The Limited Monopoly™

Rules of Atonement - Supplemental Examination Under the AIA

by John Hammond, PE and Robert Gunderman, PE

A New Type of Patent Examination

Section 12 of the America Invents Act is directed to a new examination procedure in the USPTO known as supplemental examination. The provisions of Section 12 became effective on September 16, 2012. Under new statute 35 U.S.C. § 257, supplemental examination enables a patent owner to have the Office "consider, reconsider, or correct information believed to be relevant to the patent." The intent of the new law is to provide an opportunity for a patent owner to proactively address certain challenges that could be asserted against the patent that might occur in possible future litigation.

"Supplemental examination provides an opportunity for a patent owner to proactively address certain challenges that could be asserted against the patent that might occur in possible future litigation."

In order to implement the new statute on September 16th, the Office published[1,2] the final rules[3] for supplemental examination on August 14, 2012. The rules establish the requirements for filing a request for supplemental examination, the fees to be paid with the request, and the conduct of proceedings in the Office.

Filing the Request

A request for supplemental examination may only be filed by an owner of the patent. (Patent owners are typically corporations, universities, or other entities that have obtained title to the patent by an assignment, but may instead be the inventors named on the patent.) If an owner believes that there may be an issue with a patent, then the owner may file a request for supplemental examination at any time during the period of enforceability of the patent.

Some of the key items that must be identified in or submitted with the request are as follows:

- An identification of the patent number and the owner of the patent.
- A list of each item of information (up to a maximum of twelve items) that the patent owner requests to be considered, reconsidered, or corrected.
- An identification of each claim of the patent for which supplemental examination is requested.
- A separate and detailed explanation of the relevance and manner of applying each item of information to each claim of the patent for which it was identified.
- A summary of the relevant portions of any submitted document, other than the request, that is over fifty pages in length.
- Copies of all items of information listed in the request, other than U.S. patents and U.S. published applications.

Two significant fees must accompany the filing of the request. The first is the supplemental examination fee, which has been set at $5,140. The second fee is for *ex parte* reexamination, which has been set at $16,120. If the request meets these and a few other requirements[4], and the fees are paid, then the request will be accepted and supplemental examination will ensue.

Proceedings in the Office

The proceedings for supplemental examination occur on a "fast track" schedule, compared to many other matters before the Office. By law, supplemental examination must be conducted and concluded by no later than three months from the filing date of the request. Thus the case will likely be docketed to a patent examiner within a few weeks of acceptance of the request.

In conducting supplemental examination, the question before the Office is, does any of the information presented raise a substantial new question of patentability of any claim of the patent? The type of information that may be considered is more extensive than that of "standard" *ex parte* reexamination, which is limited to consideration of only prior art printed publications. The items of information may include any information which the patent owner believes to be relevant to the patent, and which was not considered, was inadequately considered, or was incorrect during prior examination of the application which is now an issued patent.[5] (For example, the information may include transcripts of video or audio recordings submitted by the requestor.) In addition to addressing substantial new questions of patentability under 35 U.S.C. 102 (novelty) and 35 U.S.C. 103 (obviousness), substantial new questions may also arise under the applications of 35 U.S.C. 112 (written description) and 35 U.S.C. 101 (non-statutory subject matter).

When supplemental examination is concluded, the Office issues a certificate indicating whether the items of information presented in the request raise a substantial new question of patentability. In the event that the finding is that no new question is raised, the fee for *ex parte* reexamination is refunded to the requester, the certificate is published and placed in the electronic file wrapper of the patent, and proceedings are concluded. On the other hand, if a substantial new question is

raised, the Office then proceeds with *ex parte* reexamination of the patent, considering all of the information that was submitted in the supplemental examination request. (It is easy to see why the Office collects both of the supplemental and *ex parte* reexamination fees in advance.)

Ex parte reexamination following supplemental examination proceeds in a manner similar to "standard" reexamination[6], but with a few important differences. As noted above, a much wider variety of information may be considered beyond prior art publications, and questions of patentability may be considered under any of the four relevant statutes. Additionally, the requestor does not have an opportunity at the start of this type of reexamination to file a statement with arguments in support of the claims of the patent.

