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Breaking New Grounds in Administrative Revocation of U.S. Patents: A Proposition for Opposition - and Beyond

Allan M. Soobert

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BREAKING NEW GROUNDS IN ADMINISTRATIVE REVOCATION OF U.S. PATENTS: A PROPOSITION FOR OPPOSITION — AND BEYOND*

ALLAN M. SOOBERT†

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I. INTRODUCTION

For nearly two centuries, patents of questionable validity have troubled the U.S. patent system:
A previous refusal of patent would better guard our citizens against harassment by law-suits.¹

Over the years, changes in the U.S. patent system have sought to strengthen the validity of issued patents so that the public and investors alike may rely on an issued patent as an enforceable property right. However, the system under which U.S. patents are granted is far from perfect and, therefore, requires checks and balances to remedy any defects resulting from the issuance of a patent by the U.S. Patent and Trademark Office ("PTO"). In order to address this problem, Congress enacted legislation that permits the PTO to reevaluate or "reexamine" issued patents.²

Unfortunately, the reexamination system implemented under this legislation has been underutilized and has not fulfilled its promise. In general, third parties have been unable to mount meaningful validity challenges under the reexamination system. For example, third parties have been limited in their ability to raise certain issues and adequately participate in the reexamination proceedings.³ In most instances, such parties choose to forego reexamination and instead await litigation in federal court.⁴ Consequently, while analogous systems in Europe and Japan have been effective in enhancing patent validity,⁵ the United States has struggled with an inadequate reexamination system.⁶

² See infra notes 62-70 and accompanying text (discussing the rationale behind reexamination).
³ See infra notes 62-70 and accompanying text (discussing the problems underlying reexamination and certain needs that must be addressed).
⁴ See infra notes 186, 350 and accompanying text (noting that reexamination has not served as a solution to expensive lawsuits).
⁵ See infra notes 406-530 and accompanying text (discussing the European and Japanese models for opposing issued patents).
In order to put an end to this struggle, this article proposes an administrative revocation system that accommodates meaningful challenges to patent validity. Unlike prior proposals, the proposed system not only offers a novel procedure for substantiating grounds of invalidity in the U.S. Patent and Trademark Office, but also provides an added incentive to use the system. The proposed system contemplates potential awards of equitable remuneration against an infringer in a subsequent litigation.

Such awards would be available against accused infringers, who chose not to challenge the patent, but who are subsequently found to infringe. In such instances, awards of equitable remuneration would be appropriate where the alleged infringer: (1) had knowledge of the patent during the period for filing a request for opposition under the proposed system; and (2) practiced or made substantial preparations to practice the claimed invention during this same period. Consequently, third parties, who are aware of grounds that place the validity of a patent in doubt, would be persuaded to initiate proceedings under the proposed system to oppose the patent or otherwise risk the payment of equitable remuneration to the patentee.

Under the proposed system, all statutory bases for invalidity challenges would be permitted to be raised and substantiated through a flexible procedure. The proposed proceedings contemplate simplified as well as more complicated procedures, either of which could

be invoked depending on the grounds of opposition raised by an opponent. Among other features, the proposed system calls for the creation of a set of Opposition Masters in the PTO, who would be legally trained in patent and evidentiary matters so they would be able to conduct the proceedings in a fair and expedited manner. In this way, evidence may be flexibly presented to support any grounds for opposition raised in the proceedings, and meaningful challenges to patent validity in an administrative proceeding could be accommodated. The benefits of such a system far outweigh the costs of implementation.

Using this approach, the proposed system thereby contemplates the resolution of validity issues that are commensurate in scope with all statutory conditions and other requirements for patentability, thereby breaking new grounds in administrative revocation of U.S. patents. In the end, the validity of issued patents and the public's confidence in the patent system would be substantially strengthened, laying Thomas Jefferson's fears to rest.

In crafting the proposed system, Part II first considers the basic principles of the U.S. patent system. Part III discusses the current reexamination system, including its purpose and legislative history, its substantive and procedural provisions, and its limitations. Part IV outlines issues that must be addressed in improving the reexamination system, whether it is modified or replaced. Part V explores recent proposals for change and concludes that a better solution is required. Part VI provides a comparative study of analogous systems used in Europe and Japan and highlights their benefits. Part VII calls for a proposed opposition system, which not only makes use of key features from the European and Japanese models, but also draws on procedures from other patent-related administrative proceedings in the United States. Finally, Part VIII addresses the potential effects of the proposed system, balancing costs and benefits.

II. Basic Principles of U.S. Patent Law

A. The Substance of Patentability

1. Eligible Subject Matter

Section 101 of the U.S. Patent Act provides that "[w]hoever invents or discovers a new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement
thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.”

This section defines the categories of subject matter eligible for utility patent protection. These categories are construed broadly, with most inventions falling within more than one category. Eligible subject matter may be patented if it is


9. See, e.g., Diamond v. Chakrabarty, 447 U.S. 303, 309 (1980) (holding that a genetically engineered bacterium capable of degrading crude oil in the clean-up of oil spills was eligible for patent protection as a “manufacture” or “composition of matter,” even though the bacterium was a living microorganism). Such construction is consistent with Congressional intent. Id. (indicating that a manufacture includes “anything under the sun made by man”) citing H.R. REP. No. 1923 (1952). The only statutory exclusion from these categories is subject matter that is solely useful in adapting nuclear material or atomic energy for use in an atomic weapon. 42 U.S.C. § 2181(a) (1994).

10. Although most inventions fall within more than one category, the courts have construed certain types of subject matter as ineligible for patent protection. For example, it is well established that a known product cannot be patented even if a new use for that product is discovered. See, e.g., Cochrane v. Badische Anilin & Soda Fabrik, 111 U.S. 293, 311 (1884). Other issues of eligibility have arisen in the context of developments in biotechnology and computer software, forcing the courts to further distinguish between eligible and ineligible subject matter. For instance, even though a living thing may be patented under certain circumstances, a naturally occurring product cannot be patented even if its existence was previously unknown. Diamond v. Chakrabarty, 447 U.S. at 309 (indicating that a product of nature, such as a new mineral or plant, is not patentable subject matter). In addition, mathematical algorithms and formulae, as laws of nature, are unpatentable; however, use of an algorithm or formula in a computer does not make the computer itself unpatentable, particularly where the computer implements a practical application. See, e.g., Gottschalk v. Benson, 409 U.S. 63, 71-72 (1972) (holding that mathematical algorithm is not patentable); Diamond v. Diehr, 450 U.S. 175, 192 (1981) (holding digital computer eligible for patent protection); see also In re Iwahashi, 888 F.2d 1370, 1375 (Fed. Cir. 1989); In re Alappat 33 F.3d 1526, 1542 (Fed. Cir. 1994) (en banc).
new” and “useful” and meets other statutory standards, such as “nonobviousness.” 11

2. Novelty

Section 102 of the U.S. Patent Act sets forth conditions for patentability, which generally determine whether an invention is new or “novel.” 12 Novelty is assessed in light of these statutory conditions by comparing the invention, as claimed,13 against the “prior art.”14 Where an invention fails to meet the novelty requirements set forth in § 102, the invention is deemed “anticipated” and thereby precluded from protection by patent.15 Anticipation will usually be found where each and every element of a claimed invention is present in a single prior art disclosure.16

Section 102 lists a number of events that may anticipate or otherwise negate the novelty of a claimed invention. Some of these

11. 35 U.S.C § 101 (1994); see id. §§ 102, 103 and 112. In addition, other patentability conditions have been derived from these requirements. For instance, the same person may not receive two patents that include the same claimed invention. Thus, if an inventor has received one patent on a claimed invention, he or she may not subsequently obtain a second patent on that same claimed invention on the basis of “double patenting.” In re Vogel, 422 F.2d 438, 441 (C.C.P.A. 1970). If an application for the second patent seeks an obvious variation of the same claimed invention in the first patent, the application may also be rejected on double patenting grounds. In re Longi, 759 F.2d 887, 892 (Fed. Cir. 1985). Under these circumstances, the second patent may ultimately issue if the applicant terminally disclaims the portion of the patent term of the second patent that extends beyond the term of the first patent. 35 U.S.C. § 254 (1994).

Similarly, if a patent application includes two or more independent and distinct claimed inventions, a requirement for restriction may result. 35 U.S.C. § 121 (1994). In response to such a requirement, the applicant can choose one of the claimed inventions to pursue in that application and file a separate divisional application for each of the other claimed inventions, as necessary. 35 U.S.C. § 121. 12. 35 U.S.C. § 102.

13. A “claim” defines an invention. A. B. Dick Co. v. Burroughs Corp., 713 F.2d 700, 702 (Fed. Cir. 1983). Each claim is typically “drafted in the form of a preamble, transition and one or more elements. Each element constitutes a limitation or narrowing of the scope of the claim.” 4 CHISUM, supra note 6, § 18.04[4]; see infra notes 48-50 and accompanying text (discussing statutory requirements for claims).

14. Prior art is the existing body of technological information against which an invention is judged to determine whether the invention meets conditions for patentability. See, e.g., In re Fout, 675 F.2d 297, 300 (C.C.P.A. 1982).


16. See, e.g., Scripps Clinic & Research Found. v. Genentech, Inc., 927 F.2d 1565, 1576 (Fed. Cir. 1991) (indicating that “anticipation requires that all of the elements and limitations of the claim are found within a single prior art reference”); RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d at 1444.
events are keyed to the date of the invention. For example, if the invention was known or used in this country by persons other than the inventor prior to the date of invention, a patent on the invention may be denied or defeated. Likewise, if the invention was patented or described in a publication on behalf of others prior to the date of invention, a patent on the invention may be denied or defeated by the prior patent or publication. Furthermore, if the invention is described in a later-granted, but earlier-filed, U.S. patent of another inventor, the invention may lack novelty if the filing date of this later-granted and earlier-filed application is prior to the date of the invention. Finally, if prior to the date of the invention the invention was

17. Sections 102(a), 102(e) and 102(g) are all keyed to the date of invention. In re Bass, 474 F.2d 1276, 1290 (C.C.P.A. 1973). For instance, under § 102(a), a claimed invention may not be patented if “the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant.” 35 U.S.C. § 102(a) (1994) (emphasis added). Similarly, under § 102(e), a claimed invention may not be patented if “the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent . . . .” 35 U.S.C. § 102(e) (emphasis added). In addition, under § 102(g), a claimed invention may not be patented if “before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it.” Id. § 102(g) (emphasis added). Because the events in these sections are keyed to the date of invention, an applicant seeking a patent on an invention may, when such events are raised as grounds for rejection, seek to prove an earlier date of invention and antedate the event by filing an affidavit that substantiates the earlier date. See 37 C.F.R. § 1.131 (1996). Other events in § 102 are keyed to the date on which the applicant filed the application for a patent, or, more specifically, one year before that filing date. See infra notes 22-24 and accompanying text (discussing novelty-defeating events keyed to filing date).

18. 35 U.S.C. § 102(a); see infra notes 237-299 and accompanying text (discussing lack of novelty based on prior knowledge and use).

19. When keyed to the date of invention, the patent or publication will not negate novelty if it is the inventor's own work. 35 U.S.C. § 102(a) (1994); see infra note 269 (defining printed publication). If, however, the date of the prior art patent or printed publication is more than one year prior to the filing date, a patent on the invention may be defeated, regardless of whether the patent or publication was the work of the inventor or someone else. 35 U.S.C. § 102(b) (1994).

20. 35 U.S.C. § 102(e); see also Alexander Milburn Co. v. Davis-Bournonville Co., 270 U.S. 390 (1926). The later-granted, earlier filed application must be filed by “another.” In re Land, 368 F.2d 866, 879 (C.C.P.A. 1966) (indicating that any difference in inventors or inventive entities constitutes “another”). The patent-defeating effect of such a later-granted, earlier-filed patent is based on either the actual date that this patent was filed in the United States, or its effective U.S. filing date under 35 U.S.C. § 120. In re Hilmer, 359 F.2d 859 (C.C.P.A. 1966). Thus, the U.S. patent's foreign priority date under 35 U.S.C. § 119 is not used as the basis for the patent-defeating effect of such an earlier-filed patent. In re Hilmer, 359 F.2d 859 (C.C.P.A. 1966).
made in this country by another inventor, a patent on that invention may be precluded.\textsuperscript{21}

In contrast to these events, other novelty-defeating events in § 102 are keyed to the date upon which an application for a patent on the invention was filed.\textsuperscript{22} For instance, if the invention was in public use or on sale in the United States, more than one year prior to the applicant's filing date, a patent on that invention may be barred.\textsuperscript{23} Similarly, if the invention was patented or described in a printed publication anywhere in the world, more than one year prior to the filing date of the application for a patent on the invention, a patent on that invention may be barred.\textsuperscript{24}

In addition to the above mentioned events that defeat patentability, § 102 also includes other circumstances that may anticipate a claimed invention. For example, if the inventor has abandoned the invention, he or she will not be entitled to a patent on that invention.\textsuperscript{25} Also, if the inventor prematurely filed an application on the invention abroad, he or she may be precluded from obtaining a patent on that

\textsuperscript{21} This novelty-defeating effect is contingent on \textit{inter alia} any abandonment, concealment or suppression of the invention by the prior inventor. 35 U.S.C. § 102(g) (1994). An invention generally requires conception and reduction to practice. Conception involves the formulation in the inventor's mind of a definite and permanent idea of a complete invention. Burroughs Wellcome Co. v. Barr Labs., Inc., 40 F.3d 1223, 1227-28 (Fed. Cir. 1994). Thus, conception is the mental part of the inventive process, which is not completed until the invention is reduced to practice. \textit{Id.} An invention may be reduced to practice either actually or constructively. An actual reduction to practice requires that the product or process be sufficiently tested to demonstrate that it would work for its intended purpose. See, e.g., Great N. Corp. v. Davis Core & Pad Co., 782 F.2d 159, 165 (Fed. Cir. 1986); Scott v. Finney, 34 F.3d 1058, 1061-62 (Fed. Cir. 1994). In contrast, a constructive reduction to practice occurs when a patent application is filed in the PTO. Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1376 (Fed. Cir. 1986). When determining priority of invention, whether in an \textit{inter partes} priority dispute between competing inventors or whether in an \textit{ex parte} context to determine if a prior invention has been antedated, the rules for priority of invention are generally the same. \textit{Id.} at 1379; see \textit{infra} note 257 (discussing priority rules under § 102(g)) and \textit{infra} notes 541-556 and accompanying text (discussing "interference practice" as a means for determining the priority of rights to an invention).

\textsuperscript{22} \textit{In re} Bass, 474 F.2d at 1290. Section 102(b) precludes a patent on an invention if "the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the \textit{date of the application} for patent in the United States." 35 U.S.C. § 102(b) (1994) (emphasis added).

\textsuperscript{23} 35 U.S.C. § 102(b) (1994). Such use or sale may not be patent-defeating if, for example, the inventor may show that any use or sale was conducted on his or her behalf for experimental purposes. See \textit{infra} note 252 and accompanying text (discussing experimental use exception).

\textsuperscript{24} 35 U.S.C. § 102(b) (1994); see supra note 249.

\textsuperscript{25} 35 U.S.C. § 102(c).
invention in the U.S. Finally, if the applicant did not invent the subject matter sought to be patented, he or she will be precluded from obtaining a patent on that invention.

3. Utility

In addition to the requirement of being novel, a claimed invention must also be "useful" or have "utility." This utility condition imposes a requirement of operability on a claimed invention. The invention, however, must only be operable in the sense that it is capable of achieving some proposed object or benefit to humanity. Thus, for example, a chemical process will not satisfy the utility requirement unless the product or compound produced from that process has some known specific benefit or "practical utility." Other examples of inventions that have been found to lack utility are those inventions that conflict with known scientific principles, such as a perpetual motion machine, or those inventions that require any means for accomplishing an unattainable result.

4. Nonobviousness

Section 103(a) of the U.S. Patent Act sets forth a further condition of patentability, which generally requires that a claimed inven-

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27. 35 U.S.C. § 102(f). This condition is known as "derivation." Price v. Symsek, 988 F.2d 1187, 1190 (Fed. Cir. 1993) (indicating that, under § 102(f), a patent on an invention should be denied where it was derived from another); In re Bergy, 596 F.2d 952, 960 (C.C.P.A. 1979), dismissed as moot, 444 U.S. 1028 (1980).
30. E.I. du Pont de Nemours & Co. v. Berkley & Co., 620 F.2d 1247, 1260 (8th Cir. 1980) (Markey, J.) (indicating that non-utility requires "proof of total incapacity"). This requirement is firmly rooted in decisions written by Justice Joseph Story. See, e.g., Bedford v. Hunt, 3 F. Cas. 37 (C.C.D. Mass. 1817) (No. 1217) (indicating that "[t]he law... does not look to degree of utility, it simply requires that [the invention] shall be capable of use, and that the use is such as sound morals and policy do not discountenance or prohibit"); CHISUM & JACOBS, supra note 8, § 2C[2]; see also United States Steel Corp. v. Phillips Petroleum Co., 865 F.2d 1247 (Fed. Cir. 1989) (utility requirement satisfied even though disclosed polymer for the claimed crystalline polypropylene was of "little commercial value").
31. Brenner v. Manson, 383 U.S. 519 (1966) (claimed process for making a known compound held to lack utility since inventor failed to establish that he had discovered practical utility for the compound).
32. CHISUM & JACOBS, supra note 8, § 2C[2]; In re Ferens, 417 F.2d 1072 (C.C.P.A. 1969); Raytheon Co. v. Roper Corp., 724 F.2d 951 (Fed. Cir. 1983).
tion be "nonobvious" over the prior art as of the time that the invention was made. The nonobviousness condition is a question of law that is based on several factual inquiries. Under this condition, a claimed invention is evaluated as a whole, in light of the differences between the prior art and the invention defined by the claims. This evaluation is conducted objectively from the perspective of a hypothetical person skilled in the art to which the invention pertains. This perspective must be gleaned by stepping back in time, to just be-

33. More specifically, § 103(a) states, in part:
   [a] patent may not be obtained though the invention is not identically disclosed or described as set forth in § 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.


34. The United States Supreme Court has made clear the inquiries that should be analyzed under the nonobviousness condition:

   While the ultimate question of patent validity is one of law, . . . the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary conditions as commercial success, long felt but unsolved needs, failure of others, etc. might be utilized to give light to the circumstance surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

Graham v. John Deere Co., 383 U.S. 1, 17 (1966). More recently, the "secondary considerations" referred to by the Supreme Court have become of increased importance and, thus, are to be considered under the analysis as a matter of course. See, e.g., Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1380 (Fed. Cir. 1986).

35. In re Dillon, 919 F.2d 688, 693 (Fed. Cir. 1990) (en banc) (applying analysis of all properties of the claimed invention, as compared to prior art, to determine patentability).

36. This hypothetical person is presumed to have "knowledge of all prior art in the field of the inventor's endeavor and of prior art solutions for a common problem even if outside that field." In re Nilssen, 851 F.2d 1401, 1403 (Fed. Cir. 1988). The obviousness analysis is conducted from the perspective of this person:

   With the involved facts determined, the decision maker confronts a ghost, i.e., "a person having ordinary skill in the art," not unlike the "reasonable man" and other ghosts in the law. To reach a proper conclusion under § 103, the decision maker must step backward in time and into the shoes worn by that "person" when the invention was unknown and just before it was made. In light of all the evidence, the decision maker must then determine whether the patent challenger has convincingly established, 35 U.S.C. § 282, that the claimed invention as a whole would have been obvious at that time to that person.

fore the time that the invention was made, and without using the teachings of the invention.\(^{37}\)

The nonobviousness of a claimed invention must be judged by the teachings in the prior art.\(^{38}\) Although anticipation under § 102 requires that each and every element of the claimed invention be disclosed in a single prior art reference,\(^{39}\) it is entirely proper under the nonobviousness analysis to rely on more than one prior art reference, provided the references disclose some incentive or motivation to do so.\(^{40}\) Where the prior art fails to provide such an incentive or motivation, the claimed invention will likely meet the condition of nonobviousness, even if the invention is a combination of known elements.\(^{41}\)

**B. Requirements for the Disclosure and Claims**

1. **Disclosure**

Section 112 of the Patent Act, first paragraph, sets forth the statutory requirements for the disclosure of the claimed invention.\(^{42}\) This section generally calls for three requirements: (1) the description requirement; (2) the enablement requirement; and (3) the best mode

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37. *Id.; see also* Graham v. John Deere Co., 383 U.S. at 36 (indicating that the decision maker must "resist the temptation to read into the prior art the teachings of the invention in issue").

38. However, under this analysis, it is inappropriate to conclude that it would have been "obvious to try" what the inventor did. *In re O'Farrell*, 853 F.2d 894, 903 (Fed. Cir. 1988) (indicating that an "obvious to try" approach is improper under § 103).


40. *See, e.g.*, ACS Hosp. Sys. Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577 (Fed. Cir. 1984) (indicating that "\(\)under section 103, teachings of references can be combined only if there is some suggestion or incentive to do so\(\)\)). However, where the teachings of the prior art references diverge or teach away from the claimed invention, it may be improper to conclude that the invention is obvious over those teachings. *See, e.g.*, W.L. Gore & Assocs. v. Garlock, Inc., 721 F.2d 1540 (Fed. Cir. 1983).

41. *See, e.g.*, Panduit Corp. v. Dennison Mfg. Co., 810 F.2d at 1575 (indicating that "\(\)virtually all inventions are... combinations of old elements\(\)\)).

42. **1. Disclosure**

Section 112, first paragraph, states:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

requirement. The description requirement requires all of the claims in a patent to be supported by an adequate description of the claimed invention in the patent's specification. In contrast, the enablement requirement is a separate and distinct requirement that places an obligation on the patent applicant to provide a sufficiently clear explanation of the invention that would enable a person having ordinary skill in the art to make and use the invention without undue experimentation.

In addition to these requirements, § 112 requires the inventor to set forth in the specification his or her best mode contemplated for carrying out the invention. This requirement will not be met where the inventor knew of a better mode for carrying out his or her invention than the mode disclosed in the specification, but concealed it.

44. In re Wertheim, 541 F.2d 257, 262 (C.C.P.A. 1976). This description requirement usually becomes an issue when a claim is added by the patent applicant at some time after the original filing date of the application. Vas-Cath Inc. v. Mahurkar, 935 F.2d 1555, 1563 (Fed. Cir. 1991). In such instances, the description requirement will be met if the disclosure reasonably conveys to a person skilled in the art that the applicant had possession of the later-claimed subject matter at the time the original application was filed. Id.; In re Wertheim, 541 F.2d at 262. In other words, the description in the disclosure must be sufficient to support all of the features of the claims, including those claims presented subsequent to the filing of the application. In re Hayes Microcomputer Prods., Inc., 982 F.2d 1527, 1533 (Fed. Cir. 1992); Vas-Cath Inc. v. Mahurkar, 935 F.2d at 1563.

