are simply another risk management tool. They are not as robust as civil actions where a challenger has opportunities to present evidence of any kind, including expert testimony, and exert the greatest control over the presentation of evidence. Yet a court challenge must overcome a presumption of validity. 35 U.S.C. § 282. With *inter partes* review, the presumption of validity is gone, but attacks are limited to printed publications and estoppel attaches. Post-grant review has fewer restrictions on the grounds for challenges than *inter partes* review, but is subject to even more far-reaching estoppel. *Ex parte* reexamination allows proposed rejections, but carries high filing fees. Pre-issuance submissions, on the other hand, do

not attach any estoppel effect. The same art used unsuccessfully for a pre-issuance submission could be used again for a post-issuance proceeding, which gives the third party quasi-appeal opportunities. Of course, once an examiner has considered prior art submitted by a third party, any resultant patent is presumed valid over that art.⁹ In the end, third party submissions will be most useful for entities unable or unwilling to commit the resources for a civil action (typical cost: \$350K-5M) or various post-issuance procedures (typical costs: \$25-225K).¹⁰ Industries already heavily involved in European oppositions will want to consider the new USPTO (and PCT) procedures, as will small to mid-sized businesses seeking low-cost options to reduce infringement risks. **IP**

ENDNOTES

1. 157 Cong. Rec. S1323 at S1326 (Mar. 7, 2011) (comments by Sen. Sessions); see also D. Aste, "To Disclose or Not to Disclose," 3 CASE W. RES. J.L. TECH. & INTERNET 153, 155, 177-81 (2012) (discussing prior proposals); J. Matal, "A Guide to the Legislative History of the America Invents Act: Part I of II," 21 FED. CIRCUIT B.J. 435, 493-94 (2011-2012).

2. European Patent Convention Article 115 and Rule 114.
3. Administrative Instructions under the Patent Cooperation Treaty, Part 8 (September 16, 2012); WIPO, "ePCT Third Party Observations," (July 29, 2012) at http://www.wipo.int/pct/en/epct/pdf/epct_observations.pdf.
4. Quasi-priority rights may make defensive publications somewhat less worrisome. 35 U.S.C. § 102(b)(1)(B) (effective March 16, 2013).
5. Post-grant submissions are also still possible under 35 U.S.C. §301 and 37 C.F.R. § 1.501.
6. Furthermore, two USPTO "Peer-to-Patent" pilot programs allowed third-party patent examination input. Participation was voluntary on the part of the applicant, and was limited by technology area. See Peertopatent.org.
7. See also MPEP § 1900 *et seq.*
8. See http://www.uspto.gov/forms/3prsubmission_instructions.pdf.
9. On the other hand, a submission could assist in a later infringement suit, based on the cannon of construction that claims are construed to preserve validity and because an allowance over that submission requires those claims be construed to cover something else. This may assist defenses against patent trolls, when a claim term may be construed in another civil action before being asserted against the third-party submitter (now faced with reduced claim construction latitude).
10. See AIPLA, "Report of the Economic Survey 2011," (July 2011), Tables I-142, I-153, I-154, I-174.