In view of this, it is important to note that the opportunity to file such a statement is at the time of submitting the request for supplemental examination. Under the applicable rules, the request may also include an explanation of why each item of information submitted with the request does or does not raise a substantial new question of patentability, and an explanation of how the claims patentably distinguish over the items of information. In a sense, the first explanation is an opportunity to argue why there is no substantial new question of patentability, and thus reexamination should not occur. The second explanation is an opportunity to argue that in the event that a substantial new question is raised by the information provided and reexamination ensues, the claims should still be found patentable.

Ex parte reexamination concludes with the issuance of a reexamination certificate by the Office. The certificate may state that all of the claims have been found to be patentable in view of the new information and remain in force, or that none of the claims remain patentable, or that only some of the claims remain patentable. Additionally, the patent owner may amend the claims during reexamination in order to render them patentable over the new information.

One Scenario

So what does all of this mean? Perhaps the best way to answer that question is by providing a hypothetical example. Suppose that you have a product covered by a patent, and you have solid information that a competitor is making and/or selling a knock-off that is covered by the claims of your patent, and is thus infringing. You consider filing an infringement lawsuit, and consult with an attorney (preferably one specializing in patent litigation) to discuss your case. The attorney will want detailed information on the "history" of the patent and the application that was filed.

In discussions with the attorney, it is discovered that certain actions were taken that might be relevant to the patent, and thus should have been communicated to the Office during prosecution, but were not. For example, an early prototype of the product might have been used in public, or a premature announcement of the availability of the product might have been made more than a year prior to the filing of the application, with either event being well before development of the final product was completed. Even though the invention/product was not "ready for patenting" at the time of either of those events, and evolved considerably to its state as claimed in the patent, the information should have been submitted to the Office for consideration.

Because it was not, however, it will open the door for the defendant in litigation to assert that the patent is unenforceable due to inequitable conduct on the part of the patent owner. This is a common strategy by defendants in patent litigation. Even though you may successfully prevail in defending against the inequitable conduct charges, the cost of asserting your defense in court will be much greater than the cost of addressing the matter in the USPTO by supplemental examination (the significant filing fees notwithstanding).

Additionally, presuming that you prevail in the Office and emerge from the proceeding with your patent intact and then commence litigation, under 35 U.S.C. § 257, your patent cannot be "held unenforceable on the basis of conduct relating to information that had not been considered, was inadequately considered, or was incorrect in a prior examination of the patent if the information was considered, reconsidered, or corrected during a supplemental examination of the patent." By pursuing supplemental examination before commencing litigation, you have "immunized" your patent from any charges of inequitable conduct that might otherwise be raised by the defendant[7].

Best Practices

It is clear that addressing an issue with a patent by having supplemental examination done in the USPTO is a much better option than dealing with it during litigation in court. An even better practice, though, is to never get in that situation in the first place. This is best accomplished by providing your patent practitioner with a detailed summary of the research and development history of your invention, including a full accounting of any communications with third parties, offers for sale, website publications, and experimental uses that have occurred. You should always disclose *anything* that you think might be relevant. It is always better to have an issue considered by the Office during prosecution of a patent application than to have it raised after the patent has issued.

---

1. Federal Register, Vol. 77, No. 157, pp. 48828-48853.
2. **http://www.gpo.gov/fdsys/pkg/FR-2012-08-14/pdf/2012-17917.pdf**
3. 37 C.F.R. §§ 1.601-1.625.
4. 37 C.F.R. § 1.610.
5. 37 C.F.R. § 1.605.
6. See **The Limited Monopoly™, February 2007**
7. Certain limited exceptions apply – see 35 U.S.C. § 257(c)(2).

Authors John M. Hammond P.E. (Patent Innovations, LLC www.patent-innovations.com) and Robert D. Gunderman P.E. (Patent Technologies, LLC www.patentechnologies.com) are both registered patent agents and licensed professional engineers. They offer several courses that qualify for PDH credits. More information can be found at www.patenteducation.com.

Note: This short article is intended only to provide cursory background information, and is not intended to be legal advice. No client relationship with the authors is in any way established by this article.

PHOTO CREDIT: J.M. Hammond – "Rules of Atonement." Dry Creek Cemetery, Moravia, NY