45. The enablement requirement will be met even if some experimentation is required in order for a skilled person to make and use the invention, so long as that experimentation is not undue. In re Barker, 559 F.2d 588, 591 (C.C.P.A 1977) (indicating that enablement and description requirements are separate and distinct and holding claimed invention invalid since it was not described in the disclosure). In determining whether the enablement requirement has been met involves evaluating whether a skilled person, using both the disclosure and knowledge available to that person, could make and use the invention without undue experimentation. Northern Telecomm., Inc. v. Datapoint Corp., 908 F.2d 931, 941 (Fed. Cir. 1990). In some instances, something more than the written description in the specification will be required to satisfy the enablement requirement. For example, for biological materials, a deposit of the specific material may satisfy the enablement requirement. Amgen, Inc. v. Chugai Pharm. Co., 927 F.2d 1200, 1210-11 (Fed. Cir. 1991).


47. The analysis of the best mode requirement involves two questions: (1) did the inventor know of a better mode of carrying out the claimed invention than that disclosed in the specification?; and (2) did the inventor conceal that better mode? Chemcast Corp. v. Arco Indus. Corp., 913 F.2d 923, 927 (Fed. Cir. 1990). The first question is subjective and concerns whether the inventor was required to disclose any other facts beyond those required for enablement. Id. The second question is objective and concerns the comparison of what the inventor knew with what is disclosed. Id. Failure to comply amounts to concealment of the best mode. DeGeorge v. Bernier, 768 F.2d 1318, 1324 (Fed. Cir. 1985). In general, the evidence "must tend to show that the quality of an applicant's best mode disclosure is so poor as to effectively result in concealment." Id.
Although the disclosure of any mode may actually satisfy the enablement requirement, the best mode obligation will not be satisfied unless the specification discloses that mode which the inventor considered the "best."

2. Claims

The second paragraph of § 112 requires that "[t]he specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." The section imposes a requirement of definiteness for each claim in the patent. A claim will be considered definite if it reasonably describes the claimed invention to those skilled in the art and if it serves to distinguish the claim over the prior art. In addition to the definiteness requirement, the remaining paragraphs of § 112 provide additional requirements for claims not discussed here.

C. The Patenting Process: Examination and Appeal

In order to obtain a patent in the United States, an inventor must file an application with the PTO. Upon receipt of the application, a

49. See Andrew Corp. v. Gabriel Elecs., Inc., 847 F.2d 819, 821 (Fed. Cir. 1988). A claim may pass this test even if it includes inexact, but nevertheless definite, terms. Id. (indicating that "closely approximate" and "substantially equal" are definite in light of specification).
50. See 35 U.S.C. § 112, ¶¶ 3-6 (1994). For example, the sixth paragraph of § 112 states: 

   [a]n element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claims shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

   35 U.S.C. § 112, ¶ 6. The construction of such claims to cover "the corresponding structure... described in the specification and equivalents thereof," regardless of whether such construction occurs as part of a patentability determination in the PTO or as part of a validity or infringement determination in a court. In re Donaldson Co., 16 F.3d 1189, 1193 (Fed. Cir. 1994).
51. The PTO administers many patent-related duties, including the examination of patent applications. 35 U.S.C. §§ 6, 131 (1994). Applicants and their representatives are expected to assist the PTO during the examination process. The applicant and others substantively involved in the filing and prosecution of the application are under a duty of candor and good faith in dealing with the PTO. 37 C.F.R. § 1.56 (1995). This duty includes the duty to disclose to the PTO all information and prior art known to be material to patentability. 37 C.F.R. § 1.56. However, this duty does not require a search of the prior art or disclosure of prior art of which the applicant could have been aware. FMC Corp. v. Hennessy Indus., Inc.,
PTO examiner will search the prior art and review the application for compliance with conditions of patentability. Then, examiner will issue an Office action that sets forth representative prior art and indicates, for each claim, whether the claim has been rejected, objected to, or allowed. The applicant may request an interview with the examiner to discuss issues raised by the Office action.

In response to the Office action, the applicant will typically file a response, which may include amendments to the claims. Usually, the examiner will reconsider any rejected claims in light of the applicant's amendments and remarks in the response. In most cases, the examiner will either allow the remaining claims, as amended, or issue a final action that rejects one or more of the previously rejected claims. If claims are allowed, the applicant will subsequently be

836 F.2d 521, 526 n.6 (Fed. Cir. 1987). Failure to comply with the duty results in "inequitable conduct" and normally entails proof that the applicant or their representative withheld information that was material and with a culpable intent. Kingsdown Med. Consultants, Ltd. v. Hollister Inc., 863 F.2d 867, 876 (Fed. Cir. 1988). Where such conduct is proven, the entire patent and all of its claims will be held unenforceable. Id.; compare infra note 58 (indicating that each claim is presumed valid and, thus, the invalidity of each claim must be separately considered). However, under PTO policy, the PTO believes that it is not the best venue for determining whether an applicant or their representative had an intent to deceive, and thus, does not normally investigate whether the applicant has complied with the duty. Patent and Trademark Office Implementation of 37 C.F.R. 1.56, 1095 Off. Gaz. Pat. Office 16 (Oct. 11, 1988). Thus, such issues are usually addressed in district court proceedings or in other inter partes contexts. See infra note 547 (indicating that inequitable conduct may be raised under interference practice).

52. CHISUM & JACOBS, supra note 8, § 2D1[1]. PTO examiners are guided in the examination of patent applications by the Manual of Patent Examining Procedure § 700 et seq. (1996 rev.) [hereinafter MPEP].

53. 35 U.S.C. § 132 (1994); 37 C.F.R. § 1.106 (1995). In order to reject a claim under various conditions of patentability or other standards, the PTO examiner must make a prima facie case. See, e.g., In re Warner, 379 F.2d 1011, 1016 (C.C.P.A. 1967). The Office action will set a period for response, which is normally three months, although it may be automatically extended for up to an additional three months with a petition for extension of time. 37 C.F.R. § 1.136 (1994); 35 U.S.C. § 133 (1994) (capping response period at six months).

54. Under PTO Rule 133, interviews with patent examiners must be conducted during PTO office hours. 37 C.F.R. § 1.133 (1995). Such interviews are generally informal meetings with the examiner to discuss the merits of the invention in light of the rejections. If the applicant requests reconsideration of the examiner's rejections during the interview, the applicant must nevertheless file a written statement to that effect. 37 C.F.R. § 1.133.

55. Any amendment that is filed may not include new matter that was not originally presented in the specification. 35 U.S.C. § 132 (1994). In addition, failure to respond will result in abandonment of the application. 35 U.S.C. § 133 (1994).


sent a notice of allowance, which notifies the applicant that the issue fee is due.\textsuperscript{58} A patent will be issued upon payment of the issue fee.\textsuperscript{59}

If claims are finally rejected, the applicant may appeal the decision to the Board of Patent Appeals and Interferences.\textsuperscript{60} On appeal, the Board may reverse or affirm the examiner’s rejections of claims. Where the Board reverses the examiner’s rejections, the application will be remanded to the examiner to carry into effect the Board’s decision. Where, however, all of the examiner’s rejections are affirmed, the applicant may file an appeal to the U.S. Court of Appeals for the Federal Circuit or file a civil action in the U.S. District Court for the District of Columbia.\textsuperscript{61}

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  \item \textsuperscript{58} 35 U.S.C. § 151 (1994). Upon issuance, the claims in the patent are presumed valid. 35 U.S.C. § 282. In order to invalidate an individual claim, the burden is on the person challenging the validity of that claim, who must present clear and convincing evidence of invalidity to meet that burden. 35 U.S.C. § 282. Typically, “[d]eference is due the Patent and Trademark Office decision to issue the patent with respect to evidence bearing on validity which it considered, but no such deference is due with respect to evidence it did not consider.” American Hoist & Derrick Co. v. Sowa & Sons, 725 F.2d 1350, 1360 (Fed. Cir. 1984).
  \item \textsuperscript{59} \textit{Id.}
  \item \textsuperscript{60} 35 U.S.C. § 134.
  \item \textsuperscript{61} 35 U.S.C. §§ 141, 145. The appeal to the Federal Circuit was based on the record established by the PTO, and no new evidence could be presented. In re Anderson, 743 F.2d 1350, 1360 (Fed. Cir. 1984). The appeal to the District Court for the District of Columbia was a civil action in which new evidence may be taken. This evidence will be considered by the court along with the PTO record in ruling on the appeal. Zenith Radio Corp. v. Ladd, 310 F.2d 859, 863 (D.C. Cir. 1962). This decision may further be appealed to the Federal Circuit. \textit{See infra} note 200 (discussing Federal Circuit’s appellate jurisdiction).
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III. THE U.S. PATENT REEXAMINATION SYSTEM

A. The Rationale Behind Reexamination

1. The Purpose of Reexamination: A Form of Administrative Checks and Balances

In 1980, Congress enacted the reexamination statute which permits the PTO to reevaluate the validity of any issued U.S. patent. The reexamination statute became effective in 1981, and thereby enabled the PTO to recover administrative jurisdiction over an issued patent in order to remedy any defects that may have occurred in the initial examination. The primary purpose of the statute is, therefore, to allow the PTO to correct errors it has made during the initial examination of a patent. In this way, Congress sought to promote industrial competitiveness and innovation in the United States by increasing public and investor confidence in the validity of issued patents.

65. See Patlex Corp. v. Mossinghoff, 758 F.2d at 603 (stating that "[t]he legislative history of the reexamination statute makes clear that its purpose is to cure defects in administrative agency action with regard to particular patents and to remedy perceived shortcomings in the system by which patents are issued").
66. H.R. REP. No. 96-1307, reprinted in 1980 U.S.C.C.A.N. 6460, 6461-64. The statute was part of a larger effort to revitalize the incentive for innovation and to strengthen and improve the patent system. H.R. REP. No. 96-1307. During the recession that plagued the U.S. economy in the late 1970s, many analysts argued that a longer term, "economic malaise" would likely continue unless American industry could keep pace with the increased productivity of foreign competitors. H.R. REP. No. 96-1307. Responding to this notion, President Carter, in 1978, called for a major policy review of industrial innovation and its impact on increasing the productivity of American industries. H.R. REP. No. 96-1307. As part of this call to action, an advisory committee was created to study the areas in which federal government policy impacts productivity and innovation in the private sector. H.R. REP. No. 96-1307. The advisory committee concluded that special emphasis should be placed on the role of the patent system and patent policy regarding government funded research in promoting industrial inno-
The statute established a new procedure permitting any party to petition the PTO to review the efficacy of an issued patent based on prior art patents and printed publications. The procedure was intended to permit efficient resolution of questions concerning the validity of issued patents without the need for expensive and protracted infringement litigation. The procedure would, as it was envisioned, allow the validity of a patent to be tested in an administrative proceeding that would be less expensive than litigation and make use of expertise within the PTO. It was intended that the procedure would be conducted at a fraction of the cost and time required for formal legal proceedings and, in so doing, would help restore confidence in the patent system by affording the PTO the opportunity to review "doubtful patents."
2. Legislative Proposals on the Road to Reexamination

Prior to the enactment of the reexamination procedure described above, Congress considered a number of legislative proposals that sought to produce benefits similar to those envisioned for reexamination under the 1981 law. Many of these proposals arose from recommendations that were made in the 1966 Report of the President's Commission on the Patent System. This Commission had been tasked by President Johnson to study the patent system and address issues concerning the alarming rates at which patents were being invalidated by the court system. Based on this study, the Commission made a number of recommendations for generally improving the patent system, including a recommendation to raise the quality and reliability of issued patents.

These recommendations spurred several legislative proposals for reform, which were intended to cure the perceived problems of the patent system. The proposals sought to improve different aspects of the patent system by, for example, upgrading the PTO and increasing its staff; improving information retrieval within the PTO; implementing procedures for deferred examination, pre-issuance opposition and/or post-issuance opposition; accommodating extensive patentability briefs; and requiring mandatory searches prior to filing an application. Although several of these proposals included measures for improving the patent system, none of the proposals left the floors
of Congress.\textsuperscript{77} Meanwhile, a substantial portion of Patent Bar members believed that none of the proposals would achieve the goal of improving the quality and reliability of issued patents.\textsuperscript{78}

This skepticism toward the proposals led a committee of the Patent, Trademark and Copyright ("PTC") Law Section of the American Bar Association (hereinafter 1974 ABA Committee) to consider alternatives to the pending legislative proposals.\textsuperscript{79} Subsequently, the 1974 ABA Committee proposed an alternative in the form of a simple post-grant patent reexamination system.\textsuperscript{80} An important feature of this system required that, before any prior art patents or publications could be used to invalidate a patent before a court, such prior art had to be first presented to the PTO for consideration.\textsuperscript{81}

During the 1974 Annual Meeting of the American Patent Law Association ("APLA"), a draft proposal describing this post-grant patent reexamination system was circulated among members of the Patent Bar.\textsuperscript{82} The input gained at the meeting was used to revise the draft proposal and finalize the 1974 ABA Committee recommendations for reform of the reexamination system.\textsuperscript{83} The ABA Committee recommendations were incorporated into a bill proposed by Senator Hiram Fong, entitled the Patent Reform Bill, Senate Resolution 4259.\textsuperscript{84} Although several aspects of Senate Resolution 4259 were revised prior to the ultimate enactment of the current reexamination procedure, Senate Resolution 4259 was the first in a series of congressional proposals for reexamination and played a major role in framing the current system.\textsuperscript{85}

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\item \textsuperscript{77} Id. at 227; see discussion infra note 85 (noting that approximately eight different bills were proposed from 1974 through 1980).
\item \textsuperscript{78} Benson, supra note 71, at 227-28.
\item \textsuperscript{79} Id. at 227.
\item \textsuperscript{80} Id.
\item \textsuperscript{81} Id. at 228. This provision was considered key since it sought to force the use of the reexamination procedure for an initial evaluation of prior art issues by the PTO before the patent was litigated. The person requesting reexamination would have the burden of convincing the PTO that the cited prior art presented a new question of patentability.
\item \textsuperscript{82} Id.
\item \textsuperscript{83} Id.
\item \textsuperscript{84} S. Res. 4259, 93d Cong. (1974); see also Benson, supra note 71, at 228. Senate Resolution 4259 was an omnibus patent reform bill that included the key features of the ABA Committee's proposal for reexamination. Id.
\item \textsuperscript{85} See Benson, supra note 71, at 228. From 1974 to 1980, at least eight different bills were proposed that included provisions for reexamination. See Thomas E. Popovich, Note,
Under Senate Resolution 4259, at any time during the enforceability of a patent, prior art patents and printed publications that might have an impact on the patentability of that patent could be cited to the PTO. The third party requesting reexamination would simply be required to identify the portions of the cited prior art reference submitted and the manner in which those portions impacted a given claim in the patent. Thus, the bill required that the request for reexamination contain a statement of the relation between the cited prior art and the patentability of a claim sought to be reexamined. The person requesting reexamination was required to pay a fee for reexamination and could choose to remain anonymous by electing to have his or her identity excluded from the file.

The participation of the third party requester was strictly limited in this version of the reexamination proposal. In particular, a third party requesting reexamination could, in effect, only cite prior art patents and printed publications and explain their pertinence to the patent sought to be reexamined. Thus, upon filing a request and statement containing this information, the requester was not permitted to participate any further in the proceedings. This aspect of the proposal raised concerns that the proposed procedure was too heavily skewed in favor of the patentee and, it was argued, that courts would not respect the outcome since the requester could not effectively participate in the reexamination procedure.

Patent Quality: An Analysis of Proposed Court, Legislative and PTO-Administrative Reform, 1978 Wis. L. REV. 1155, 1182 (1978). Most of these bills were omnibus patent reform bills that were not passed by Congress, primarily because they lumped together excessive measures for reform in a single package. See Banz, supra note 6, at 947. However, another bill, which was directed solely to reexamination, was also unsuccessful. H.R. 14632, 94th Cong. (1976).

86. See S. Res. 4259; see also Benson, supra note 71, at 232.
87. Id.
88. Id.
89. Id.
90. Benson, supra note 71, at 236.
91. S. Res. 4259; see also Benson, supra note 71, at 236-37.
92. Further proceedings would be conducted in those instances where the Commissioner of the PTO had concluded that the reexamination request raised a “substantial new question of patentability.” S. Res. 4259; see also Benson, supra note 71, at 232.
93. Benson, supra note 71, at 237. It was believed that the patentee could overly influence the outcome of the reexamination proceeding since the requester had no opportunity to review or comment on the patentee’s response to the initial request for reexamination. Id. Conversely, increasing the participation of the requester would increase the cost to the patentee. Id. However, some degree of participation was thought to be necessary so that courts would respect the outcome of the reexamination proceeding. Id. This respect would likely increase proportionally with the increase in requester participation. Id. Nevertheless, it was
Like the ABA Committee's proposal, a key feature of Senate Resolution 4259 included a provision for "mandatory referral" of prior art issues to the PTO.\textsuperscript{94} The mandatory referral provision specified that no prior art patents or printed publications could be relied upon as evidence of invalidity in a court proceeding unless that prior art had been considered by the PTO.\textsuperscript{95} Thus, unless the PTO considered a prior art reference during the initial examination that resulted in the patent or during reexamination of the patent, that reference could not be used in a civil action.\textsuperscript{96} As a complement to this provision, another provision in the bill required a court to stay proceedings until the PTO had considered prior art during reexamination.\textsuperscript{97} These provisions, however, became controversial since concerns were raised that the provisions would be used to delay litigation.\textsuperscript{98} Questions were also raised regarding the fairness of requiring an accused infringer to seek PTO approval of any reference that was to be used in litigation.\textsuperscript{99} In addition, others wondered whether Congress would agree to a requirement that a district court refuse to consider a prior art reference merely because the accused infringer had delayed in presenting the reference to the PTO.\textsuperscript{100}

Based on such questions and concerns, a new bill was introduced by Senator Bayh, which was designated as Senate Resolution 1679.\textsuperscript{101} This bill sought to address the controversial issues raised by believed that a substantial amount of participation would be required before a court would accord an administrative proceeding preclusive effect. For instance, in \textit{PIC Inc. v. Presscon Corp.}, a district court refused to collaterally estop an unsuccessful challenger in a contested reissue proceeding from later contesting the validity of the reissued patent in a civil action. \textit{PIC Inc. v. Presscon Corp.}, 485 F. Supp 1302 (D. Del. 1980); see Conger, \textit{supra} note 6, at 534; text \textit{infra} note 103 (discussing contested reissue proceedings); see also Benson, \textit{supra} note 71, at 237.

\textsuperscript{94} S. Res. 4259; see also Benson, \textit{supra} note 71, at 235.
\textsuperscript{95} Id.
\textsuperscript{96} Id.
\textsuperscript{97} Id. The purpose of these provisions was to ensure that a trial court would always have the benefit of the PTO's assessment of a prior art reference that was relied upon as evidence of invalidity. \textit{Id.}
\textsuperscript{98} Benson, \textit{supra} note 71, at 236.
\textsuperscript{99} Id.
\textsuperscript{100} Id.
\textsuperscript{101} S. Res. 1679, 96th Cong. (1979). Two other bills were introduced between S. Res. 4259 and S. Res. 1679, which were designated as S. Res. 214 and S. Res. 2255. \textit{See} S. Res. 214, 94th Cong. (1975); and S. Res. 2255, 94th Cong., 1st Sess (1975). These two bills were backed by two diametrically opposed groups. \textit{See} Bauz, \textit{supra} note 6, at 948. Senate Resolution 214 was known as the "patent bar bill" and was backed by members of the patent bar who believed that a complicated \textit{inter partes} reexamination proceeding would produce higher inva-
Senate Resolution 4259. 102 In particular, Senate Resolution 1679 sought to improve Senate Resolution 4259 by: (1) affording a third party requester the opportunity to comment on the patentee’s response to the third party’s statement concerning the cited prior art; 103

...
and (2) providing trial courts with the discretion to determine whether a patent or printed publication could be used as evidence of invalidity. However, Senate Resolution 1679 retained the provision from Senate Resolution 4259 that required a district court to stay proceedings until the PTO had completed its review of the cited prior art. Furthermore, Senate Resolution 1679 required the reexamination request to include a “material reason” for granting reexamination.  

Although Senate Resolution 4259 and Senate Resolution 1679 played a major role in shaping the current reexamination procedure, neither bill was enacted. Instead, the current reexamination procedure resulted from another bill introduced by Senator Kastenmeier, which was designated as House Bill 6933. The bill was considered a compromise in that it permitted limited third party participation and allowed reexamination to be based on patents and printed publications. The bill, however, did not include the respective provisions in Senate Resolution 4259 and Senate Resolution 1679 relating to mandatory and discretionary referrals of prior art to the PTO during a civil action. The bill also did not require a “material reason” for reexamination to be granted. Without these provisions, the bill was refused to give the proceedings any collateral estoppel effect and instead chose to reassess the patentability of the claims that were part of the contested reissue proceeding. Id.; see also PIC Inc. v. Prescon Corp., 485 F. Supp. 1302 (D. Del. 1980) (refusing to accord collateral estoppel effect based on a contested reissue proceeding); see also discussion, supra note 93 (discussing PIC Inc. v. Prescon Corp.). Consequently in 1982, the PTO repealed the Dann Amendments and ended the extensive inter partes protestor participation. PPG Indus., Inc. v. Celanese Polymer Specialties Co., 840 F.2d at 1568. The PTO gave several reasons for repealing the procedure, including that: (1) the new reexamination procedure was thought to be a suitable alternative; (2) PTO resources could be better used for other proceedings; and (3) patent examiners encountered difficulties in administering the inter partes procedure. See 3 CHISUM, supra note 6, § 11.03[3][b].

105. Id. at 236.
106. See Dauz, Reexamination: An Opportunity to Serve the Public, 62 J. PAT. OFF. SOC’Y. 180, 182 (1980). This requirement was included in the bill in an effort to reduce the possibility that reexamination requests would be filed simply to harass the patentee. See Conger, supra note 6, at 535 n.53.
107. H.R. 6933, 96th Cong. (1980); see also Conger, supra note 6, at 535.
108. See discussion, supra note 103 (discussing the desire to limit third party participation based on the experience of contested reissue proceedings under the Dann Amendments); see also Benson, supra note 71, at 237; Conger, supra note 6, at 535.
110. Id.
passed by Congress in December of 1980 and became effective in July 1981, codifying the reexamination procedure as it stands today.

B. The Current Reexamination System

1. Grounds for Reexamination

Reexamination proceedings are governed by §§ 301-307 of the U.S. Patent Act. Under §§ 301 and 302, the grounds upon which reexamination may be based are limited to issues raised by prior art patents and printed publications. The PTO will not consider other patentability or invalidity issues other than those based on patents or printed publications. For example, the PTO will not consider issues concerning non-statutory subject matter, utility, public use or sale, inventorship, and inequitable conduct. Issues of derivation and prior knowledge and invention will only be considered to the extent that these issues are raised by cited prior art patents and printed publications. If the person requesting reexamination raises other issues that are not based on patents and printed publications, the PTO will note the existence of such issues in an Office action; however, these other issues will not be resolved in the reexamination proceeding.

Thus, in challenging the patentability or validity of a claimed invention, the person requesting reexamination must cite specific


112. 35 U.S.C. §§ 301-302 (1994); 37 C.F.R. § 1.552(a) (1995); M.P.E.P. § 2256; In re Etter, 756 F.2d at 856 (indicating that claims reexamined only in light of patents or printed publications); Quad Environmental Techs. Corp. v. Union Sanitary Dist., 946 F.2d 870 (Fed. Cir. 1991) (indicating that it was not improper for the patent owner to withhold information during reexamination regarding prior commercial use since such information was not within the PTO's reexamination jurisdiction).

113. 37 C.F.R. § 1.552(c) (1995); M.P.E.P. § 2258.

114. See id.; 3 CHISUM, supra note 7, § 11.07(4)[d][ix] (discussing the scope of reexamination); supra notes 7-11 and accompanying text (discussing nonstatutory and patent eligible subject matter); supra notes 28-32 and accompanying text (discussing utility); supra notes 22-24 and accompanying text (discussing public use and sale); supra note 56 (discussing inequitable conduct).

115. M.P.E.P. § 2217; see infra notes 129-133 and accompanying text (discussing citation of prior art under the reexamination statute).

116. 37 C.F.R. § 1.552(e) (1995); see infra notes 134-136 and accompanying text (discussing requests for reexamination).
prior art patents and printed publications and argue that the claims of the patent under reexamination are invalid in light of cited patents or printed publications.\textsuperscript{117} During reexamination, the PTO will be asked to consider whether claims are invalid based on theories of anticipation and obviousness over the cited prior art, under 35 U.S.C. §§ 102 and 103.\textsuperscript{118} If the patent owner proposes any new or amended claims during reexamination, only these new and amended claims will be examined for compliance with the disclosure and claiming requirements under 35 U.S.C. § 112.\textsuperscript{119} In addition to anticipation and obviousness, the PTO may also consider other theories of invalidity during reexamination, provided that these theories are likewise based on prior art patents and printed publications.\textsuperscript{120} Thus, for example, the PTO may consider an invalidity theory of double patenting over another issued patent during reexamination.\textsuperscript{121}

Although the PTO will reexamine claims only in light of patents and printed publications, other information may nevertheless be considered by the PTO examiner when acting on the patent's claims. For instance, it is permissible for the PTO examiner to consider affidavits, declarations and transcripts that aid in the definition of the scope and content of the prior art, or that help determine whether a claimed invention is anticipated or rendered obvious by the cited prior art.\textsuperscript{122}

\textsuperscript{117} Where the requester is the patent owner, such arguments will not likely be submitted. Instead, the patent owner, as the requester, will likely include arguments distinguishing the claimed invention from the cited patents and printed publications. \textit{See infra} note 130.

\textsuperscript{118} \textit{See supra} notes 12-27 and 33-41 and accompanying text (discussing anticipation and obviousness). The examiner is not, however, limited to reexamining the claimed invention based solely on the patents and printed publications cited in the request for reexamination. Instead, if the examiner believes that other patents and printed publications may be readily obtained through a search of the prior art in order to supplement any deficiencies in the cited prior art, the examiner is permitted to do so. \textit{M.P.E.P.} § 2244.

\textsuperscript{119} 37 C.F.R. § 1.552(b) (1995); \textit{M.P.E.P.} § 2258. Other claims that have not been newly added or amended will not be reexamined with respect to the requirements of 35 U.S.C. § 112. \textit{Id.}; \textit{see supra} notes 42-50 and accompanying text (discussing the requirements for the disclosure and claims under 35 U.S.C. § 112).

\textsuperscript{120} \textit{M.P.E.P.} § 2258.

\textsuperscript{121} \textit{See, e.g.}, Stewart Sys., Inc. v. Comm'rant Pat. & Trademarks, 1 U.S.P.Q. 2d (BNA) 1879, 1881 (E.D. Va. 1986) (indicating that although the PTO will not consider issues of fraud, consideration of double patenting issues are undertaken since they are based on a U.S. patent); \textit{Ex parte} Obiaya, 227 U.S.P.Q. (BNA) 58, 61 (Bd. Pat. App. & Int'f. 1985) (indicating that double patenting rejection based on another patent is appropriate in reexamination).

\textsuperscript{122} \textit{See, e.g.}, \textit{In re} Chambers, 20 U.S.P.Q. 2d (BNA) 1470, 1474 (Comm'r Pat. & Trademarks 1991) (indicating that although reexamination must be based on patents and printed publications, it would be contrary to the statute not to consider other relevant information included in affidavits, declarations and transcripts).
If the patent under reexamination is involved in litigation, the PTO will also accept additional information and court documents regarding the litigation to complete the file, provided that such information and documents are submitted to the PTO without comment.\(^\text{123}\) Similarly, the PTO will consider any admissions by the patent owner regarding the prior art patents and printed publications, where such admissions affect the validity of the claims under reexamination.\(^\text{124}\)

The patent owner involved in reexamination is under a duty to disclose all patents and printed publications that he or she is aware of and that are material to the patentability of the claimed invention under reexamination.\(^\text{125}\) This duty ensures that the patent owner will bring forth the most relevant prior art patents and printed publications that are known to him or her.\(^\text{126}\) Based on the cited patents and printed publications, as well as other information and admissions relevant to the prior art, the PTO will reexamine the claimed invention in light of the issues raised by the request for reexamination.

2. Reexamination Procedure

Reexamination proceedings are typically initiated by the filing of a request for reexamination that is based, in part, upon citation of prior art.\(^\text{127}\) Although such a request may be filed with a citation of prior art, prior art may also be merely cited to the PTO, without an

\(^{123}\) M.P.E.P. § 2207 (indicating that the PTO will accept copies of notices, decisions and other court documents regarding the litigation, so long as such submissions are made without additional comment); see also Pickett, supra note 6, at 305.

\(^{124}\) See, e.g., Ex parte Mcgaughey, 6 U.S.P.Q. 2d (BNA) 1334, 1337-38 (Bd. Pat. App. & Int’l. 1988) (indicating that “[a]n admission relating to prior art is a fact which is part of the scope and content of the prior art which every examiner is required to consider whether in an initial examination or in a reexamination proceeding”); M.P.E.P. § 2217; 3 CHISUM, supra note 7, § 11.07[4][d][ix]. Thus, the PTO will consider facts, including admissions, which have already been established in the record. Ex parte McGaughey, 6 U.S.P.Q. 2d (BNA) at 1337-38. Notwithstanding the consideration of this evidence, facts and admissions that relate to “on-sale bars, public use issues or issues relating to fraud” will not be considered. Id. In addition, the examiner may only rely on facts and admissions that are present in the record and, as such, may not endeavor to find facts or to establish the existence of public use or sale. See Ex parte Natale, 11 U.S.P.Q. 2d (BNA) 1222, 1224-25 (Bd. Pat. App. & Int’l. 1989).

\(^{125}\) 37 C.F.R. § 1.555(a) (1995); M.P.E.P. § 2280. This duty extends to each attorney or agent that represents the patent owner as well as to every other individual who is substantively involved on behalf of the patent owner. 37 C.F.R. § 1.555(a) (1995); M.P.E.P. § 2280

\(^{126}\) See Tegtmeyer, supra note 64, at 221 (explaining that the duty of disclosure is necessary so that the PTO is made aware of all material patents and printed publications known to the patent owner).

\(^{127}\) See infra notes 134-136, and accompanying text (discussing the requirements for filing requests for reexamination).
accompanying request for reexamination.\textsuperscript{128} Under § 301 of the Patent Act, any person may, at any time during the enforceability of an issued patent, cite prior art patents or printed publications to the PTO which may impact the patentability of any claim in that patent.\textsuperscript{129} If the person providing the citation explains the pertinence of the cited art to any of the claims in the patent, the cited art and that explanation will be included in the official file for the patent.\textsuperscript{130} The identity of the person providing the citation may, however, be excluded from the official file, if the person requests that his name be kept confidential.\textsuperscript{131} Any prior art citations and explanations are limited to documentary sources of prior art, namely issued patents and printed publications.\textsuperscript{132} These prior art citations and explanations may be made without the payment of any fee.\textsuperscript{133}

\textsuperscript{128} See generally 3 CHISUM, supra note 7, § 11.07[4][a][ii]. By permitting citations of prior art, the PTO believes that the patent owner and the public in general can be informed of prior art that should be considered when evaluating the patentability or validity of the claims at issue. See M.P.E.P. § 2202. The prior art included in the citation is limited to patents and printed publications. See discussion, supra note 116 (discussing the PTO’s policy of refusing to enter the citation if it includes even a single issue not based on a patent or printed publication).

\textsuperscript{129} 35 U.S.C. § 301 (1994); see also 37 C.F.R. § 1.501(a) (1995); M.P.E.P. § 2202. This section of the statute refers to “any person” without limitation. See 4 CHISUM, supra note 7, § 11.07[4][a][ii]. This language has been held to include individuals as well as corporate and governmental entities. See M.P.E.P. § 2203. The language has been construed to encompass any such persons, regardless of whether they may have an interest in, or otherwise affected by, the patent to which the citation pertains. See M.P.E.P. § 2203. In addition, although § 301 permits such citations at “any time,” this language has been construed as meaning “at any time during the enforceability of the patent.” M.P.E.P. § 2204.

\textsuperscript{130} If the requester is the patent owner, he or she may likewise include an explanation of how the claims differ from the prior art. 37 C.F.R. § 1.501(a) (1995). Along with this explanation, the PTO permits the filing of affidavits or declarations that relate to the contents or dates of the prior art documents or that relate to the commercial success of the claimed invention. See M.P.E.P. § 2205; see also 3 CHISUM, supra note 7, § 11.07[4][a][ii] n.17.

\textsuperscript{131} 37 C.F.R. § 1.501(b) (1995). In practice, this confidentiality is accomplished by the citator submitting prior art without identification of their name. 37 C.F.R. § 1.501(b); see also M.P.E.P. § 2203. Because the PTO cannot guarantee absolute anonymity, the PTO prefers not to receive any identification of the citator in instances where confidentiality is desired so that the citator’s anonymity will not be inadvertently compromised. See Tegtmeyer, supra note 64, at 216; see also Pickett, supra note 6, at 304. In this way, confidentiality is assured and, as a result, citations by the general public are likely to be encouraged. See H.R. REP. No. 96-1307, reprinted in 1980 U.S.C.C.A.N. 6460, 6465.

\textsuperscript{132} See M.P.E.P. § 2205. The PTO has made clear that a prior art citation should not be entered into the patent file if the citation includes even one issue that is not directed to a patent or printed publication. M.P.E.P. § 2205. Thus, the citation will not be entered if it includes, for example, a statement or an argument concerning: (1) a violation of 35 U.S.C. § 112; (2) the public use of the claimed invention; (3) the patent applicant’s compliance with the duty of disclosure; or (4) references cited during examination of the application that led to the patent or
Under § 302, any person may file a request for reexamination of any claim of a patent based on prior art cited under § 301. The request for reexamination must be in writing and set forth the pertinence and manner of applying the cited prior art to each claim for which reexamination is requested. The request must also be accompanied by the appropriate fee. Once the request is filed, the PTO will send a copy of the request to the patent owner, unless the patent owner is the person making the request. Unlike persons who simply cite prior art under § 301, the reexamination requester's identity is not held in confidence upon request. However, the requester's identity may nevertheless remain anonymous by using an attorney or agent to file the request for reexamination.

reexamination of the patent. M.P.E.P. § 2205; see also 3 CHISUM, supra note 7, § 11.07[4][a][iv].

133. See M.P.E.P. § 2202.

134. 35 U.S.C. § 302 (1994). The reference to “any person” is intended to be commensurate with the same language that is found in § 301, which in turn is intended to include all persons without limitation. See supra note 129 (discussing those persons who may cite prior art to the PTO). Thus, the requester need not make any showing of standing or special interest in the patent in order to request reexamination. See M.P.E.P. § 2212. Indeed, “there are no persons who are excluded from being able to seek reexamination.” M.P.E.P. § 2212 (indicating that persons who are likely to seek reexamination include “patentees, licensees, potential licensees, attorneys without identification of their real client in interest, infringers, potential exporters, patent litigants, interference applicants and International Trade Commission respondents”).

135. 35 U.S.C. § 302 (1994). A request for reexamination must include: (1) a statement by the requester pointing out each substantial new question of patentability; (2) an identification of every claim for which reexamination is requested as well as a detailed explanation of the pertinence and manner of applying the cited prior art; and (3) a copy of every patent or printed publication relied upon or referred to as a basis for the request for reexamination. 37 C.F.R. § 1.510(b). If the request is filed by the patent owner, the request may include arguments distinguishing the claims over the cited prior art. 37 C.F.R. § 1.510(b).

136. 35 U.S.C. § 302 (1994). Effective October 1, 1996, the fee for seeking reexamination has been increased to $2,460.00. See Notice of Final Rulemaking, 61 Fed. Reg. 39585, 39588 (1996). If the PTO determines that reexamination is not warranted, a portion of the fee will be refunded. 35 U.S.C. § 303(c); 37 C.F.R. § 1.26 (1995). As of October 1, 1996, the portion of the fee that will be refunded under these circumstances is $1,690.00. See 37 C.F.R. § 1.26 (1995).

137. 35 U.S.C. § 302 (1994). Under PTO regulations, the requester must, however, include a certificate with the request for reexamination, which indicates that the requester has served a copy of the request on the patent owner. 37 C.F.R. § 1.510(b)(5) (1995).

138. M.P.E.P. § 2212 (indicating that “[t]he name of the person who files the request will not be maintained in confidence”).

139. See, e.g., Syntex (U.S.A.) Inc. v. U.S. Pat. & Trademark Off., 882 F.2d 1570, 1573 (Fed. Cir. 1989) (noting that the persons requesting reexamination may include “attorneys representing a principal whose identity is not disclosed to the PTO”); see also 3 CHISUM, supra note 7, § 11.07[4][b][i].
Within three months of filing a request for reexamination, the PTO will determine, in accordance with § 303, whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request for reexamination. Typically, a substantial new question of patentability will be found if a cited prior art document was not considered during the original examination and the document is not substantially identical to the prior art references that were previously considered during this examination. If such a question is found with respect to any claim in the patent, reexami-

140. 35 U.S.C. § 303(a) (1994). The patent owner, however, is not permitted to file any statements concerning the request for reexamination during the three month period in which the PTO is considering whether the request raises a substantial new question of patentability. See, e.g., Patlex v. Mossinghoff, 758 F.2d 594, 606 (holding that this rule did not violate the Constitution's Due Process Clause and was within Congress' authority to delegate to the PTO the right to implement the rules governing reexamination). Indeed, should the patent owner attempt to file such a statement, the PTO will not acknowledge or consider the submission in determining whether a substantial new question of patentability is raised by the request. 37 C.F.R. § 1.530(a) (1995). In addition to acting on the request, the Commissioner may, on his own initiative, institute reexamination proceedings upon determining that "a substantial new question of patentability is raised by patents or printed publications discovered by him or cited under the provisions of § 301." 37 C.F.R. § 1.530(a); see also 37 C.F.R. § 1.520 (1995).

141. 3 CHIUSM, supra note 7, § 11.07[4][c][iii]. Under PTO policy, "[a] prior art patent or printed publication raises a substantial new question of patentability where there is a substantial likelihood that a reasonable examiner would consider the prior art patent or printed publication important in deciding whether or not the claim is patentable." M.P.E.P. § 2242. Under this standard, the PTO examiner investigating the issue "should find 'a substantial new question of patentability' unless the same question of patentability has already been decided as to the claim in a final holding of invalidity by a Federal court or favorably by the Office." M.P.E.P. § 2242; see also 3 CHIUSM, supra note 7, § 11.07[4][c] quoting M.P.E.P. § 2242. Thus, a patentability question may not be considered new if the PTO has examined the claims at issue in light of the same or substantially similar prior art. 3 CHIUSM, supra note 7, § 11.07[4][c]; cf. Ex parte Chicago Rawhide Mfg. Co., 226 U.S.P.Q. (BNA) 438 (Bd. Pat. App. & Int'l. 1984) (noting that the PTO may reexamine the claims at issue based on a different interpretation of a previously considered reference). However, a substantial new question of patentability may be raised even though the claims at issue have been held not invalid over the same or substantially similar prior art cited in the reexamination request. 3 CHIUSM, supra note 7, § 11.07[4][c] (discussing E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., 720 F. Supp 373 (D. Del. 1989), as an example of a case where claims in a pending reexamination proceeding were held not invalid by the district court). In such cases, the PTO will defer to the court's findings, but will make its own independent judgment regarding the patentability of the claims at issue. 3 CHIUSM, supra note 7, § 11.07[4][c].

142. If no substantial new question of patentability is found, this decision is final and not appealable. 35 U.S.C. § 303(c) (1994). However, where a request for reexamination has been denied, the requester will have one month in which to petition the PTO Commissioner for review, under the petition procedure provided in 37 C.F.R. § 1.181 (1995). 37 C.F.R. § 1.515 (1995); M.P.E.P. § 2248.
nation will be ordered under § 304, and all of the claims of the patent will be reexamined.\textsuperscript{143}

Once reexamination has been ordered, the patent owner will be notified of the PTO’s determination of a substantial new question of patentability and will be given a period of not less than two months to file a statement concerning the question that has been raised.\textsuperscript{144} If the patent owner files a statement, the party requesting reexamination will be given two months in which to reply to the patent owner’s statement.\textsuperscript{145} If, however, the patent owner chooses not to file a statement, the requester will not be permitted to submit a reply.\textsuperscript{146} Regardless of whether a reply is filed, the requester’s participation ends at this stage of the reexamination proceeding.\textsuperscript{147} For this reason, it is not uncommon for the patent owner to forego filing a statement with the result that the requester’s participation in the proceeding is limited to only the submission of the initial request itself.\textsuperscript{148}

Upon expiration of the periods for the patentee’s statement and requester’s reply, reexamination is conducted under § 305 in largely

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\item \textsuperscript{143} 35 U.S.C. § 304 (1994); M.P.E.P. § 2216. In granting the request, the PTO examiner must identify at least one substantial new question of patentability and explain how the prior art patents or printed publications raise such a question. M.P.E.P. § 2246.
\item \textsuperscript{144} 35 U.S.C. § 304; see also 37 C.F.R. § 1.530(b). In the statement, the patent owner may propose amendments to distinguish the claims under reexamination over the cited prior art. 35 U.S.C. § 304.
\item \textsuperscript{145} Under § 304, the requester may be given up to two months from the date of service of the patent owner’s statement in order to file a reply. 35 U.S.C. § 304; see also 37 C.F.R. § 1.535 (1995). This reply may be used to simply reply to the arguments appearing in the patent owner’s statement or to further refine or develop arguments not addressed in the patent owner’s statement. M.P.E.P. § 2251 (indicating that the reply need not be limited to the issues raised in the statement); see also Pickett, supra note 6, at 310.
\item \textsuperscript{146} M.P.E.P. § 2251 (indicating that no reply will be permitted if the patent owner does not file a statement); see also Pickett, supra note 6, at 310.
\item \textsuperscript{147} 37 C.F.R. § 1.550(e) (1995) (stating that “the active participation of the reexamination requester ends with the reply . . . , and no further submissions on behalf of the reexamination requester will be acknowledged or considered”); M.P.E.P. § 2251 (indicating that the requester’s participation ends upon submission of the reply).
\item \textsuperscript{148} See, e.g., Pickett, supra note 6, at 310; Bauz, supra note 6, at 952 (indicating that “the third party’s participation may be limited to merely submitting the original request for reexamination if the patent owner decides not to file the statement to the order for reexamination”). Limiting third party participation is consistent with the legislative intent underlying reexamination. For instance, in In re Opprecht, the Federal Circuit stated that “[t]he legislative intent was to provide specified limits to the participation of third parties, thus adding weight to the purpose of facilitating and expediting the reexamination proceeding, as against the possible advantages of a full \textit{inter partes} contest.” In re Opprecht, 868 F.2d 1264, 1265 (Fed. Cir. 1989); see 4 CHISUM, supra note 7, § 11.07[4][d][x] (discussing the extent of third party participation during reexamination).
\end{enumerate}
the same manner as the initial examination that led to the issuance of the patent; as an ex parte proceeding.\textsuperscript{149} During the reexamination proceeding, the patent owner will be permitted to introduce evidence through affidavits and declarations to overcome the cited prior art.\textsuperscript{150} The patent owner may also propose new claims or amendments to the existing claims of the patent under reexamination to distinguish the claimed invention over the cited prior art.\textsuperscript{151} The patent owner is not, however, permitted to add new claims or file amendments that would broaden the scope of the claims obtained from the initial examination that resulted in the issued patent.\textsuperscript{152} In presenting proposed amend-

\textsuperscript{149} 35 U.S.C. § 305 (1994); \textit{see also} Conger, \textit{supra} note 6, at 537; Syntex (U.S.A.) Inc. v. U.S. Pat. & Trademark Off., 882 F.2d 1570, 1573 (Fed. Cir. 1989) (stating that “a reexamination is conducted \textit{ex parte} after it is instituted”). It may, however, be argued that the proceedings are not as \textit{ex parte} as the initial examination that led to the issuance of the patent. \textit{See} Pickett, \textit{supra} note 6, at 312. For example, the examiner conducting the reexamination will have the benefit of the requester’s explanation of the pertinence of the cited prior art and how that art raises a substantial new question of patentability. \textit{Id.} Moreover, the requester may very well be a competitor of the patentee, who will have submitted persuasive arguments that may force the patent owner to substantially narrow or even cancel claims during the proceeding. \textit{Id.} In addition, even though the requester’s participation ends with the expiration of the reply period, the requester will receive copies of Office actions and responses throughout the remainder of the proceeding, provided the requester’s identity has not been kept confidential. \textit{Id.} For these reasons, at least one district court has characterized reexamination proceedings as “nowhere near as non-adversarial and as \textit{ex parte} as is a typical application for initial issuance of a patent.” Hewlett-Packard v. Bausch & Lomb, 4 U.S.P.Q. 2d (BNA) 1676, 1684 (N.D. Cal. 1987).

\textsuperscript{150} For example, the patentee may seek to antedate a reference by establishing a prior date of invention using an affidavit or declaration filed under 37 C.F.R. § 1.131. The patentee may also seek to argue the patentability of the claimed invention over the cited prior art by introducing evidence of testing, commercial success, unexpected results, and the like, using an affidavit or declaration filed under 37 C.F.R. § 1.132.

\textsuperscript{151} 35 U.S.C. § 305 (1994). In general, “amendment of claims during reexamination is limited to amendment in light of prior art raising a substantial new question of patentability.” \textit{In re} Freeman, 30 F.3d 1459, 1468 n.5 (Fed. Cir. 1994). However, “[c]laims may also be amended to comply with 35 U.S.C. § 112 during reexamination.” \textit{Id.; see supra} notes 42-50 and accompanying text (discussing the requirements of 35 U.S.C. § 112). Thus, any amendments that, for example, merely clarify the language of the claims as originally issued to make them more definite are permitted.

\textsuperscript{152} 35 U.S.C. § 305 (1994). The test for determining whether a claim enlarges the scope of originally claimed subject matter is generally the same as the test used under the two-year limitation for enlarging the scope of claims in reissue applications. 4 \textit{ChiSUM}, \textit{supra} note 7, § 11.07[4][d][iv]; \textit{see supra} note 67 (discussing reissue applications); \textit{see also In re} Freeman, 30 F.3d 1459, 1464 (Fed. Cir. 1994) (indicating that the test is one of claim construction since “[a] claim is enlarged if it includes within its scope any subject matter that would not have infringed the original patent”); Quantum Corp. v. Rodime, PLC, 65 F.3d 1577 (Fed. Cir. 1995) (holding that amendment during reexamination from “at least 600 concentric [tracks per inch]” to “at least \textit{approximately} 600 concentric [tracks per inch]” impermissibly broadened the claim) (emphasis added).
ments, the patent owner may conduct an interview with the PTO examiner in a manner similar to that permitted during initial examination of a patent application. In this way, the patent owner may present proposed amendments to the examiner or otherwise address issues raised in the reexamination request, in the reply and in any outstanding Office action.

The reexamination proceedings are primarily ex parte after the third party's participation ends and are conducted in an expedited fashion to comply with the Patent Act's mandate that the proceedings be conducted with "special dispatch." Based on this requirement, the patent under reexamination is examined in conjunction with shorter time periods for responses than are permitted during initial examination. In addition, the PTO's rule governing automatic extensions of time for filing responses does not apply during reexamination proceedings. If the patentee fails to respond to an Office action, the proceeding will be terminated and the PTO will issue a certificate indicating the status of all claims and canceling any rejected claims. Once the reexamination proceeding is commenced,

153. 37 C.F.R. § 1.560 (1995). The PTO will not grant an interview until after the patent owner has been sent the first Office action in the proceeding. Once the interview is scheduled, the interview is conducted between the PTO examiner and the patentee; any third party requester will not be given an opportunity to attend or otherwise participate in the interview. See Pickett, supra note 6, at 312.


155. 35 U.S.C. § 305 (1994); 37 C.F.R. § 1.550(a) (1995); see also Ethicon v. Quigg, 849 F.2d 1422, 1426 (Fed. Cir. 1988) (stating that the reexamination statute requires the proceedings to be conducted with special dispatch). The requirement for "special dispatch" is not defined in the statute or its legislative history, although the term is generally understood to require expedited or otherwise promptly handled proceedings. See Pickett, supra note 6, at 319; see also H.R. REP. No. 96-1307, reprinted in 1980 U.S.C.C.A.N. 6460, 6466 (indicating that reexamination should be promptly handled).

156. See supra notes 145-146 and accompanying text (discussing periods of time for filing responses).

157. Automatic extensions of time are permitted under 37 C.F.R. § 1.136(a). These extensions are not permitted in reexamination proceedings. 37 C.F.R. § 1.550(e) (1995); M.P.E.P. § 2265. Instead, the PTO will grant extensions of time in a reexamination proceeding only for sufficient cause, and for a reasonable time specified. 37 C.F.R. § 1.550(c). In order to obtain such an extension, the patentee must file a request on or before the day on which a response is due. 37 C.F.R. § 1.550(e).

158. M.P.E.P. § 2266. Thus, a failure to respond can result in an involuntary cancellation by the PTO of claims in the patent under reexamination. See Pickett, supra note 6, at 314. A reexamination proceeding that has been terminated because of the patentee's failure to respond can only be revived upon a showing that the patentee's delay was unavoidable. See In re Egbers, 6 U.S.F.Q. 2d (BNA) 1869, 1871 (Comm'r Pet. & Trademarks 1988). This requirement
the proceeding may not be abandoned and will always result in the issuance of a reexamination certificate.\footnote{159}

During reexamination proceedings, the claims in the patent under reexamination do not enjoy a presumption of validity.\footnote{160} Thus, the PTO examiner conducting the reexamination will not be required to meet the “clear and convincing” evidence burden placed on parties challenging the validity of a claim during civil litigation.\footnote{161} In addition to losing their presumption of validity, claims that are examined in reexamination are, as in an initial examination, given their broadest reasonable interpretation consistent with the patent’s specification.\footnote{162} This interpretation is justified since it reduces the possibility that claims, as finally allowed, will be given a broader scope than is justified, and since the patentee is free to amend his or her claims to obtain appropriate coverage.\footnote{163}

It is not uncommon for the patent being reexamined to be or become involved in a civil litigation or concurrent PTO proceeding in which the interpretation or validity of claims may be in question.\footnote{164}

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\footnote{159} 37 C.F.R. § 1.570 (1995); M.P.E.P. § 2288; \textit{see also} 3 CHISUM, supra note 7, § 11.07[4][d][iii]. If the patent under reexamination is distinguished over the prior art so that it is allowed to issue, the “reissued patent will constitute the reexamination certificate.” 37 C.F.R. § 1.570(e) (1995). \textit{See also infra note 173 and accompanying text (discussing issuance of the reexamination certificate).}

\footnote{160} \textit{In re} Etter, 756 F.2d 852 (Fed. Cir. 1985) (in banc); \textit{see supra} note 58 (discussing the presumption of validity that arises under 35 U.S.C. § 282 upon issuance of a patent). \textit{See also} Fish, supra note 6; Conger, supra note 6 (proposing mandatory referral of prior art to the PTO for validity determination and proposing application of the presumption of validity during reexamination).

\footnote{161} \textit{See} 3 CHISUM, supra note 7, § 11.07[4][d][vii]; Fish, supra note 6 (discussing burdens of proof during patent reexamination and validity determinations); \textit{see also supra} note 58 (discussing the clear and convincing standard of proof).

\footnote{162} \textit{In re} Yamamoto, 740 F.2d 1569 (Fed. Cir. 1984). Thus, the same claim interpretation is applied during both the original examination and reexamination. The interpretation of claims so as to sustain their validity, if possible, does not apply in the reexamination context and, instead, should only be used in civil litigation. \textit{See, e.g., In re} Queener, 796 F.2d 461 (Fed. Cir. 1986); \textit{see also} DeGeorge v. Bernier, 768 F.2d 1318 (Fed. Cir. 1985) (indicating that claims in litigation should be construed, if possible, to sustain their validity).

\footnote{163} \textit{See In re} Yamamoto, 740 F.2d at 1571 (indicating that the public interest is served by ensuring that the patentee does not obtain coverage that is broader than justified). Because the patentee may amend claims during reexamination, judicial rules of claim construction typically applied in infringement litigation have no place in proceedings before the PTO. \textit{See} Burlington Indus., Inc. v. Quigg, 822 F.2d 1581 (Fed. Cir. 1987); \textit{In re} Etter, 756 F.2d at 859 (indicating that rules of claim construction are necessary where the patentee cannot amend claims, but the rationale behind these rules vanishes where claims may be amended).

\footnote{164} \textit{See} 3 CHISUM, supra note 7, § 11.07[4][d][viii].
In general, even if the patent under reexamination is or becomes involved in litigation, the PTO will, under the “special dispatch” requirement, refuse to stay the proceeding pending outcome of the litigation.\textsuperscript{165} However, where the patent under reexamination is or becomes involved in a concurrent PTO proceeding, such as an interference,\textsuperscript{166} a reissue,\textsuperscript{167} or another reexamination, the PTO has the authority to stay, suspend or merge the concurrent proceedings.\textsuperscript{168}

Where the reexamination proceeding results in a decision that is “adverse to the patentability of any original or proposed amended or new claim of the patent,” the patent owner may, under § 306, appeal that decision in generally the same way as under initial examination of a patent application.\textsuperscript{169} Thus, the patent owner may appeal the examiner’s decision to the PTO Board of Patent Appeals and Interferences.\textsuperscript{170} From there, the patent owner may further appeal to the U.S. District Court for the District of Columbia, for a \textit{de novo} trial, or to the U.S. Court of Appeals for the Federal Circuit.\textsuperscript{171} It is important to

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\item \textsuperscript{165} See Ethicon v. Quigg, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (holding that the PTO policy of staying reexamination of a patent involved in litigation is inconsistent with the statute’s requirement that reexamination proceedings be conducted with “special dispatch”); \textit{In re Etter}, 756 F.2d at 857 (indicating that the different purposes of reexamination and litigation justify the concurrent existence of the two proceedings); see also Robert W. Fieseler, Note, \textit{Staying Litigation Pending Reexamination of Patents}, 14 LOY. U. L.J. 279 (1983) (presenting guidelines for courts to stay litigation pending reexamination by the PTO).
\item \textsuperscript{166} See infra notes 541-556 and accompanying text (discussing interference procedure).
\item \textsuperscript{167} See infra note 67 (discussing reissue).
\item \textsuperscript{168} 37 C.F.R. § 1.565 (1995) (indicating that multiple reexamination proceedings will be consolidated); MPEP, supra note 52, §§ 2283-2285 (discussing consolidation); see Ethicon v. Quigg, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (indicating that the PTO Commissioner may conduct orderly proceedings and resolve issues seriatim, so long as reexamination is handled as quickly as possible so that the statute is not violated); Shaked v. Taniguchi, 21 U.S.P.Q. 2d (BNA) 1288 (Comm’r Pat. & Trademarks 1990) (merging interference and reexamination proceedings); \textit{In re Onda}, 229 U.S.P.Q. (BNA) 235, 237 (Comm’r Pat. & Trademarks 1985) (refusing to merge reexamination and later-filed reissue and conditionally staying the later-filed reissue examination); see also 3 CHISUM, \textit{supra} note 7, § 11.07[4][d][viii] (discussing the PTO’s options in conducting multiple concurrent proceedings).
\item \textsuperscript{169} 35 U.S.C. § 306 (1994). The legislative history indicates an intent to grant the patent owner the right to pursue the same appeal routes available on decisions from the initial examination of patent applications. H.R. REP. No. 96-1307, \textit{reprinted in} 1980 U.S.C.C.A.N. 6460, 6467.
\item \textsuperscript{170} Section 306, 35 U.S.C. § 306, cross-references § 134, which provides the statutory basis for appealing an adverse decision to the PTO Board of Patent Appeals and Interferences. See \textsuperscript{35} 35 U.S.C. § 134 (1994).
\item \textsuperscript{171} Section 306, 35 U.S.C. § 306, refers to §§ 141-145, which include the statutory bases for appealing to the U.S. District Court for the District Columbia, under § 145, and to the U.S. Court of Appeals for the Federal Circuit, under § 141. The appeal to the District Court for
note, however, that only the patent owner can make use of these routes of appeal; a third party requester may not appeal an adverse decision.\(^7\)

Once the time period for appeal expires or any appeal taken is terminated, in accordance with § 307, the PTO Commissioner will issue a certificate “canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent any proposed amended or new claims determined to be patentable.”\(^7\) If the certificate cancels a claim, the canceled claim will be treated as if it had been voluntarily disclaimed to the public.\(^7\) If claims are confirmed by the certificate, the confirmed claims may be given more weight by courts during litigation.\(^7\) If the certificate incorporates amended or new claims into the patent, those claims will be subject to the intervening rights provision that applies to reissue applications.\(^7\) "Thus, a person practicing a patented invention would not be considered an

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172. The third party requester may nevertheless intervene, if the patent owner chooses to seek review in the District Court for the District of Columbia. Reed v. Quigg, 230 U.S.P.Q. 62 (D.D.C. 1986) (permitting intervention under Rule 24 of the Federal Rules of Civil Procedure). In addition, if the district court issues an order dismissing the suit without prejudice and remanding the case to the PTO, the third party does not have standing to contest the order. Syntex (U.S.A.) Inc. v. U.S. Pat. & Trademark Off., 882 F.2d 1570, 1576 (Fed. Cir. 1989).


174. Thus, the patentee will not be permitted to assert the claimed subject matter that was canceled as a result of the reexamination proceeding since the public has the right to rely on the reexamination certificate. Ex parte Morimoto, 18 U.S.P.Q. 2d (BNA) 1540, 1544 (Bd. Pat. App. & Int’f. 1990).

175. The Federal Circuit has held that reexamination does not change the presumption of validity, although claims confirmed in the proceeding are more difficult to be invalidated. See Kaufman Co. v. Lantech, Inc., 807 F.2d 970, 974 (Fed. Cir. 1986) (stating that in attacking reexamined claims, the presumption of validity is unaltered and the challenger must come forth with clear and convincing evidence of invalidity); Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc., 807 F.2d 955 (Fed. Cir. 1986) (indicating that the challenger must meet a heavier burden in attacking the validity of reexamined claims). Even though the confirmation of claims may impose a heavier burden on the challenger, the PTO’s confirmation is not res judicata or otherwise conclusive as to patentability against the challenger or anyone else. See 3 CHISUM, supra note 7, § 11.07[4][f][iii]; supra note 93 (discussing PIC Inc. v. Presscon Corp., 485 F. Supp. 1302 (D. Del. 1980), and lack of preclusive effect in contested reissue proceedings). This result may be dictated by the fact that the challenger may not appeal a decision favorable to the patentee. See supra notes 170-71 (discussing scope of appeal).

176. 35 U.S.C. § 307(b) (1994); H.R. REP. NO. 96-1307 pt. 1, at 8 (1980), reprinted in 1980 U.S.C.C.A.N. 6460, 6467 (explaining that the intervening rights provision found in § 252 for reissued patents is similar to the provision of § 307(b)).
infringer for the period between issuance of an invalid patent and its conversion through reexamination to a valid patent."\(^{177}\) Reexamination proceedings are completed with the issuance of the certificate.

### C. Limitations and Ramifications: What Went Wrong?

The reexamination procedure was established to provide an inexpensive and simple method for challenging the validity of issued patents.\(^ {178}\) In this manner, the system was intended to strengthen patent validity and thereby increase public and investor confidence in issued patents.\(^ {179}\) As enacted, however, reexamination has not met these aspirations.\(^ {180}\) As discussed below, this failure may be attributed to a number of shortcomings in the system that have created disincentives for the system’s use.\(^ {181}\)

When the reexamination provisions were enacted, the system was intended to be used frequently, as an attractive alternative to challenging patent validity. It was predicted that an average of 2000 requests for reexamination would be filed each year.\(^ {182}\) However, the actual number of reexamination requests that have been filed has not approached this prediction.\(^ {183}\) In fact, based on a study conducted in 1992, the actual number of reexamination requests has averaged approximately 230 requests each year, which is only ten percent of the

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178. See supra notes 67-70 and accompanying text (indicating that reexamination was intended to provide a method of challenging the validity of “doubtful patents” at substantially less cost than in formal legal proceedings).

179. See supra note 66 and accompanying text (describing Congress’ intent in strengthening patent validity and increasing public and investor confidence as a means to promote innovation and industrial competitiveness).

180. The legislative history of the reexamination statute indicates that reexamination was sought to “be conducted with a fraction of the time and cost of formal legal proceedings and would help restore confidence in the effectiveness of our patent system.” H.R. REP. NO. 96-1307, reprinted in 1980 U.S.C.C.A.N. 6460, 6461-65. In the sense that reexamination is quick and inexpensive relative to litigation, it has met at least part of its goals. However, it is questionable whether reexamination has had any impact on restoring confidence in our patent system. See Bauz, supra note 6, at 960.

181. It is these disincentives that have, in the author’s view, prevented third parties from using the reexamination procedure. In order to develop an effective administrative procedure for challenging the validity of issued patents, an improved system must include incentives for use. See infra notes 535-537 and accompanying text (discussing such incentives in crafting an improved system for administrative revocation of patents).

182. See Motsenbocker, supra note 6, at 892.

183. See, e.g., Bauz, supra note 6, at 956; Motsenbocker, supra note 6, at 892; Conger, supra note 6, at 562.
number of requests predicted. Moreover, only twenty percent of all reexamined patents have been involved in litigation. These statistics indicate that reexamination has not materialized into an inexpensive check on validity prior to investment or litigation, as originally envisioned.

Procedural and substantive limitations may be blamed for the system’s under-utilization. Third parties are generally dissuaded from requesting reexamination since the current reexamination procedure precludes any meaningful participation beyond the initial submissions by persons other than the patent owner. Although a third party may file a request for reexamination and thereby submit prior art and invalidity arguments, the third party may have little opportunity, if any, beyond this initial submission to participate in the proceedings. Indeed, if the patent owner chooses not to file a statement in response to the request for reexamination, the third party’s participation ends with the initial submission of a request. Even if

184. See REPORT OF THE ADVISORY COMMISSION ON PATENT REFORM, Appendix C (1992) (presenting statistics on reexamination usage) [hereinafter ADVISORY COMMISSION REPORT]; Conger, supra note 6, at 562; Bauz, supra note 6, at 956. This number is only an average. There is some indication that the number of requests filed each year may be increasing, albeit slowly. For example, more recently, the number of reexamination requests has risen to as high as 350 each year, which is nevertheless less than twenty percent of that predicted. See Motsenbocker, supra note 6, at 892.

185. See ADVISORY COMMISSION REPORT, Appendix C, supra note 184; Bauz, supra note 6, at 956. Approximately 1400 patents are litigated each year, indicating that reexamination is not being used with any considerable frequency prior to litigation. See Motsenbocker, supra note 6, at 892; see also Victor G. Savikas, Survey Lets Judges Render Some Opinions About the Patent Bar, NAT’L L.J., Jan. 18, 1993, at 57 (presenting results of a survey of district court judges’ views on patent litigation and indicating that, because of the complexities of patent cases, forty one percent of the judges surveyed believed that a special court should try patent cases).

186. See Conger, supra note 6, at 562 (stating that “[t]he widespread use of reexamination . . . has not materialized. The current level of reexamination requests is only ten percent of that predicted and, as a result, the goals sought to be achieved through reexamination have not been met.”); Bauz, supra note 6, at 956-7 (stating that “[i]t is arguable whether reexamination has had any meaningful effect on patent validity”); Motsenbocker, supra note 6, at 892 (stating that “statutory reexamination has not been a solution to the expensive lawsuit problem”).

187. See Conger, supra note 6, at 562 (stating that the “disappointingly minimal use of reexamination stems from substantive and procedural inadequacies of the reexamination statute as presently implemented”); Bauz, supra note 6, at 953 (indicating that a “major limitation is the narrow substantive and procedural scope of patent reexamination”).

188. See ADVISORY COMMISSION REPORT, supra note 184, at 117 (stating that “the substantially ex parte character of the present system may discourage its use by many third parties”); see also supra notes 145-154 and accompanying text (discussing the extent of third party participation during reexamination).
the patent owner files such a statement, the requester is limited to filing a single reply before his or her participation in the process ends for certain. Thus, during the reexamination proceeding, the requester will no longer be entitled to participate in the proceeding, whether through additional submissions or by conducting an interview with the PTO examiner undertaking the reexamination.\textsuperscript{189} In addition, third party requesters do not have the right to appeal decisions rendered during and upon completion of the reexamination proceeding.\textsuperscript{190}

Substantively, third party requesters may not be provided with enough incentive to request a reexamination of a patent since the basis of reexamination is limited to prior art patents and printed publications that, in the PTO’s view, raise a substantial new question of patentability.\textsuperscript{191} Consequently, the PTO will not consider increasingly important bases for invalidity, such as prior knowledge, use or invention.\textsuperscript{192} Without the ability to raise invalidity theories that are not based on prior art patents and printed publications, the requester is further limited in mounting significant challenges to the validity of an issued patent.\textsuperscript{193} When this limitation is combined with the limitations that exist in the reexamination procedure, it is apparent that third parties may forego reexamination and choose to await litigation.\textsuperscript{194} In particular, it may even be preferable for the third party requester to forego reexamination so that she can, in response to an allegation of patent infringement in district court, present prior art patents or printed publications that have \textit{not} been considered by the

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  \item \textsuperscript{189} See supra note 153 and accompanying text (indicating that third parties are not permitted to conduct or attend an interview with the PTO examiner overseeing the reexamination proceeding).
  \item \textsuperscript{190} See supra notes 169-172 and accompanying text (discussing the routes of appeal after reexamination).
  \item \textsuperscript{191} See, e.g., Motsenbocker, supra note 6, at 893 (discussing the narrow scope of reexamination); Bauz, supra note 6, at 953; see also supra notes 140-143 and accompanying text (discussing the definition of a substantial new question of patentability).
  \item \textsuperscript{192} See supra notes 111-126 and accompanying text (describing the grounds for reexamination).
  \item \textsuperscript{193} Overcoming this handicap is a key step to creating an improved system for administrative revocation. See infra notes 538-540 and accompanying text (suggesting an expanded basis in order to mount a meaningful challenge to patent validity before the PTO). The extent, however, to which bases of prior art should be permitted to be included in such challenges must be carefully weighed. See infra notes 239-299 and accompanying text (weighing the extent to which the grounds for challenging validity should be expanded).
  \item \textsuperscript{194} See Conger, supra note 6, at 562; Bauz, supra note 6, at 956; Motsenbocker, supra note 6, at 892; see also Ethicon v. Quigg, 849 F.2d 1422, 1427 (Fed. Cir. 1988).
\end{itemize}
The court may find invalidity theories based on such prior art to be persuasive and, as a result, successful in defeating the asserted patent's presumption of validity. Conversely, reexamined claims are not entitled to a "stronger" presumption of validity than the presumption applied to issued claims, which have not been reexamined.

These procedural and substantive limitations have significant implications. A district court may, for example, be reluctant to accord reexamination proceedings any considerable degree of preclusive effect. Indeed, a court may invalidate reexamined claims over prior art that is substantially similar to the patents and printed publications considered during reexamination. Thus, unless claims are canceled or substantially amended during reexamination, the reexamined claims will have no binding legal effect in district court. This lack of finality and preclusive effect may dissuade patentees and third parties alike from requesting reexamination and, instead, may cause them to await litigation to determine whether a claimed invention is entitled to its presumption of validity.

195. In general, when a challenger in a civil action relies on prior art that has been considered by the PTO, the challenger has an additional evidentiary burden of overcoming the deference that is due to a government agency that is presumed to have properly done its job. Alco Standard Corp. v. TVA, 808 F.2d 1490, 1497 (Fed. Cir. 1986); cf. discussion, supra note 175 (discussing that the presumption of validity does not change for claims that have been reexamined). However, if the challenger relies on prior art that was not considered by the PTO examiner, the additional presumption that the examiner properly considered the prior art is not relevant. Consequently, in these instances, "it [is] easier for the party challenging the validity of the patent to carry his burden of proof." Alco Standard Corp. v. TVA, 808 F.2d at 1497.

196. See supra note 175 (indicating that the presumption of validity does not change for claims that have been reexamined).

197. See 4 CHISUM, supra note 7, § 11.07[4][f][iii]. Where claims are confirmed over prior art during reexamination, such confirmation is not conclusive to the patentability, even against the reexamination requester. However, it is likely that courts will give deference to specific fact determinations made by the PTO in confirming patentability. Id. Nevertheless, prior art that is substantially similar to the references considered by the PTO, but was not actually considered, may prove persuasive in attempting to invalidate the patent.

IV. RETHINKING REEXAMINATION: HIGHLIGHTING AVENUES FOR IMPROVEMENT

A. The Need to Strengthen Patent Validity and Build Investor Confidence

Reexamination has largely failed to meet its optimistic goals of strengthening validity and public confidence. Indeed, a strong argument may be made that reexamination has made a minimal contribution to achieving these goals. Even though reexamination has not been utilized as often as envisioned, other factors in the U.S. patent system have nevertheless counter-balanced reexamination's poor performance, raising the issue of whether a need remains for an administrative revocation system. For example, within two years after the enactment of the current reexamination system, Congress created the United States Court of Appeals for the Federal Circuit. The Federal Circuit has, for the most part, been successful in achieving its primary goal of providing uniformity in patent law. In so doing, the Federal Circuit has far surpassed the reexamination system in strengthening patent validity and the public's confidence in the patent system. Although the Federal Circuit has been successful in ac-

199. See discussion, supra note 180 (discussing reexamination's failure to strengthen patent validity and build investor confidence, even though the system is relatively quick and inexpensive); see also Conger, supra note 6, at 562.

200. See Bauz, supra note 6, at 956-57.

201. See Conger, supra note 6, at 562.

completing its goals, the creation of the Federal Circuit should not be considered a substitute for an administrative system in which patent validity may be challenged. Even with the creation of the Federal Circuit, the need to accommodate such challenges exists and, with the under-utilization of reexamination, must be addressed.\textsuperscript{204}

For example, where the validity of a particular patent is in doubt, the public should not be forced to wait for a district court and, subsequently, the Federal Circuit to rule on challenges to a patent’s validity.\textsuperscript{205} In most instances, however, a challenger of a patent will not have standing to raise invalidity arguments before a district court unless the challenger has been sued for infringement or has been sufficiently threatened to invoke declaratory judgment jurisdiction.\textsuperscript{206} Consequently, the public must be afforded some means to contest and otherwise challenge the validity of a patent that may have been issued improvidently. In this manner, the validity of issued patents would be strengthened by permitting questionable patents to be pared from stronger ones. By reinforcing the validity of issued patents, public and investor confidence in patents and the patent system would be increased.

For instance, the recent turmoil that was created by a patent issued in August 1993 to Encyclopedia Britannica and assigned to Compton’s NewMedia Inc. (“the Compton’s patent”) is an example of how questionable patents can diminish the public’s confidence in the patent system.\textsuperscript{207} The Compton’s patent, as originally issued, 

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\textsuperscript{203} See Bauz, supra note 6, at 957 (arguing that the Federal Circuit has “easily surpassed reexamination in terms of improving the patent validity rate”).
\textsuperscript{204} See ADVISORY COMMISSION REPORT, supra note 184, at 117 (indicating that third parties need a faster and less costly alternative to challenging validity in federal district court).
\textsuperscript{205} Indeed, one may be required to wait until protracted district court proceedings have been completed and the Federal Circuit has ruled on the patent’s claims before learning whether a challenge to a patent’s validity is successful.
\textsuperscript{206} A person seeking to challenge the validity of a patent in federal district court must raise that challenge either as a defense to an allegation of infringement in a suit initiated by the patentee or, alternatively, by seeking a declaratory judgment of invalidity. The latter course of action, however, requires \textit{inter alia} that the challenger have a reasonable apprehension of a threat of an enforcement action by the patentee before a declaratory judgment action may be brought. See, e.g., Arrowhead Indus. Water, Inc. v. Ecolochem, 846 F.2d 731 (Fed. Cir. 1988). The reexamination procedure has the benefit of not requiring the petitioner to have standing in order to file a request for reexamination. See supra notes 134-136 and accompanying text (indicating that “any person” may file a request for reexamination).
\textsuperscript{207} U.S. Patent No. 5,241,671. The Compton’s patent is entitled “Multimedia Search System Using a Plurality of Entry Path Means Which Indicate Interrelatedness of Information,” issuing to Reed et al. on August 31, 1993, based on a patent application filed October 26, 1989. Id.; see also 1 DAVID BENDER, COMPUTER LAW \S 3A.09[A] (1995); E. Robert Yo-
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contained broad claims that covered basic CD-ROM interactive search and retrieval technology.\(^{208}\) The issuance of the Compton’s patent created widespread fervor throughout the multimedia industry because the claims in the patent broadly covered the most popular methods for searching multimedia databases.\(^{209}\) Critics in the industry believed that the invention claimed in the Compton’s patent was known and widely used long before the patent’s filing date.\(^{210}\) Compton’s, however, infuriated the industry by announcing that it would seek to license the patent to anyone who was manufacturing or distributing CD-ROM multimedia search tools at a royalty of up to 3%.\(^{211}\) The publicity surrounding the Compton’s patent was quickly

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\(^{208}\) See Yoches, *supra* note 207, at 15; Burke, *supra* note 207, at 1116. As originally issued, claim 1 of the Compton's patent read:

1. A computer search system for retrieving information, comprising:

   a. means for storing interrelated textual information and graphical information;
   
   b. means for interrelating said textual and graphical information;
   
   c. a plurality of entry path means for searching said stored interrelated textual and graphical information, said entry path means comprising:
   
       i. textual search entry path means for searching said textual information and for retrieving interrelated graphical information to said text;
       
       ii. graphics entry path means for searching said geographical information and for retrieving interrelated textual information to said searched geographical information;
       
   d. selecting means for providing a menu of said plurality of entry path means for selection;
   
   e. processing means for executing inquiries provided by a user in order to search said textual and graphical information through said selected entry path means;
   
   f. indicating means for indicating a pathway that accesses information related in one of said entry path means to information accessible in another one of said entry path means;
   
   g. accessing means for providing access to said related information in said another entry path means; and
   
   h. output means for receiving search results from said processing means and said related information from said accessing means and for providing said search results and received information to such user.


\(^{209}\) See 1 *BENDER*, *supra* note 207, § 3A.09(A).

\(^{210}\) See Yoches, *supra* note 207, at 14; Burke, *supra* note 207, at 1116.

\(^{211}\) Compton’s boldly estimated it would receive licensing fees totaling hundreds of millions of dollars. *Id.*; see also Lewis, *The New Patent that is Infuriating the Multimedia Industry*, N.Y. TIMES, Nov. 28, 1993.
translated into criticism of the PTO for failing to examine software-related patents thoroughly prior to issuance.\textsuperscript{212}

In response to this criticism, PTO Commissioner Bruce Lehman, \textit{sua sponte} initiated reexamination of the Compton's patent, based on the industry's belief that the Compton's patent claimed subject matter that was well known in the art.\textsuperscript{213} The Compton's patent underwent thorough scrutiny by the PTO during the reexamination proceedings,\textsuperscript{214} with at least two Office Actions being issued in which all claims under reexamination were rejected over various prior art references,\textsuperscript{215} prior art which was not considered or raised by the original examiner.\textsuperscript{216} Although the claims in the Compton's patent have

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\item[(212)] \textit{Id.; see also Markoff, A High-Technology Outcry Against the U.S. Patent System, N.Y. TIMES, Jan. 3, 1994, at C16.}
\item[(213)] Although Commissioner-ordered reexaminations are rare, Commissioner Lehman ordered two other reexaminations in 1994, in addition to the reexamination of the Compton's patent. One of these other patents was also a software-related patent, U.S. Patent No. 5,105,184, which was directed to the "Energizer Bunny." \textit{See Yoches, supra} note 207, at 15. These Commissioner-initiated reexaminations appear to be a response to both public outcry and the Commissioner's own concern over improvidently granted patents. Indeed, in ordering reexamination of the Compton's patent, Commissioner Lehman acknowledged that the patent had ignited a "strong and concerned reaction" in the multimedia industry. \textit{See 1 BENDER, supra} note 207, \textit{§ 3A.09[A].} Thus, pursuant to his authority under \textit{§} 303, Commissioner Lehman initiated reexamination and questioned whether the Compton's patent should have been issued. \textit{Id. (indicating that Commissioner Lehman "signaled his interest in the arguments made by some that software patents include more than their share of 'dead wood,' i.e., patents that should not have issued"); see M.P.E.P. \textit{§} 2212. \textit{See also Markoff, Patent Office to Review a Controversial Award, N.Y. Times, Dec. 17, 1993, at D2; Yoches, supra} note 207, at 14; Burke, \textit{supra} note 207, at 1116.}
\item[(214)] Interestingly, the reexamination of the Compton's patent was conducted under unusual circumstances. Reexaminations are normally assigned to a primary examiner in the art unit that originally prosecuted the application which led to the issuance of the patent. However, for the reexamination of the Compton's patent, the PTO assigned the case to a special programs examiner. \textit{See Yoches, supra} note 207, at 15.
\item[(215)] During the reexamination, the examiner issued an extremely thorough first office action on March 23, 1994. This Office action included more than thirty pages of analysis and a detailed claim chart comparing the claims of the patent to one of the primary prior art references. \textit{See Yoches, supra} note 207, at 16. The Office action rejected all of the Compton's forty-one claims over this and several other references. In response, Compton's filed a fifty-two page amendment and response which canceled and amended several claims on June 23, 1994, after a one-month extension. \textit{Id.} Subsequently, the examiner issued a second Office action on October 26, 1994, in which the rejections over the previous references were maintained, with the new claims being rejected under \textit{§} 112 as not being enabled by the specification and being indefinite. \textit{Id. at 16-17; see notes} 42-50 and accompanying text (discussing the requirements under 35 U.S.C. \textit{§} 112 for a patent's disclosure and claims).
\item[(216)] Because these references included prior art patents and publications, many wondered why the PTO was unable to find these references during the original examination. \textit{See Yoches,}
been substantially narrowed by amendment and presentation of new claims, the final outcome of the proceedings may not be officially concluded until all appeals have been decided.

Nevertheless, the Compton's patent reexamination highlights the current reexamination system's failure to strengthen and build confidence in the patent system. Because no third parties sought to request reexamination, Commissioner Lehman was forced to invoke the procedure on his own in order to avoid further embarrassment. This scenario underscores the need for an administrative system that can enhance patent validity and increase public and investor faith in the patent system. Such a system is necessary as a complement to the Federal Circuit's role in creating uniformity in the patent laws and improving the patent system.

B. The Need to Increase Third Party Participation

An important consideration in addressing the need to develop a system capable of strengthening patent validity and increasing public confidence is the extent of third party participation in the system. Unquestionably, third parties must be afforded the opportunity to participate in a system that permits the validity of "doubtful" patents to be tested. Whether the current reexamination system is modified or an entirely new system takes its place, the procedure that is ultimately implemented must afford third parties substantially greater opportunities to participate during reexamination than provided under the current reexamination procedure. Limitations of the current procedure dissuade third parties, such as competitors of the patentee who are likely to be aware of the closest prior art, from seeking to

supra note 207, at 16; see also infra notes 226-230 and accompanying text (discussing the difficulties in searching technology areas, such as the software arts).

217. Presumably, no third parties sought to request reexamination since, although the industry believed that the invention claimed in the Compton's patent was well known, such parties' participation would be limited, and nondocumentary sources of prior art that might have been useful to show that the invention was well known would not be available during the reexamination. See Yoches, supra note 207, at 15; 1 BENDER, supra note 207, § 3A.09(A).

218. The Federal Circuit has recognized the importance of such a system. See, e.g., In re Etter, 756 F.2d 852, 857 (Fed. Cir. 1985) (in banc); Patlex v. Mossinghoff, 758 F.2d 594, 602.

219. See In re Etter, 756 F.2d 852, 857 (Fed. Cir. 1985) (in banc); Patlex Corp. v. Mossinghoff, 758 F.2d 594, 602.

220. Indeed, most recent proposals for improving the shortcomings of reexamination uniformly indicate that third parties must be afforded broader rights of participation in reexamination proceedings. See infra notes 319-405 and accompanying text (discussing recent proposals for improving the current reexamination procedure).
challenge a patent that may likely be invalid. However, these third parties, if given the proper setting, would likely play an important role in challenging the validity of issued patents in highly competitive technology areas, particularly where the PTO may not have the best knowledge or resources for assessing validity.

For example, in the software arts, the PTO’s prior art files and databases may not be as complete as in other technology areas. Before the Supreme Court decision in *Diamond v. Diehr* in 1981, the PTO was generally not receptive to issuing patents related to software. Consequently, many software developers chose to forego patent protection and elected to rely on trade secret protection. As a result, relatively few patents related to software issued prior to 1990. This has left PTO examiners with a limited amount of prior art patents and other publications to choose from in examining software-related patent applications. PTO examiners may, therefore, be limited in their ability to make a true assessment of the patentability of a given software invention. The end result is that more pat-

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221. This was precisely the case with the Compton’s patent, where no third parties sought reexamination and, instead, Commissioner Lehman was required to intervene in an attempt to remedy the problem. See *supra* notes 207-218 and accompanying text (discussing reexamination of the Compton’s patent).

222. Software is only one example. Other technology areas may also have less than complete files and databases, such as biotechnology-related inventions involving DNA sequences. See *infra* note 230 (discussing the difficulties experienced by the PTO in searching these areas).


226. See 1 BENDER, *supra* note 207, § 3A.09[A].

227. To make matters worse, most software is distributed in object code form, which usually must be read by a computer. See Allan M. Soobert, *Legitimizing Decompilation of Computer Software Under Copyright Law: A Square Peg in Search of a Square Hole*, 28 JOHN MARSHALL L. REV. 105 (1994). Thus, even where the public has used a particular software package, the contents and internal features of the software may not be readily accessible to the public or may otherwise remain undocumented. See Mark A. Flagel & Steven S. Weiner, *Trade Secret Software as Prior Art: Litigation Strategies*, 11 COMPUTER L.W. § (1994). If such use is commercial, it may rise to the level of an anticipatory public use, which would preclude or invalidate a patent claim covering those features. See text, *infra* note 249 (discussing public use under 35 U.S.C. § 102(b)).

228. This limitation may be a function of an incomplete state of the art with respect to software inventions. As one commentator notes:
ents related to software have been issued than actually justified.\textsuperscript{229} This result confirms the need to increase the participation of third parties in the patent reexamination process.\textsuperscript{230} These third parties, who may have intimate knowledge of the technology or who may have access to more resources than examiners in the PTO, should be encouraged to participate in the process.

In crafting a system that would present third parties with such opportunities, the extent of third party participation requires a balance of competing concerns. On the one hand, third parties should not be given unbridled opportunities to participate in the proceedings since such unlimited participation may be used to harass the patentee and increase the cost and length of the proceedings.\textsuperscript{231} On the other hand, researchers file patent applications and publish rapidly in technical journals. Thus, in most areas the database of patents and technical publications closely tracks the state of the art. But such is not the case in the software arts. The paucity of printed references (either printed publications or patents) showing the state of the software arts makes it difficult to assess what has been done.

1 BENDER, supra note 207, § 3A.09[A].

To address this problem, the PTO has, since 1991, instituted a series of prior art classification categories dedicated specifically to software-related inventions and has increased its hiring of examiners with computer science degrees. Burke, supra note 207, at 1164; see also STEPHEN A. DOBBS, SOFTWARE PATENTS §§ 4.1 et seq. (1995).

229. The software industry has sought to address the difficulties in searching for software prior art by pooling industry resources to create databases that would ease such searches. For example, the Software Patent Institute ("SPI") is one initiative that is receiving broad support from major software publishers. Burke, supra note 207, at 1164. The SPI manages a database of software techniques, emphasizing techniques that have not been patented or are not otherwise available. Id. As part of its effort, the SPI also offers services to PTO examiners and courses covering related various software topics. Id. The SPI also publishes The SPI Reporter to discuss its capabilities and, as such, is gaining support as a major resource in maintaining and searching software prior art. See generally 1 BENDER, supra note 207, § 3A.09[A]; Yoches, supra note 207, at 17; Yoches & Callaghan, supra note 224, at 116.

230. Other areas of technology also highlight the need to have third parties involved in the process. For example, recent developments in biotechnology have created problems similar to those experienced in the software arts. Indeed, the PTO has recognized the difficulty in maintaining and searching DNA gene sequence listings for use as prior art. Industry Tells PTO that Technology is Available to do DNA Sequence Patents, PAT. TRADEMARK & COPYRIGHT DAILY (BNA) (Apr. 24, 1996). This difficulty has created a backlog of biotechnology-related patent applications pending in the PTO. As a result, the PTO has, in part, relied on industry to provide suggestions in curing the problem. Through the creation of new sequence listing databases, the PTO hopes to improve its genetic sequence search capabilities in an effort to reduce the backlog of patent applications. Id.

231. Practice under the Dann Amendments is exemplary of the problems inherent in implementing a full inter partes proceeding to contest the validity of issued patents in the PTO. See PPG Indus., Inc. v. Celanese Polymer Specialties Co., 840 F.2d 1565, 1568 (Fed. Cir. 1988); see also supra note 103 (discussing the Dann Amendments).
hand, third parties must be afforded enough opportunities to participate so that they may mount meaningful challenges to a particular patent whose validity is questionable. In seeking to balance these competing concerns, Congress apparently recognized the positive and negative aspects between these two extremes on the road to enacting the reexamination procedure. In the end, however, Congress chose a reexamination procedure that has unduly limited third party participation and in effect has led to the underutilization of the system.

In seeking to remedy this problem, third party participation must be increased beyond that permitted under the current reexamination procedure, to allow third parties to make meaningful contributions throughout the proceedings. Achieving these goals requires weighing: (1) whether, and to what extent, third parties should be permitted to submit additional written comments in response to the patentee’s submissions and PTO office actions; (2) whether, and to what extent, third parties should be allowed to participate in interviews between the patentee and the PTO representative(s) conducting the proceeding; (3) whether, and to what extent, third parties should be provided with the opportunity to appeal adverse decisions; (4) whether, and to what extent, the grounds upon which validity challenges may be based should be broadened; and (5) whether the methods and mechanisms under which these grounds may be substantiated should likewise be broadened. These issues and avenues of participation must be carefully balanced to determine the extent to which a third party’s participation may be increased and, in so doing, to increase utilization of the system without overburdening the patentee or the PTO.

The first three issues would not appear to place a significant burden on the PTO, even if third parties were permitted to participate

232. The problems with the current reexamination system indicate that, without enough opportunity to participate, there may be no reason to pursue an invalidity challenge before the PTO. See supra notes 183-86 (presenting the statistics of reexamination usage and suggesting that limitations in the system have led to its underutilization).

233. These positive and negative aspects were present in two bills, Senate Resolution 214 and Senate Resolution 2255, which were considered by Congress prior to the enactment of the current reexamination legislation, but ultimately failed. See discussion, supra note 101 (indicating that Senate Resolution 214 was known as the “patent bar bill” while Senate Resolution 2255 was known as the “administration-antitrust bill,” and these bills were backed by two diametrically opposed groups).

234. These issues typically define the battleground upon which improvements to the current reexamination system are proposed and argued. See text infra notes 319-405 and accompanying text (discussing past and present proposals for improving the current reexamination system).
to the greatest extent contemplated under these issues. For example, under the first issue, submission of additional comments by third parties, beyond those permitted under the current reexamination procedure, would add only a minimal burden on the PTO since the PTO must, in any event, address the submissions of the patentee. Thus, even if the challenger is permitted to submit comments throughout the proceedings in the PTO, perhaps in response to Office Actions and in response to each of the patentee's submissions, the challenger's comments may be considered simultaneously with the patentee's submissions. In this way, the challenger's comments may assist the PTO examiner in rendering a decision by presenting the strongest counter-arguments to the patentee's positions.

Similarly, under the second issue, the PTO would not be unduly burdened by permitting a third-party challenger to attend any interview conducted between the examiner and the patentee. Such an interview would likely be conducted regardless of whether the challenger is permitted to attend. The addition of the challenger would not likely increase the cost to the PTO, and the challenger's presence may even be valuable in assisting the examiner's understanding of all sides of the issues being addressed during the interview.

Under the third issue, the burden on the PTO would vary, depending on the route of appeal available to the challenger. If the challenger is permitted to appeal an adverse decision to an appellate body within the PTO, a burden would then be placed on the PTO since the initial appeal would be heard within the PTO by the Board of Patent Appeals and Interferences. However, there would likely be less of a burden placed on the PTO if the challenger is permitted to pursue de novo review in a district court proceeding since the initial appeal would be heard outside the PTO. Although such an appeal would be heard outside the PTO, the PTO Solicitor as well staff members would be required to represent the PTO in any such district court proceeding. Thus, under any of these routes, there will likely be some burden placed on the PTO, if challengers are permitted to appeal adverse decisions. These burdens must be considered in determining appropriate appellate review.

235. See supra note 54 (discussing the use of interviews during the patent examining process).

236. See supra notes 60-61 and accompanying text (discussing routes of appeal from PTO proceedings).
The fourth and fifth issues concern the grounds upon which challenges may be based, and the manner in which these grounds are proven or substantiated. These issues are necessarily related and may be the key issues to consider in creating a new or improved system. If the grounds upon which challenges may be based are increased beyond patents and printed publications so that, for example, nondonumentary evidence may be considered, then the manner in which such evidence is presented must also be addressed. For instance, if grounds such as prior use or invention are permitted as grounds for challenging validity, nondonumentary evidence or oral testimony may be required to substantiate these grounds. Whether such evidence or testimony is presented through affidavits, depositions or live examination during a hearing must be balanced in light of the grounds that are available for validity challenges.

If the grounds for invalidity challenges are expanded, there will be a greater need for more flexible presentation of evidence. The following sections explore the demand for expanded grounds, which in turn would drive the need for expanded methods of proof and substantiation.

C. The Need to Address Prior Art Issues Beyond Patents and Printed Publications

1. Nondonumentary Sources of Prior Art — In General

In determining how to increase third party participation in administrative validity challenges, an important issue involves the extent to which the grounds for validity challenges should be broadened. Unquestionably, any system that purports to accommodate challenges to the validity of an issued patent must provide a challenger with the opportunity to mount challenges based on prior art patents and printed publications.237 These documentary sources of prior art are arguably the most common bases for challenging the validity of an issued patent.238 However, these bases may not neces-

237. These grounds appear to be universally accepted as the minimum grounds upon which validity challenges should be based. Although the current reexamination system recognizes these grounds as bases for validity challenges, such challenges are nevertheless limited to only these grounds. See supra notes 111-126 and accompanying text (discussing the grounds for reexamination under the current system).

ily be the most effective. In some instances, nondocumentary evi-
dence of prior art, such as evidence of prior use, knowledge or in-
vention, may prove even more persuasive, particularly in newer tech-
nology areas such as software and biotechnology.239

For instance, prior use of an invention may negate the novelty of
that invention in several different ways. Section 102(a) of the U.S.
Patent Act precludes the patenting of an invention “used by others”
in the United States before the date of the invention.240 Although
there is not an explicit statutory requirement that the use be “public,”
the use must nevertheless be accessible to the public.241 In most
cases, this requirement of public accessibility will be satisfied by
the absence of affirmative steps to conceal the activities that are alleged
to constitute prior use.242 In addition to the public accessibility re-
quirement, an anticipatory or invalidating prior use must also involve
a complete or operable embodiment or process as in the claimed in-

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239. Such evidence is becoming increasingly popular as a means for challenging the va-
lidity of software and biotechnology patents in infringement cases brought in federal court.
See infra notes 261-78 and accompanying text (discussing special concerns and issues raised
by software patents) and notes 279-99 and accompanying text (discussing special concerns and
issues raised by biotechnology patents); see also supra notes 12-27 and accompanying text

240. Under § 102(a) of the U.S. patent laws, a person will not be entitled to a patent if
“the invention was known or used by others in this country... before the invention thereof by
the applicant for patent.” 35 U.S.C. § 102(a) (1994); see also supra notes 12-27 and accom-

241. See, e.g., Carella v. Starlight Archery Co., 804 F.2d 135, 139 (Fed. Cir. 1986). Sec-
tion 102(a) also precludes patenting an invention that “was known... by others” before the
date of invention. 35 U.S.C. § 102(a) (1994). In order to negate novelty of the invention, such
knowledge must also, like the use referred to in § 102(a), be accessible to the public. Carella
v. Starlight Archery Co., 804 F.2d at 139; see also Gayler v. Wilder, 51 U.S. (10 How.) 477,
496 (1850) (interpreting the conditions of prior knowledge and use under the 1836 Patent Act
as meaning "knowledge and use existing in a manner accessible to the public").

(M.D. Tenn. 1984), aff'd in part and rev'd in part, 769 F.2d 762 (Fed. Cir. 1985). That case
states that:

[a] prior use is sufficient to anticipate a patent if it involves work done openly
and in the ordinary course of business activities without any deliberate attempt
at concealment or effort to exclude the public, even though no deliberate act
was taken to bring the work to the attention of the public at large,... and even
though the invention may be of a nature that it cannot be seen or observed by
the public eye

Id.
Thus, the alleged prior use must be related to a product or process that has been actually reduced to practice.

Where prior use is sought to be relied on in attempting to invalidate a patent, the burden of proof rests on the party offering the alleged prior use as a defense and all doubts are resolved against that party. Often, the party must rely on evidence of prior use in the form of oral testimony since the prior use may not be described in a document. In such cases, the courts may closely scrutinize any oral testimony to ensure that it is reliable. If a question as to the reliability of oral testimony is raised, the courts may require that such testimony be corroborated by some documentary evidence in order to carry the burden.

243. See, e.g., Coffin v. Ogden, 85 U.S. (18 Wall.) 120, 124 (1873) (indicating that a device that is “embryonic or inchoate” cannot form a basis for anticipation); U.S. v. Adams, 383 U.S. 39 (1966) (indicating that an inoperable invention or one which fails to achieve its intended result does not negative novelty”).

244. See supra note 21 (discussing actual and constructive reductions to practice). Because of the requirement that an anticipatory prior use must be reduced to practice, a patent applicant or patentee may argue that the alleged use was merely an experiment that was abandoned, although the success of such an argument remains unclear. See 1 CHISUM, supra note 7, § 3.05[2][b]. However, unlike an anticipatory prior use, it is clear that anticipatory prior knowledge does not require that the knowledge be reduced to practice. In re Borst, 345 F.2d 851, 854-55 (C.C.P.A. 1965); see supra note 241 (discussing anticipatory prior knowledge under 35 U.S.C. § 102(a)).


246. See Eibel Process Co. v. Minnesota & Ontario Paper Co., 261 U.S. 45, 60 (1923); Trans-World Mfg. Corp. v. Al Nyman & Sons, Inc., 750 F.2d 1552 (Fed. Cir. 1984) (confirming that the clear and convincing standard, and not some higher standard, is the proper standard for an invalidity challenge based on prior use).

247. In E. I. du Pont de Nemours & Co. v. Berkley & Co., the Eight Circuit Court of Appeals stated that “unsupported oral testimony can be sufficient but must be regarded with suspicion and subjected to close scrutiny.” E. I. du Pont de Nemours & Co. v. Berkley & Co., 620 F.2d 1247, 1261 (8th Cir. 1980); see also 1 CHISUM, supra note 7, § 3.05[2][c]. The Eighth Circuit listed several factors that should be considered in determining the sufficiency of oral testimony: (1) delay between event and trial; (2) interest of witness; (3) contradiction or impeachment; (4) corroboration; (5) witnesses’ familiarity with details of alleged prior structure; (6) improbability of prior use considering state of the art; (7) impact of the invention on the industry; and (8) relationship between witness and alleged prior use. E. I. du Pont de Nemours & Co. v. Berkley & Co., 620 F.2d at 1261.

248. Id.; see Corona Cord Tire Co. v. Dovan Chem. Corp., 276 U.S. 358, 382 (1928) (finding the required corroboration met by company records); Smith v. Hall, 301 U.S. 216, 222 (1937) (finding the required corroboration of oral testimony met by an abandoned patent application); see also Sjolund v. Musland, 847 F.2d 1573, 1578 (Fed. Cir. 1988) (indicating that oral testimony may be viewed with suspicion in the absence of corroborating evidence); Carella v. Starlight Archery Co., 804 F.2d 135, 138 (Fed. Cir. 1986) (indicating that unsup-
Similarly, § 102(b) of the U.S. Patent Act, states that a patent on an invention may be precluded where the invention was “in public use” in the United States more than one year before the filing date of the application for the patent. Even though the statute explicitly calls for the use to be public in order to be anticipatory under this section, the courts have redefined the term to mean commercial use. Thus, a commercial use will be considered a public use under the statute even if the use is kept secret. A public use may be subject to an exception which would excuse an otherwise anticipatory public use, if that use is deemed an experimental use.

249. Under § 102(b) of the U.S. patent laws, a person will not be entitled to a patent if “the invention was ... in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States.” 35 U.S.C. § 102(b) (1994); see also supra notes 12-27 and accompanying text (discussing the bases for invalidity under 35 U.S.C. § 102). Such a bar may result from not only the acts of the inventor, but also from the acts of anyone who is not under an obligation of secrecy to the inventor. In re Smith, 714 F.2d 1127, 1134 (Fed. Cir. 1983).

Section 102(b) also bars a patent that was placed “on sale” more than one year prior to the filing date of the patent application. 35 U.S.C. § 102(b). An on sale bar may be triggered by “merely offering to sell a product by way of an advertisement or invoice ... even though no details are disclosed.” RCA Corp. v. Data Gen. Corp., 887 F.2d 1056, 1060 (Fed. Cir. 1989) (emphasis in original). In addition, it is not an absolute requirement that the item offered for sale be reduced to practice in order to trigger an on sale bar. UMC Elecs. Co. v. U.S., 816 F.2d 647, 656 (Fed. Cir. 1987); see also supra note 21 (discussing actual and constructive reductions to practice).

250. See, e.g., Kinzenbaw v. Deere & Co., 741 F.2d 383, 390 (Fed. Cir. 1984); In re Smith, 714 F.2d at 1134.

251. Kinzenbaw v. Deere & Co., 741 F.2d at 390. Thus, commercial uses in which the patented features of a product cannot be seen by the public eye will nevertheless be deemed public uses under the statute. Egbert v. Lippman, 104 U.S. 333, 336 (1881). Under such circumstances, the product placed in use will become part of the prior art for determining not only anticipation, but also obviousness. Baker Oil Tools, Inc. v. Geo Vann, Inc., 828 F.2d 1558, 1563 (Fed. Cir. 1987); see supra notes 12-27, 33-41 and accompanying text (discussing anticipation and obviousness). As a result, a patent may be precluded or otherwise invalidated if the claimed invention is embodied in, or rendered obvious in view of the product in public use. Baker Oil Tools, Inc. v. Geo Vann, Inc., 828 F.2d at 1563.

252. A public use may be deemed an experimental use if the inventor can show that the use was primarily for experimental purposes in order to complete the invention. RCA Corp. v. Data Gen. Corp., 887 F.2d at 1061. In terms of qualifying as an experimental use, it may be immaterial that the experiment or testing was conducted publicly since some inventions necessarily require testing in public to show that they work for their intended purposes. City of Elizabeth v. American Nicholson Pavement Co., 97 U.S. 126, 134-37 (1877); Baker Oil Tools, Inc. v. Geo Vann, Inc., 828 F.2d at 1563. Although the experimental use exception can apply to either a public use or on sale bar under § 102(b), an experimental use will usually not be found if the purpose of the testing or experimentation is commercially motivated, such as to...
less, a party seeking to rely on public use to invalidate a patent under § 102(b) must usually rely on oral testimony, as under § 102(a), for allegations of prior use.253

In addition to anticipatory uses, § 102(g) of the U.S. patent laws precludes a patent on an invention if, prior to the date of the invention, “the invention was made in this country by another who had not abandoned, suppressed, or concealed it.”254 Thus, the prior invention of another may bar or invalidate a patent on the subsequent invention.255 Such prior invention may be anticipatory even if the prior invention was secret or otherwise unavailable to the public.256

Priority gauge market acceptance. Id.; In re Smith, 714 F.2d at 1135; see supra note 23 (discussing the "on sale" bar).

253. E. I. du Pont de Nemours & Co. v. Berkley & Co., 620 F.2d 1247, 1261 (8th Cir. 1980); see also Medtronic, Inc. v. Daig Corp., 227 U.S.P.Q. (BNA) 509, 515 (D. Minn. 1985), aff’d 789 F.2d 903 (Fed. Cir. 1986) (indicating that same proof required for an anticipatory use under either §§ 102(a) or 102(b)).

254. More specifically, under § 102(g) of the U.S. patent laws, a person will not be entitled to a patent if “before the applicant’s invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it.” 35 U.S.C. § 102(g) (1994); see also supra notes 12-27 and accompanying text (discussing the bases for invalidity under 35 U.S.C. § 102). Notwithstanding the “in this country” requirement of § 102(g), § 104 of the U.S. patent laws has been recently amended in light of the Uruguay Round Agreements Act, which was signed into law on December 8, 1994 by President Clinton in order to implement the Trade-Related Aspects of Intellectual Property (TRIPS) under the General Agreement on Tariffs and Trade (GATT). Pub. L. No. 103-465, 108 Stat. 4809 (1994). As amended, § 104 provides:

In proceedings before the Patent and Trademark Office, in the courts, and before any competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge of use thereof, in a foreign country other than a [North American Free Trade Agreement or] NAFTA country or a [World Trade Organization or] WTO member country, except as provided in sections 119 and 365 of this title.

35 U.S.C. § 104(a)(1) (1994), amended by Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994) (effective Jan. 1, 1996). As a result, inventive activity in Canada and Mexico, as NAFTA countries, as well as in any WTO countries, may be relied on under § 104 by an inventor seeking to prove an earlier date of invention, even though § 102(g) has not been amended to remove the “in this country” requirement. This inconsistency in statutory language “means that the statutory basis for finding a patent-defeating effect against the loser of an interference is unchanged and limited to the prior invention of another in the United States.” Harold C. Wegner, TRIPS Boomerang — Obligations for Domestic Reform, 29 VAND. J. TRANS. L. 535, 548-53 [hereinafter Wegner, TRIPS Boomerang]; see infra notes 541-556 and accompanying text (discussing interference practice); see also infra note 257 and accompanying text (discussing the rules applied in determining priority of invention).

255. See Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1379 (Fed. Cir. 1986) (indicating that, under § 102(g), the prior invention by another of the same invention is one type of anticipation).

256. See International Glass Co. v. U.S., 408 F.2d 395, 402 (Ct. Cl. 1969) (indicating that a prior invention need not be public and, instead, requiring only that the invention be com-
of an invention is determined by considering "not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other." If after applying these rules the activities of another result in a prior invention, those activities may be used to bar or invalidate a later patent claiming that same invention, provided that the prior invention has not been abandoned, suppressed or concealed. Such activities may be proven in a number of ways, including through the use of oral testimony.

Nondocumentary sources of prior art, such as prior use, knowledge and invention, may prove to be important grounds for chal-
Presently, such grounds are not permitted as grounds for challenging validity under the reexamination system. In improving our current reexamination system, or in crafting a new system for challenging validity, serious consideration must be given to whether such nondocumentary prior art should be used as grounds for invalidity challenges. As the following sections indicate, these grounds are becoming increasingly important in technology areas such as software and biotechnology.

2. Issues in Software Cases

Nondocumentary prior art may prove particularly useful in assessing the patentability or validity of software-related inventions. For example, in In re Epstein, the U.S. Court of Appeals for the Federal Circuit *inter alia* affirmed an anticipation rejection under § 102(b) of the patent laws because the claimed invention was found to be "in public use or on sale" more than one year before the date of the patent application. In *Epstein*, the claimed invention related to a computerized multi-vendor central parts warehouse system. The system was designed to electronically store information on parts, such as fasteners, electronics items, office supplies and the like, so that a buyer could engage in one-stop shopping for such parts using a computer link to the system as well as to the vendors of the parts referenced in the system.

260. Although such grounds are typically raised as anticipation defenses to negate novelty of a claimed invention, these grounds may also serve as a basis for obviousness under § 103, whether considered alone or in combination with other prior art. See In re Epstein, 32 F.3d 1559, 1563 (Fed. Cir. 1994) (indicating that prior use and knowledge must serve as basis for obviousness under § 103); In re Bass, 474 F.2d 1276, 1286-87 (C.C.P.A. 1973) (indicating that prior invention of another is prior art under both §§ 102(g) and 103); E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d at 1437 (indicating that prior invention of another is prior art under both §§ 102(g) and 103); cf. Sun Studs, Inc. v. ATA Equip. Leasing, Inc., 872 F.2d 978, 983 (Fed. Cir. 1989); see also supra notes 33-41 and accompanying text (discussing obviousness under 35 U.S.C. § 103).

261. This type of prior art may be especially important, given the state of the art for software-related inventions. See supra notes 227-230 and accompanying text (discussing the importance of industry participation in assessing software-related inventions that has resulted from the sparse collection of prior art documents as well as the difficulties in searching for software prior art).

262. In re Epstein, 32 F.3d 1559 (Fed. Cir. 1994).

263. Id. at 1562.

264. Id.
The applicant filed a patent application directed to features of this system on March 21, 1989. During examination of the application, the PTO examiner rejected the claims at issue on appeal under § 102(b) over several items in the prior art, which in the examiner's view indicated that the claimed invention was in public use or on sale more than a year before the application's filing date. These prior art items included evidence in the form of abstracts that highlighted the features of particular software products. Many of the abstracts were not dated, but did indicate the dates of first release and installation for the products included in the abstracts. Although the abstracts were not themselves prior art, they were nevertheless considered evidence of prior art products. On appeal to the Board of Patent Appeals and Interferences, the Board affirmed the examiner's rejection. In so doing, the Board rejected the applicant's arguments that (1) the abstracts were written after the date on which the application was filed, and thus, were not prior art or were unreliable as evidence of prior art; and (2) the abstracts did not enable one skilled in the art to make and use the claimed features against which the abstracts were cited.

265. Id.
266. Id. at 1563.
267. Id.
268. Id.
269. The abstracts themselves were not considered prior art since they did not fall within the definition of "printed publication" within the meaning of § 102. Under §§ 102(a) and 102(b), a patent may be barred or invalidated if the claimed invention is embodied in the information described in a printed publication, such as a technical article or a catalog, provided that the other requirements of sections 102(a) and 102(b) are also met. See 35 U.S.C. § 102(a) (precluding a patent on an invention if "the invention was . . . described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent") and § 102(b) (barring a patent on an invention if "the invention was patented or described in a printed publication in this or a foreign country . . . more than one year prior to the date of the application for patent in the United States"); see supra notes 12-27 and accompanying text (discussing § 102). A printed publication must, in order to be prior art under these sections, be enabling. See, e.g., Symbol Techs., Inc. v. Opticon, Inc., 935 F.2d 1569, 1578 (Fed. Cir. 1991); see also Scripps Clinic & Research Found. v. Genentech, Inc., 927 F.2d 1565, 1580 (Fed. Cir. 1991). If the printed publication is not enabling, it may nevertheless be used for purposes of determining obviousness under § 103. Symbol Techs., Inc. v. Opticon, Inc., 935 F.2d at 1578; see also 35 U.S.C. § 103 (1994); see supra notes 33-41 and accompanying text (discussing nonobviousness). In Epstein, the examiner, therefore, did not rely on the abstracts themselves as printed publications or prior art; instead, he chose to rely on the abstracts as evidence of prior art, i.e., evidence of the products to which they referred. In re Epstein, 32 F.3d at 1563.
270. In re Epstein, 32 F.3d at 1563.
The applicant appealed the Board’s decision to the Federal Circuit, and the Federal Circuit affirmed the Board’s decision. The applicant argued that the abstracts were hearsay, and likely unreliable, because software vendors were likely to exaggerate their products in advertising. Although the Federal Circuit conceded that the abstracts were hearsay, the court rejected the applicant’s argument by noting that administrative agencies are not required to adhere to the Federal Rules of Evidence. In addition, the Federal Circuit found nothing in the abstracts that suggested inaccuracy or untrustworthiness with respect to the features or release dates listed.

The applicant further argued that the abstracts did not enable one of ordinary skill in the art to make or use the software products referenced in the abstracts. The Federal Circuit found this argument unpersuasive, noting that there is no requirement that the abstracts be enabling. In rejecting the petitioner’s argument, the Federal Circuit emphasized that the software products, and not the abstracts, were considered to be the prior art. The abstracts were merely evidence of those prior art software products. As a result, the Federal Circuit affirmed the Board’s findings that the examiner had properly rejected the claimed invention over software products referenced in the abstracts.

The Epstein case is an example of how non-traditional sources of prior art (i.e., other than patents and printed publications) can be used to challenge the patentability or validity of a software-related invention. The current reexamination system does not accommodate the use of such sources, even though they may be valuable in assessing the patentability or validity of a claimed invention. If the reexamination system is modified, or another system replaces it, such

271. Id. at 1567.
272. Id. at 1566.
273. Id.
274. Id. The applicant also argued the products could not have been prior art because the products, as initially released, had different features than identified in the later-published abstracts. The Federal Circuit, however, found that the Board had relied on features in the software products that were not likely to have changed from version to version. Thus, the Federal Circuit determined that, in the absence of evidence to the contrary, the Board’s finding on this issue was not clearly erroneous. Id.
275. Id. at 1567-68.
276. Id.
277. Id.
278. Id.
sources of prior art may merit consideration in determining the grounds upon which challenges may be based.

3. Issues in Biotechnology Cases

Nondocumentary prior art may also prove useful in assessing the patentability or validity of biotechnology-related inventions.\textsuperscript{279} For example, in \textit{Hybritech Inc. v. Monoclonal Antibodies, Inc.},\textsuperscript{280} the Federal Circuit addressed an issue of an anticipatory prior invention under § 102(g).\textsuperscript{281} The patent in \textit{Hybritech} related to monoclonal antibodies, having an affinity of at least $10^8$ liters/mole for an antigenic substance, which were used in a sandwich assay.\textsuperscript{282} The accused infringer sought to rely on prior art under § 102(g) that involved tests by other researchers.\textsuperscript{283} In these tests, an antigenic substance was sandwiched between two monoclonal antibodies, as in the claimed invention; however, the tests were not conducted for the purpose of detecting the presence of the antigenic substance.\textsuperscript{284} Rather, the tests sought to determine the number and location of epitopes on a known quantity of antigen.\textsuperscript{285} As a consequence, the prior researchers were

\begin{itemize}
  \item \textsuperscript{279} See supra note 230 (discussing the importance of industry participation in assessing the patentability of biotechnology-related inventions that has resulted from difficulties in searching for prior art, such as known DNA sequences).
  \item \textsuperscript{280} Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367 (Fed. Cir. 1986).
  \item \textsuperscript{281} The defense of anticipatory prior invention under § 102(g) is particularly important in biotechnology-related inventions since parallel research, conducted by teams of competing inventors, may result in the possibility of invalidating a patent by prior research that was not disclosed or otherwise publicly available at the time the patented invention was made. See KENNETH J. BURCHFIELD, BIOTECHNOLOGY AND THE FEDERAL CIRCUIT § 5.6 (1995); HAROLD C. WEGNER, PATENT LAW IN BIOTECHNOLOGY, CHEMICALS & PHARMACEUTICALS § 117 (2d ed. 1995); IVER P. COOPER, BIOTECHNOLOGY AND THE LAW § 4.06[2] (1994).
  \item \textsuperscript{282} Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d at 1373. Claim 19 of the patent in suit recited the following claim limitations:
    
    \begin{quote}
    In an immunometric assay to determine the presence or concentration of an antigenic substance in a sample of a fluid comprising or forming a ternary complex of a first labeled antibody, said antigenic substance, and a second antibody said second antibody being bound to a solid carrier insoluble in said fluid wherein the presence of the antigenic antibody bound to the solid carrier or the amount of unreacted labeled antibody, the improvement comprising employing monoclonal antibodies having an affinity for the antigenic substance of at least $10^8$ liters/mole for each of said labeled antibody and said antibody bound to a solid carrier.
    \end{quote}
    
\textit{Id.}
  \item \textsuperscript{283} \textit{Id.}
  \item \textsuperscript{284} \textit{Id.}
  \item \textsuperscript{285} \textit{Id.}
not aware of the affinities of the antibodies and did not attempt to calculate these affinities, which would have been required to meet each and every claimed limitation. Based on these facts, the lower court determined that the claims at issue were anticipated under § 102(g).

On appeal, the Federal Circuit reversed. In so doing, the Federal Circuit emphasized that, because the affinity constant required by the claimed invention was not determined in the prior research, the claimed invention was not anticipated by this research. The Federal Circuit, therefore, concluded that the prior research did not produce a prior conception of the claimed invention since the prior researchers did not have a definite and permanent idea of the complete and operative invention.

Similarly, in *Amgen, Inc. v. Chugai Pharmaceutical Co.*, the Federal Circuit was again confronted with an issue of anticipatory prior invention. In *Amgen*, the claimed invention related to a purified and isolated DNA sequence for encoding human erythropoietin. As in *Hybritech*, the accused infringer sought to rely on the work of prior researchers as a basis for invalidating the claimed invention. A key issue was whether the work of the patentee or the prior researchers resulted in the conception of a probing strategy that involved the use of fully degenerate complementary DNA ("cDNA") probes. In attempting to resolve this issue, it was determined that the claimed DNA sequence for the erythropoietin gene could not have been isolated without the probing strategy. However, in order to design the probes necessary to isolate the gene, the specific amino acid sequence of the erythropoietin had to be used. This fact was fatal to the prior invention defense since, at the time of the alleged

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286. *Id.*; see also discussion, supra note 16 (discussing anticipation as requiring each and every element to be found in a single prior art source).
288. *Id.* at 1381.
289. *Id.* at 1378.
291. *Id.* at 1203. Claim 2 of one of the patents in suit required "[a] purified and isolated DNA sequence consisting essentially of a DNA sequence encoding human erythropoietin." *Id.*
292. *Id.*
293. *Id.*
294. *Id.*
295. *Id.*
prior invention, this amino acid sequence was unknown.\textsuperscript{296} Thus, the lower court held that the claimed invention was not anticipated under § 102(g).

On appeal, the Federal Circuit affirmed the lower court’s holding. In reaching this result, the Federal Circuit made clear that there could be no prior invention since conception requires possession of an operative method of making the invention.\textsuperscript{297} Thus, in order to have such possession, the prior inventor would have had to identify the amino acid sequence.\textsuperscript{298} Consequently, without the required sequence, the prior inventor had not conceived of the complete and operable invention.\textsuperscript{299}

The \textit{Hybritech} and \textit{Amgen} cases indicate that nondocumentary sources of prior art, such as prior inventions, may be important in assessing the validity of patents covering biotechnology-related inventions. Such grounds are not, however, presently available as grounds for reexamination. Because of the highly competitive nature of biotechnology industries, industry members are likely to know whether the validity of a particular patent is questionable. In modifying our current reexamination system, or developing an entirely new one, it may be appropriate to permit such industry members to raise appropriate challenges based on both documentary and nondocumentary prior art sources.

\begin{itemize}
\item \textsuperscript{296} \textit{Id.}
\item \textsuperscript{297} \textit{Id.} at 1206.
\item \textsuperscript{298} \textit{Id.} The court emphasized that conception under § 102(g) “does not occur unless one has a mental picture of the structure of the chemical, or is able to define it by its method of preparation, its physical or chemical properties, or whatever characteristics sufficiently to distinguish it.” \textit{Id.}
\item \textsuperscript{299} \textit{Id.} The Federal Circuit has applied similar logic in other cases. For instance, in \textit{Fiers} v. \textit{Revel}, 984 F.2d 1164 (Fed. Cir. 1993), the Federal Circuit relied on \textit{Amgen} to reject a prior invention defense. \textit{In Fiers}, the Federal Circuit ruled that conception of DNA requires knowledge of its nucleotide sequence, and that possession of an enabling method for preparing the DNA does not result in conception of the DNA. \textit{Fiers} v. \textit{Revel}, 984 F.2d 1164, 1169 (Fed. Cir. 1993). \textit{In reaching this ruling, the Federal Circuit made clear that conception does not result by merely defining the DNA by its principal biological property. Id. at 1168. Instead, it is necessary to provide “a precise definition, such as by structure, formula, chemical name, or physical properties.” Id. at 1171.}
D. The Need to Further Expand the Grounds for Administrative Validity Challenges

1. Invalidity Challenges Unrelated to Prior Art

Although most challenges to the validity of an issued U.S. patent are based on prior art grounds under §§ 102 and 103, a number of other grounds that are unrelated to prior art may prove useful in attempting to invalidate a patent. For example, in many instances, issues may be raised by the failure to comply with the disclosure requirements of § 112. Such failures may be significant in mounting a meaningful challenge to patent validity even though they alone are not presently grounds for reexamination.

For example, in Amgen, the Federal Circuit held that the lower court erred in failing to find certain claims invalid for failure to comply with the enablement requirement. The lower court had held certain generic claims enabled and not invalid. These generic claims, however, covered "all possible DNA sequences that will encode any polypeptide having an amino acid sequence 'sufficiently duplicative' of [erythropoietin] to possess the property of increasing red blood cells." Thus, because the number of claimed analog sequences was considered to be "enormous" and the patentee provided details for preparing only a few analog genes, the Federal Circuit concluded that the claimed invention was not enabled. In reaching this conclusion, the Federal Circuit emphasized that a person skilled in the art would be required to engage in extensive and undue experimentation.

300. For instance, arguments may be raised, with varying degrees of success, based on issues such as ineligible subject matter under § 101, derivation under § 102(f), and failure to comply with disclosure and claiming requirements under § 112. See supra notes 7-11 and accompanying text (discussing § 101); supra note 27 and accompanying text (discussing derivation under § 102(f)); supra notes 42-50 and accompanying text (discussing requirements under § 112).

301. In contrast, issues relating to the indefiniteness of claims under § 112 are usually less likely to raise significant issues. However, a challenge may have more success where an argument is raised based on the issue of failing to disclose some structure or enabling means in the specification that would support a "means" element under § 112, ¶ 6. In re Hayes Microcomputer Prods., Inc., 982 F.2d 1527, 1535 (Fed. Cir. 1992); see supra note 50 (setting forth statutory requirement for claims under § 112, ¶ 6).


304. Id. at 1213-14.
in attempting to arrive at the sequences.\textsuperscript{305} As a result, the Federal Circuit held that, given such little enabling disclosure, the scope of the enablement of the claimed invention was as broad as the claim, and thus, invalid.\textsuperscript{306}

In addition to the enablement requirement, the best mode requirement may also prove particularly useful in seeking to invalidate a claimed invention.\textsuperscript{307} For example, in \textit{Northern Telecom, Inc. v. Datapoint Corp.},\textsuperscript{308} the Federal Circuit affirmed a lower court holding of invalidity based on a failure to comply with the best mode requirement. In \textit{Northern Telecom}, an alleged infringer was accused of infringing many claims of a patent related to a programmable data entry terminal.\textsuperscript{309} In response, the accused infringer argued that several of the claims were invalid for failure to comply with the best mode requirement.\textsuperscript{310} In particular, the alleged infringer argued that the inventors failed to disclose their best mode of storing data through the use of magnetic recording tape.\textsuperscript{311} The district court agreed and invalidated the claims on this basis.

On appeal, the Federal Circuit affirmed. In reaching this result, the Federal Circuit noted that the specification disclosed certain recording cassettes, which were described as “almost universally available for audio purposes.”\textsuperscript{312} However, the record from the district court below indicated that the inventors knew that standard audio tape was not the best method for recording digital data and, instead, that tape with a higher yield strength and different magnetic characteristics would perform better than the disclosed standard audio
Consequently, the Federal Circuit concluded that the inventors had concealed the best mode of carrying out their invention.\textsuperscript{314}

The Amgen and Northern Telecom cases indicate that grounds unrelated to prior art may prove useful in attempting to invalidate a patent. Such grounds, however, are not available under the current reexamination statute, where alleged infringers desire to challenge the patent in an administrative proceeding. Thus, in considering the grounds that should be included in an administrative revocation system, such grounds should be included so that third parties can mount meaningful challenges to validity.

2. Charges of Inequitable Conduct?

In litigation before a federal district court, an accused infringer will often argue that the asserted patent is unenforceable due to inequitable conduct during the procurement of the patent.\textsuperscript{315} The PTO has taken the position that, during \textit{ex parte} prosecution of a patent application, it is not well-equipped to investigate whether an applicant or his or her representative had the culpable intent required for a conclusion of inequitable conduct.\textsuperscript{316} Nevertheless, the PTO has permitted such issues to be raised during \textit{inter partes} priority disputes between competing inventors in an interference.\textsuperscript{317} This suggests that, as opportunities for third party participation are increased, the more likely it is the PTO would be receptive to investigating issues that involve intent, such as challenges based on inequitable conduct.\textsuperscript{318}

\textbf{E. Summary: Identifying the Need for Improvement}

The current reexamination system has a number of areas in which it could be improved. Based on the experience with the current reexamination system, there is a need to: (1) increase third party participation in the proceedings; (2) increase the substantive grounds

\begin{footnotesize}
\begin{enumerate}
\item[313.] Id.
\item[314.] Id.
\item[315.] See discussion, supra note 56 (discussing inequitable conduct).
\item[316.] Id.
\item[317.] See infra note 547 (indicating inequitable conduct as a permissible basis of attack in an interference proceeding).
\item[318.] However, potential inclusion of grounds of inequitable conduct in an administrative revocation system should be balanced against the potential for abuse. As the Federal Circuit has noted with respect to such challenges in district court: "the habit of charging inequitable conduct in almost every major patent case has become an absolute plaque." Burlington Indus., Inc. v. Dayco Corp., 849 F.2d 1418, 1422 (Fed. Cir. 1988).
\end{enumerate}
\end{footnotesize}
upon which validity challenges may be based; and (3) permit third party challengers at least some right to participate in the appellate procedure. Whether the reexamination is modified or replaced, a revised or new system must address these issues. Several cases confirm that, as the breadth of the grounds increases, the mechanisms for presenting additional evidence must also be increased. Such mechanisms must be flexible enough to permit presentation of evidence sufficient to support all grounds for challenges in order to encourage third party involvement. Further, additional incentives may be required to provide such encouragement.

V. PAST AND PRESENT PROPOSALS FOR CHANGE: THE NEED FOR A BETTER SOLUTION

A. Introduction

Based on experience with the current reexamination system, recommendations and proposals by various groups have surfaced over the past several years. These groups have recognized some of the shortcomings in the current reexamination system and have offered suggestions on how the system may be improved. Many of these suggestions attempt to address most of the needs identified in the previous sections of this article. However, as will be seen, not all of these needs are addressed by any one recommendation or proposal. The following sections discuss the various recommendations and proposals for remedying the problems resulting from the current reexamination system.

B. Recommendations of the Advisory Commission on Patent Law Reform

In 1992, the Advisory Commission on Patent Law Reform issued a report, in which a number of recommendations were proposed to improve the current reexamination statute. The recommenda-
tions recognized the drawbacks of reexamination and, thus, generally focused on providing an expert administrative forum that could accommodate validity challenges more quickly and less expensively than litigation in federal courts. The recommendations were aimed at three major areas: (1) increasing third party participation in the proceedings through expanded procedure; (2) increasing the substantive grounds upon which patentability and validity challenges may be based; and (3) permitting third party challengers some right to participate in the appellate procedure.

Under the first major area, the Advisory Commission recommended that third parties be afforded greater opportunities to participate in reexamination proceedings. As part of this recommendation, the Advisory Commission recommended that third parties be allowed to submit comments in response to the PTO examiner’s initial Office Action, instead of in response to an initial statement filed by the patentee. In this manner, third parties could submit comments regardless of whether the patentee chose to file a statement in response to the examiner’s initial Office Action. In addition to these comments, the Advisory Commission also recommended that the third parties be permitted to submit comments at the end of the reexamination proceeding, but before a decision has been rendered. These comments would be limited to issues raised during the reexamination proceedings. Based on the comments, the PTO examiner would, under the Advisory Commission’s recommendation, then have the option of reopening the reexamination by issuing a supplemental final action. The patentee would subsequently be given an opportunity to file an amendment or an otherwise appropriate response. If the patentee elects to file such a response, the third party

320. Id. at 77 (indicating that third parties need an expedient, cost-efficient alternative to challenging validity in federal district court).
321. Id.
322. Id.
323. Id. This recommendation was, therefore, directed to the problem inherent in the current reexamination procedure, seen when a third party requester is allowed to submit a response only if the patentee has filed a statement in response to the examiner’s initial office action. See supra notes 145-148 and accompanying text (explaining the third party requester’s submissions during reexamination).
324. ADVISORY COMMISSION REPORT, supra note 184, at 77.
325. Id.
326. Id. at 78.
327. Id.
would, under the recommendation, be permitted to submit comments in response to the patentee’s submission. All third party comments would be made part of the record for appeal.

In addition to accommodating the submission of comments by third parties during reexamination, the Advisory Commission also recommended that these third parties be permitted to attend and participate in interviews conducted between the examiner and the patentee during reexamination. The Advisory Commission recommended that such participation be limited to instances where the patentee has requested an interview and, therefore, recommended that third parties not be permitted to request an interview. Under the recommendation, the interviews would be conducted between the examiner and the patentee under controlled conditions, overseen by a senior representative of the PTO.

Under the second major area, the Advisory Commission recommended broadening the substantive grounds upon which reexamination could be based. In particular, the Advisory Commission recommended that the examiner be permitted to reexamine the claims in the patent under review for compliance with the requirements of 35 U.S.C. § 112, except for the best mode requirement. Under this recommendation, claims as originally filed, as well as any claims added or modified during reexamination, would be reexamined for compliance with the disclosure and claiming requirements under § 112. The Advisory Commission recommendation excluded the best mode requirement as one of the grounds for reexamination since, in its view, the PTO examining corps is not well-equipped to assess the subjective nature of the best mode inquiry.

Under the third major area, the Advisory Commission recommended that third parties be afforded increased rights to participate in

328. Id.
329. Id.
330. Id. at 77.
331. Id.
332. Id.
333. Id. at 76.
334. Id.; see supra notes 42-50 and accompanying text (discussing the requirements of § 112).
335. See ADVISORY COMMISSION REPORT, supra note 184, at 76.
336. Id.; see supra notes 46-50 and accompanying text (discussing the best mode inquiry under § 112).
the appeals process. In presenting this recommendation, the Advisory Commission offered three alternatives to accommodate such third party participation in the appeals process. Under the first method, a third party would be permitted to participate in any appeal before the Board of Patent Appeals and Interferences. The third party would not, however, be permitted to file the appeal; instead, the appeal would have to be made by the patentee. Under the second alternative, a third party requester, who requested and participated in the reexamination proceedings, would be permitted to file an appeal to the Board of Patent Appeals and Interferences, with any subsequent appeal being taken to the U.S. Court of Appeals for the Federal Circuit. Under the final alternative, a third party would be permitted to appeal an adverse decision in reexamination to the Board of Patent Appeals and Interferences and then to the U.S. Court of Appeals for the Federal Circuit, like the second alternative, but with three important limitations. The first limitation would limit appeals to only those issues raised by the Board or at the close of the reexamination proceedings. The second limitation would require the third party to pay a substantial fee. The third limitation would require the third party to file a written waiver in which the third party agrees not to relitigate the validity of any claim considered during reexamination on grounds that were raised or could have been raised by the third party in the reexamination.

Although these recommendations by the Advisory Commission seek to address most of the problems that are associated with the current reexamination system, the recommendations have yet to be implemented. Should these recommendations be implemented, it nevertheless remains unclear whether the system would be substantially improved. The recommendations do appear to offer some improvement over the current reexamination system; however, the recom-
mendations also have the drawback of increasing the cost and complexity of the current reexamination system, without precluding the same issues from being relitigated later in district court.\textsuperscript{346} Like the current reexamination system, the proposed reexamination proceedings recommended by the Advisory Commission may lack significant binding effect, unless a claim is canceled or amended during the proceedings.\textsuperscript{347} Also, the recommendations would not permit challenges based on best mode, thus excluding an important basis for challenging validity. In addition, the recommendations do not address the presentation of evidence required to substantiate grounds for challenges. Thus, it is unclear whether third parties would, under the Advisory Commission's recommendations, be encouraged to participate in reexamination proceedings any more than under the current system, without a greater incentive to do so.

C. Recent Legislative Proposals

In the few years since the Advisory Commission issued its recommendations, the United States Congress also recognized the need to improve the current reexamination system. For instance, in 1994, the United States Senate passed the Patent Reexamination Reform Act of 1994.\textsuperscript{348} Although the Act was never considered by the full Congress, its passage in the Senate provides an indication of the types of provisions that might be approved by the Congress in order to improve reexamination in the future.

The primary goal of the Act was to increase the use of the reexamination system by third parties.\textsuperscript{349} In drafting the bill, it was rec-

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\item \textsuperscript{346} The Advisory Commission recommendations did, in part, recognize this problem. The Advisory Commission sought, under one of its proposals, to require a third party requester to sign a waiver, agreeing to refrain from litigating the validity of any claim considered during reexamination on grounds that were raised or could have been raised by the third party in the reexamination. \textit{Id.}; see \textit{Bauz, supra note 6}, at 960 (arguing that the Advisory Commission's recommendations would increase the cost, duration and redundancy in validity issues).
\item \textsuperscript{347} See \textit{supra} notes 93, 175 and accompanying text (discussing the current reexamination system's lack of preclusive effect).
\item \textsuperscript{349} 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator DeConcini) (proposing that the term "third parties" as defined in 35 U.S.C. § 100 as any person, corporation, etc., who is neither the Commissioner of the PTO nor the patentee).
\end{itemize}
ognized that most third parties who wish to challenge the validity of a patent choose instead to litigate in federal district court, foregoing reexamination altogether.\(^{350}\) Thus, the Act sought to encourage third party participation in reexamination by increasing the opportunities in which such third parties can participate in the proceedings and by providing third parties with rights of appeal equivalent to those enjoyed by the patentee.\(^{351}\) Through these measures, the Act thereby sought to promote public confidence in the patent system by eliminating many of the perceived drawbacks of reexamination and encouraging the resolution of disputes within the PTO, rather than in the courtroom.\(^{352}\)

Thus, the Act sought to improve reexamination in several ways. First, the Act sought to expand the grounds available for mounting validity challenges during reexamination.\(^{353}\) Moreover, the Act contemplated broadening § 302 of the reexamination statute to permit citations of prior art beyond patents and printed publications.\(^{354}\) Finally, the Act would permit challenges based on § 112 grounds, excluding best mode.\(^{355}\) With these broadened grounds, the Act was

\(^{350}\) 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator De-Concini); see also supra notes 93 and 175 and accompanying text (discussing the effect of prior art considered by the PTO on validity determinations in federal district court); Susan Orenstein, Using the Power of Persuasion, THE RECORDER, May 19, 1994, at 1 (indicating that third parties are reluctant to request reexamination, as prior art considered during reexamination may, if overcome by the patentee, become effectively useless in later litigation).

\(^{351}\) 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator De-Concini). Striving for these goals, the Act drew on many of the recommendations from the 1992 Advisory Commission Report. See supra notes 319-347 and accompanying text (discussing the recommendations of the Advisory Commission). As a result, the Act was intended, in part, to bring the U.S. reexamination system in closer conformity to similar systems used in other nations. See Casey, supra note 348, at 564; see also infra notes 406-530 and accompanying text (discussing the opposition systems used in Europe and Japan).

\(^{352}\) 140 Cong. Rec. S10141, S10145 (daily ed. July 29, 1994); see Casey, supra note 348, at 564.


\(^{355}\) Challenges based on a failure to comply with the best mode requirement of § 112 were excluded from the broadened grounds due to the subjective nature of the inquiry. 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator DeConcini); see supra notes 42-50 and accompanying text (describing the disclosure and claiming requirements under 35 U.S.C. § 112). The Senate in effect concurred with the Advisory Commission's recommendation, that best mode issues be excluded from the grounds for reexamination.
intended to allow third parties to raise nearly all invalidity issues that could be raised in federal district court litigation.356

Second, the Act sought to generally permit all parties to participate equally under the new reexamination proceedings. For instance, the Act contemplated that all documents filed in the PTO during the proceedings would be served upon both the PTO and the opposing party.357 Each party would be provided with an opportunity to reply to any issues raised in the filings.358 The third party challenger, however, would not be permitted to raise any new issues that were not raised in the initial request, any office actions or the patentee’s responses to any office actions.359

Third, the Act sought to provide the third party challenger with the right to appeal adverse decisions of the PTO examiner to the Board of Patent Appeals and Interferences and, subsequently, to the Court of Appeals for the Federal Circuit.360 This right of appeal, however, would be limited to issues raised during the reexamination proceedings.361 If the decision on appeal was unfavorable to the third party, the Act required that the third party be precluded from raising any issue that was raised during reexamination in any subsequent legal proceedings.362 Under these provisions, if the patentee sought to appeal the decision of the PTO examiner, the third party who partici-

See supra notes 333-336 and accompanying text (discussing Advisory Commission recommendation with respect to broadened grounds for reexamination).

356. 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator DeConcini). Not surprisingly, the Act sought, as a companion to expanding the grounds for reexamination, to likewise broaden the bases upon which the Commissioner could find a substantial new question of patentability. This change was required so the grounds for reexamination and the bases upon which the Commissioner could determine a substantial new question of patentability would be commensurate with one another. 140 Cong. Rec. S10141, S10146 (daily ed. July 29, 1994) (statement of Senator DeConcini); see supra notes 140-143 and accompanying text (discussing the requirement for a substantial new question of patentability under the current reexamination procedure).


pated in the proceedings could also participate in the appeal, if he or she filed a notice to do so with the Commissioner.363

Finally, the Act contemplated adding a new provision to the patent laws, under which a subsequent request for reexamination would be “prohibited” until proceedings based on an earlier request became final.364 In addition, a request for reexamination would have been prohibited in circumstances where a third party and the patentee had or could have litigated validity issues in a previous or on-going litigation between the two parties, but did not.365

Although this Act was never considered by the full Congress, its provisions have been considered and included in subsequent legislative proposals for reexamination reform. For example, a recent omnibus bill proposed by Congressman Moorhead adopts these same provisions.366 The provisions in all of these recent legislative proposals offer significant changes to the current reexamination system.367

366. See Omnibus Patent Reform Bill, H.R. 3460, 105th Cong. (1996). This was presented as an omnibus package. The provisions on improving reexamination are based on an earlier bill, House Bill 1732, which was directed solely to reexamination. More recently, other potential legislation was considered by Congress, and, similar to previous legislation, the recent bills did not receive approval by the full Congress. For instance, on April 23, 1997, the House passed House Bill 400, which included several proposed changes to the current patent laws. Although an earlier version of House Bill 400 included provisions like those in House Bill 1732 for modifying the reexamination statute, the version that was passed by the House did not include any reexamination changes. In 1997, another bill, Senate Resolution 507, was considered by the Senate. Although Senate Resolution 507 included provisions similar to those in House Bill 1732, and was favorably reported to the Senate floor with amendments, it was never considered by the full Congress, and was, therefore, not adopted.
367. The proposals were viewed favorably by the PTO. PTO Commissioner Bruce Lehman testified before the Senate Subcommittee on Patents, Copyrights and Trademarks in August 1994. Hearings on S. Res. 2272 and S. Res. 2341 Before Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary, 104th Cong. (1994) (statement of Bruce Lehman, Commissioner of Patents and Trademarks) (hereinafter Hearings on S. Res. 2272). In addition, the American Intellectual Property Law Association (“AIPLA”) voiced its support for the changes in the Act. Gary Griswold, a member of AIPLA’s Board of Directors, testified at the same Senate hearings, calling the changes a relatively “workable and fair compromise.” Hearings on S. Res. 2272 (statement of Gary Griswold, Member, Board of Directors, American Intellectual Property Law Ass’n); see also Casey, supra note 348, at 565. However, based on the AIPLA’s more recent recommendations, it would appear that AIPLA voiced these views as a “better than nothing” alternative. See infra notes 378-399 and accom-
Like the Advisory Commission's recommendations, it is unclear whether these changes would, if implemented, substantially improve the reexamination system over its current level of use and operation. For instance, the Act does not accommodate all invalidity challenges, such as those based on best mode, and does not address any mechanisms for substantiating other grounds, which are critical in complementing the ability to raise broadened grounds.

D. Other Proposals

Rather than focusing on specific improvements to the reexamination system, other groups have focused their efforts on the development of an administrative revocation system. The following sections discuss some of the proposals that have resulted from those efforts.

1. The WIPO Basic Proposal

A study, which antedates the Advisory Commission's work, was conducted by a Committee of Experts for the World Intellectual Property Organization (WIPO) as part of its effort to develop a treaty under which patent laws around the world would be globally harmonized. As a result of this effort, WIPO developed a draft patent law treaty (with the most recent version known as the "Basic Proposal") that included a general provision on administrative revo-

panying text (discussing the AIPLA's most recent proposal regarding administrative revocation of patents).


369. WORLD INTELLECTUAL PROPERTY ORG., DRAFT TREATY SUPPLEMENTING THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY AS FAR AS PATENTS ARE CONCERNED, Document PLT/DC/3 (Dec. 21, 1990) [hereinafter WIPO BASIC PROPOSAL].
Although the WIPO Basic Proposal was not officially adopted or entered into force, its provision on administrative revocation provides some indication of the basic features that the Committee of Experts agreed should be part of an administrative revocation system.

WIPO Basic Proposal was the last of several versions of a draft patent law treaty developed by a committee of experts. See Wegner, Patent Harmonization, supra note 368, § 400.

The WIPO Basic Proposal suggested the following language as the provision governing administrative revocation:

1. **Administrative Revocation**
   - (a) Where a patent was granted after substantive examination, any person shall have the right to request the competent Office to revoke the patent, in whole or in part, at least on the ground that, because of one or several documents available to the public, the conditions of novelty or inventive step are not satisfied.
   - (b) The request for revocation may be presented during a period to be fixed by the Contracting Party which shall commence from the announcement in the Official gazette of the grant of the patent and shall not be less than six months.
   - (c) No request for revocation may be based on grounds of non-compliance with formal or procedural requirements.
   - (d) No decision may be made by the Office departing from the request unless the person having made the request has had at least one opportunity to present his arguments on the grounds on which the Office intends to depart from the request.
   - (e) The Office may not revoke the patent, in whole or in part, at the request of a third party, unless the owner of the patent has had at least one opportunity to present his arguments on the grounds on which the Office intends to revoke the patent.

2. **Prohibition of Pre-grant Oppositions**
   - (a) No Contracting Party may allow any party to oppose, before its Office, the grant of patents ("pre-grant oppositions").
   - (b) Notwithstanding paragraph (a), any Contracting Party which, at the time of becoming party to this Treaty, provides for the possibility of pre-grant opposition may, for a period not exceeding the expiration of the tenth calendar year after the year in which this Treaty was adopted, continue to do so and, for the same period, it shall not be obliged to apply paragraph (1).
   - (c) Any Contracting Party that wishes to avail itself of the faculty provided for in subparagraph (b) shall address a corresponding notification to the Director General. As long as the notification has effect, any reference in this Treaty or in the Regulations to the time when the application is in order for grant shall be replaced, with respect to that Contracting Party, by a reference to the time when the application is in order for publication for the purpose of pre-grant opposition.

WIPO Basic Proposal, supra note 369, art. 18.

See Wegner, Patent Harmonization, supra note 368, § 400.
The WIPO Basic Proposal's provision on administrative revocation set forth the general requirements for such a system in those Contracting States that were to become signatories to the treaty.\(^{372}\) It was envisioned that the Contracting States could implement or continue to operate an administrative revocation system, provided that these requirements were met.\(^{373}\)

Under the WIPO requirements, all administrative revocation systems would be post-grant in operation, that is, accommodate challenges to a patent only after issuance.\(^{374}\) Third parties would be permitted to file a "request for revocation" at least six months after the grant of the patent sought to be revoked.\(^{375}\) The request for revocation could presumably be based on any invalidity grounds, with the exception of "non-compliance with formal or procedural requirements."\(^{376}\) This system would be, as envisioned, an *inter partes* proceeding in which a patent could not be revoked "unless the owner of the patent has had one opportunity to present his arguments on the grounds on which the [Patent] Office intends to revoke the patent."\(^{377}\) Other than these general requirements, however, the WIPO Basic Proposal does not provide much more guidance as to other issues associated with an opposition or administrative revocation system.

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372. As part of the work that went into the WIPO Basic Proposal, a concept of "Patent Worksharing" was developed, under which the examining resources of major patent systems would be pooled for the examination of patent applications, in hopes of moving toward "global patent rights." *Id.* § 500; see also Harold C. Wegner, International Patent Law Developments, Japan A.I.P.P.I.J., May 1993, at 87, 91 (discussing "Patent Worksharing Treaty," which was introduced in a joint Senate-House hearing on April 30, 1992). Under the Worksharing model, the three major Patent Offices — Europe, Japan, and U.S. — would generally share the responsibilities of examining a "worksharing" application that could be filed in any of the Offices, permitting prosecution of single application to create global patent rights. *See Wegner, Patent Harmonization, supra* note 368, § 500.


374. *Id.* This requirement arose based on experience with the Japanese opposition system, which previously only permitted oppositions prior to the issuance of a patent. This system caused a host of problems for practitioners and patentees alike. *See supra* notes 470-530 and accompanying text (discussing Japanese opposition systems).

375. *See WIPO Basic Proposal, supra* note 369, art. 18.

376. *WIPO Basic Proposal; see also Wegner, Patent Harmonization, supra* note 368, § 2170 (indicating that it is unclear whether the procedural requirement exception includes all of the requirements of § 112 under the U.S. patent laws); *see supra* notes 42-50 and accompanying text (discussing § 112 requirements).

377. *WIPO Basic Proposal, supra* note 369, art. 18; *see also Wegner, Patent Harmonization, supra* note 368, § 2170.
2. The AIPLA Proposal

More recently, a Committee on Oppositions of the American Intellectual Property Law Association ("AIPLA") concluded a two-year study of administrative revocation systems that drew on previous proposals and comparative systems. Based on this study, the AIPLA Committee developed a Resolution which was formally adopted by the AIPLA, and which recommended that legislation be introduced in the United States to implement an opposition system.

The recommendations propose a number of features for a post-grant opposition system. The system would permit the filing of an opposition by any person not later than nine months from the date of patent grant; permit as grounds for opposition any matters under 35 U.S.C. §§ 102, 103 and 112, ¶ 1-2, provided that any public use issues be resolved based upon affidavit testimony subject to cross-examination by means of deposition, and provided further that a patentee would retain the right to a de novo review with testimony under a civil suit under 35 U.S.C. § 145; permit broadening amendments during the opposition; provide completely inter partes proceedings; feature low fees for opposition requests; be tightly controlled by an "administrative officer" — a person specially trained to tightly control legal proceedings, including bar membership and several years of relevant experience, inter alia, with discretion to permit the flexible presentation of evidence and claim amendments; and conclude proceedings within one year.

Like the WIPO Basic Proposal, the AIPLA Committee concluded that post-grant opposition, rather than pre-grant opposition, is the only acceptable method for implementation. See Wegner, AIPLA Report, supra note 378, at 4, 20; supra note 374 (discussing WIPO Basic
opposition by any person within nine months from the date of patent grant. Although the recommendation uses the words "any person," the proposal is directed to third party oppositions, and not those of the patentee.\(^{382}\) The nine month period for opposition was adopted for consistency with the European model of patent oppositions.\(^{383}\)

The AIPLA Committee proposal would permit as grounds for opposition any matters under 35 U.S.C. §§ 102, 103 and 112, 1-2, in stark contrast to the current reexamination system.\(^{384}\) However, such issues would be permitted on the condition that any public use issues be resolved based upon affidavit testimony subject to cross-examination by means of deposition.\(^{385}\) Thus, the proposal would not ordinarily include the presentation of live witnesses during the pro-

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\(^{382}\) As envisioned, the AIPLA Committee proposal presumes that only third parties will file opposition, and that a patentee will not oppose his or her own patent. See Wegner, AIPLA Report, supra note 378, at 4, 20.

\(^{383}\) The various opposition systems employed in Europe make use of a nine month period during which opposition may be requested. See Wegner, AIPLA Report, supra note 378, at 4, 18; supra note 374 (discussing WIPO Basic Proposal as post-grant). The previous Japanese model of pre-grant opposition has been universally disapproved. See infra notes 494-502 and accompanying text (discussing the problems inherent with such a system); Wegner, AIPLA Report, supra note 378, at 5, 21. Earlier drafts of the Resolution included only patents and printed publications, prior invention under § 102(g), and failure to meet the disclosure requirements of § 112. Id. During the October 27, 1995, meeting, however, the Committee members determined that "all key prior art and formal provisions should be fair game for an opposition." Id. However, as in reexamination, claims subject to opposition would not be entitled to a presumption of validity under the AIPLA Committee proposal and, instead, would be given their broadest reasonable interpretation consistent with the specification. Id. at 21; see supra notes 58 and 175 (discussing presumption of validity in general, and under reexamination). Thus, these claims could be invalidated without clear and convincing evidence of such grounds. Wegner, AIPLA Report, supra note 378, at 21.

\(^{384}\) The Committee members recognized this as a dilemma since "the patentee should have a complete opportunity to interrogate a witness, live before a judge, while on the other hand, such an open procedure would greatly complicate and make difficult the administration of an opposition system." Wegner, AIPLA Report, supra note 378, at 5. Thus, the Committee attempted to place some limits on the taking and presentation of evidence by relying on interference practice, where such affidavit testimony is commonly used. Id.; see infra note 386 (discussing clauses [2] and [6] of the proposal); infra notes 548-551 and accompanying text (discussing such evidentiary methods under interference practice).
posed opposition proceedings; instead, the proposal would, as a consolation, provide a dissatisfied patentee with the right to appeal an adverse decision to the U.S. District Court for the District of Columbia for a de novo review under 35 U.S.C. § 145.\footnote{Wegner, AIPLA Report, supra note 378, at 5. Based on the reliance upon interference practice and the use of affidavits subject to cross-examination by deposition, the Committee appears to have opted for a system in which live testimony would typically be reserved for a de novo appeal. See discussion, supra note 61 (discussing appeals under § 145). Prior to the session during which the Resolution was drafted, the Committee wrestled with the notion that live witnesses should be permitted in the proceedings to maintain flexibility, but apparently chose not to expressly incorporate such presentation of live testimony into the Resolution. See Wegner, AIPLA Report, supra note 378, at 12; see supra note 385 (indicating the dilemma that faced the Committee). Early on, in addressing possible enhancements to reexamination, the Committee noted that live testimony before a "Reexamination Examiner" might be appropriate under some circumstances. Id. As adopted, however, the Resolution explicitly calls for affidavit testimony for "prior use" issues, even though live testimony may be well-suited for such issues. See supra notes 237-299 and accompanying text (discussing the importance of non-documentary prior art in validity challenges). Thus, it is unclear, under the AIPLA Committee proposal, whether the discretion of the "administrative officer" or the explicit affidavit testimony condition would control in the taking and presentation of evidence throughout the proposed proceedings. Compare clause [2] with clause [6], supra note 380.} Under such an appeal, the patentee would be permitted to present live testimony to supplement the record created during the opposition proceedings.\footnote{See supra note 61 (discussing appeals under § 145).}

The AIPLA proposal would further permit amendments that broaden the scope of the claims.\footnote{Wegner, AIPLA Report, supra note 378, at 5.} In making this recommendation, the Committee believed that a patentee should be permitted to broaden the scope of the claims to avoid the necessity of filing a separate reissue application.\footnote{Id.} Because the opposition proceedings would be conducted within the two-year period for broadening claims under reissue,\footnote{Id. at 5, 21; see supra note 67 (discussing reissue).} the Committee believed that such amendments should be permitted under the proposed opposition proceedings as well.\footnote{See supra note 67 (discussing reissue).}

The proposed opposition proceedings by the AIPLA Committee would be inter partes proceedings.\footnote{Id. at 5, 21; see supra note 67 (discussing reissue).} The Committee believed that third parties should participate at each stage of the proposed proceedings, including during telephone conferences and in person interviews.\footnote{Id. at 6, 22.} The fees for requesting opposition would be set rela-
tively low as a further incentive to increase third party participation.\textsuperscript{394}

Under the system proposed by the AIPLA Committee, the proceedings would be "tightly-controlled by an 'administrative officer,'" who is specially trained in legal proceedings.\textsuperscript{395} The AIPLA Committee contemplated that this officer would be a person independent of other decision-making bodies within the PTO, such as the Board of Patent Appeals and Interferences.\textsuperscript{396} This person would, as envisioned, oversee the proceedings and have the discretion to permit the flexible presentation of evidence and claim amendments.\textsuperscript{397} The proposed proceedings would require completion within one year.\textsuperscript{398}

This proposal of the AIPLA Committee unquestionably makes significant recommendations for implementing an opposition system in the United States. However, several aspects of the proposal may require further consideration. For example, the proposal would permit patentees to file amendments during opposition, under which claims could be broadened so that a separate reissue application would not need to be filed. Such a provision may be misplaced in an opposition proceeding, which seeks to revoke a patent of questionable validity.\textsuperscript{399}

Notwithstanding this issue, other issues are raised by limiting the presentation of prior public use and invention to affidavit testimony subject to cross-examination.\textsuperscript{400} This limitation may prevent many third parties from filing an opposition as such parties may be handicapped in the substantiation of grounds such as prior public use

\textsuperscript{394} Id.
\textsuperscript{395} Id.
\textsuperscript{396} Id.
\textsuperscript{397} Id. Under this version of adopted Resolution, this "flexible" presentation of evidence was included, in part, to address the situation presented when evidence is discovered after filing an opposition under the proposed system. However, it is unclear whether this flexibility extends to the methods of presentation, given that the text of the Resolution requires public use issues to be presented by affidavit testimony. \textit{See supra} note 386.
\textsuperscript{398} Wegner, AIPLA Report, \textit{supra} note 378, at 6, 22.
\textsuperscript{399} It is not likely that a patentee would seek to \textit{broaden} a claim that is asserted to read on the prior art or be otherwise invalid on some other basis. Moreover, where the patentee would seek to broaden a claim that had not been opposed, other issues may be raised by the failure to comply with the reissue statute. For instance, broadening amendments are permitted under reissue practice after the patentee has "surrendered" the entire patent, however, it is highly unlikely that surrendered claims would require opposition. 35 U.S.C. § 251 (1994); \textit{see} discussion, \textit{supra} note 67 (discussing reissue).
\textsuperscript{400} \textit{See supra} notes 385-386.
and invention. In addition, there is a strong likelihood that, under the AIPLA Committee proposal, third parties would forego the procedure since they may be required to file an appeal before developing a complete record. Finally, the courts may not accord the reexamination proceedings any binding legal effect. Thus, it is unclear whether third parties would have an incentive to use the proposed system, given the suggested framework.

3. The ABA Proposal

The Intellectual Property Section of the American Bar Association ("ABA") has also recognized the problems associated with the reexamination system. In seeking to address these problems, the ABA has followed the AIPLA Committee's lead and proposed that legislation be introduced in the United States implementing an inter partes post-grant opposition system. However, unlike the system proposed by the AIPLA Committee, the ABA proposal would not permit invalidity to be challenged on the basis of failure to comply with the best mode requirement. The ABA proposal also does not address issues such as amendments, appeal, burden of persuasion and other key elements that must be considered in crafting a new system. Thus, in addition to the issues identified with the AIPLA

401. Id.
402. See discussion, supra note 103 (discussing practice under the Dann amendments).
403. See ABA Section of Intellectual Property Law, 1995-96 Resolutions 3 (1995) [hereinafter ABA Resolutions] (unpublished manuscript on file with author). Under this proposal, the ABA recommended:

[A]dopting an inter partes post-grant opposition procedure under which a person opposing a patent would be entitled to contest patentability under one or more of 35 U.S.C. §§ 101, 102, 103, or 112 (excluding the "best mode" requirement thereunder), provided that the opposition proceeding would be:

(a) instituted not later than nine months from the date of patent grant, pursuant to a request made by the opposer;
(b) conducted so as to be concluded within a fixed deadline, which would normally be within one year of institution, and, in exceptional cases, not more than 18 months from the date of institution; and
(c) tightly procedurally controlled by assigned administrative officer who would be an U.S. Patent and Trademark Office employee specially trained to manage contested legal proceedings, and in whom would be vested the flexibility to determine all matters, procedural and substantive, raised by the parties to the proceeding.

Id.
404. Id.
405. Id.
Committee proposal, the ABA proposal neglects to address important issues that demand consideration in crafting an administrative revocation system.

E. Reflections on the Proposals: Small Steps or Giant Leaps?

The various proposals make significant suggestions toward improving the lack of an acceptable administrative revocation system. However, many of these proposals do not address key issues, such as how expanded grounds for validity challenges may be proven or otherwise substantiated in an administrative proceeding. The PTO requires guidance in this regard.

Although the AIPLA Committee proposal takes steps in this direction, it is unclear whether the proposal, if implemented, would achieve the acceptance of the systems that are used in Europe and Japan. As a result, the following sections provide a comparative analysis of the European and Japanese models to develop an understanding of the features that should be included in an effective system.

VI. LOOKING ABROAD FOR ANSWERS: INTERNATIONAL MODELS FOR PATENT OPPOSITIONS

A. The European Model

1. Overview of the European Patent System

The European Patent Convention ("EPC") was established to create a central system for the grant of a single "European patent" that represents a bundle of national patents effective in the various Contracting States of the EPC. Although enforcement of a European patent is generally a matter of the national law of the Contracting State in which the patent is sought to be enforced, the EPC has


407. According to Article 1, the EPC established "[a] system of law, common to the Contracting States, for the grant of patents for invention." EPC, supra note 406, art. 1 at 143; see also GERALD PATerson, THE EUROPEAN PATENT SYSTEM — THE LAW AND PRACTICE OF THE EUROPEAN PATENT CONVENTION 2 (1992) (indicating that the objectives of the EPC included creating a single procedure for the grant of European patents and establishing standard rules governing patentability); RALPH LUNZER, SINGER: THE EUROPEAN PATENT CONVENTION 15 (1995).
created uniform rules of patentability, which are applied by the European Patent Office ("EPO") during the examination of an application for patent.\footnote{408}

Under the Convention, the patenting process begins with the filing of a patent application in the EPO.\footnote{409} An Examining Division of the EPO is responsible for examining an application for a patent.\footnote{410} Upon filing, the application is initially checked for compliance with certain formal requirements and, if these requirements are met, the

\footnote{408. EPC, supra note 406, art. 18 at 149; see LUNZER, supra note 407, at 57. The Examining Division generally includes three technical examiners and is responsible for examining applications and deciding whether to refuse an application for a European patent. EPC, supra note 406, art. 18 at 149; LUNZER, supra note 407, at 57; see Paolo Gori, The European Patent Grant System and How it Ties in with Revocation Proceedings, 21 INT'L REV. INDUS. PROP. & COPYRIGHT L. 452 (1990). The Examining Division is located in Munich. LUNZER, supra note 407, at 57. In addition to the Examining Division, the EPO also makes use of other divisions in effecting examinations of patent applications. For instance, the Receiving Section, which is located at the EPO branch in The Hague, is initially responsible for each application until a request for examination is filed. EPC, supra note 406, art. 16 at 149; LUNZER, supra note 407, at 56. A Search Division, which is also located at The Hague, is responsible for drawing up search reports for each application filed. EPC, supra note 406, art. 17 at 149; LUNZER, supra note 407, at 56.}

\footnote{409. EPC, supra note 406, art. 75 at 171; see LUNZER, supra note 407, at 285. The application may be filed directly at the EPO's headquarters in Munich or at its branch at The Hague. EPC, supra note 406, art. 75 at 171; see LUNZER, supra note 407, at 285. In addition, the application may also be filed at a centralized industrial property office or other competent authority of a Contracting State, provided that the law of that Contracting State so permits. EPC, supra note 406, art. 75 at 171; see LUNZER, supra note 407, at 285. The application may be filed by any natural or legal person, or any body equivalent to a legal person by the law governing it. EPC, supra note 406, art. 68 at 165; see LUNZER, supra note 407, at 215. Thus, under the EPC, an application can be filed in the name of a corporation or other business organization. See Gori, supra note 408, at 458. The inventor of the invention claimed in the application nevertheless retains the right to be mentioned. EPC, supra note 406, art. 62 at 166; see LUNZER, supra note 407, at 229. Although the inventor retains the right to be mentioned, a patent is awarded to the applicant who is the first to file an application on the invention. EPC, supra note 406, art. 60 at 165; see LUNZER, supra note 407, at 218.}

\footnote{410. The EPC established not only uniform rules for patentability that could be administered centrally by the EPO, but also a harmonized system of claim interpretation for an issued European patent. Article 69 and the EPC Protocol Interpreting Article 69 provide guidance on claim interpretation, while generally leaving the application of the interpreted claims in infringement inquiries to the discretion of individual Contracting States under their national laws. EPC, supra note 406, art. 69 at 169; see PATIERSON, supra note 407, at 2, 459; LUNZER, supra note 407, at 15, 252; WEGNER, PATENT HARMONIZATION, supra note 368, § 1600; Heinze Bardhile, Equivalents and International Patent Law Harmonization, 20 AM. INTELL. PROP. L. ASS'N. Q.J. 119, 120-21 (1992); Allan M. Soobert, Analyzing Infringement by Equivalents: A Proposal to Focus the Scope of International Patent Protection, 21 RUTGERS COMPUTER & TECH. L.J. 189 (1996); Alan W. White, The Function and Structure of Patent Claims, 15 EUR. INTELL. PROP. REV. 243, 246 (1993).}
application will be accorded a filing date.\footnote{411} Subsequently, the application will be published if additional formal requirements are met.\footnote{412} As part of this process, a search report will be drawn up by the EPO as soon as it is determined that the application meets all necessary formal requirements.\footnote{413} In generating the search report, the EPO will research and cite any relevant prior documents that are closely connected with the invention claimed in the application.\footnote{414} The applicant must subsequently request examination within six months of publication and, upon filing such a request, the EPO will substantively examine the patent application in view of the documents cited in the search report.\footnote{415}

The application will be substantively examined based on a number of patentability criteria. In general, the application must seek patent protection for an invention\footnote{416} that is new or novel,\footnote{417} involves

\footnote{411. Article 80 places the following application requirements in order for the application to be accorded a filing date. Under these requirements, the application must include: an indication that a European patent is sought; the designation of at least one Contracting State; information identifying the applicant; and a description and one or more claims in one of the official languages, such as German, French or English. EPC, supra note 406, art. 80 at 174 (stating requirements for filing date) and art. 90 at 177 (stating requirements for examination on filing); see Gori, supra note 408, at 459.}

\footnote{412. Under Article 91, the application, after being accorded a filing date, will be examined for additional formal requirements prior to publication. EPC, supra note 406, art. 91 at 178; see Gori, supra note 408, at 459. Evaluating such requirements includes determining whether the inventor has been designated, whether the priority document has been produced, and whether all fees have been paid. EPC, supra note 406, art. 91 at 178. After determining that such requirements have been met, the Receiving Section of the EPO will publish the application eighteen months from the date of filing or, where priority has been claimed, eighteen months from the priority date. \textit{Id.} art. 93 at 179. The publication of the application will be placed in the European Patent Bulletin, \textit{id.} art 129(a) at 194, and also in the Register of European Patents, \textit{id.} art. 127 at 193. From the date of publication, the application will be available for public inspection. \textit{See id.} art. 128 at 194.}

\footnote{413. EPC, supra note 406, art. 92 at 179; see Gori, supra note 408, at 459. The search report is published as an annex to the published application.}

\footnote{414. Gori, supra note 408, at 459; LUNZER, supra note 407, at 415.}

\footnote{415. EPC, supra note 406, art. 94 at 179. If the applicant does not file a request for examination within six months of publication, the application will be considered withdrawn. \textit{Id.} Usually, an applicant will choose not to file a request for examination in those cases where the search report clearly indicates that the invention claimed does not meet the patentability requirements, particularly with respect to novelty. \textit{See Gori, supra note 408, at 460; see Infra note 417 (discussing the novelty requirement under the EPC).}

\footnote{416. The EPC does not provide a definition for "invention;" however, Article 52(2) sets forth a number of categories which are not considered to be inventions. \textit{See EPC, supra note 406, art. 52(2) at 163. The following are among these categories: discoveries, scientific theories and mathematical methods; aesthetic creations; schemes, rules, and methods for performing mental acts, playing games or doing business, and programs for computers; and presenta-
an inventive step,418 and is susceptible of industrial application.419 The application must also relate to only a single invention,420 provide

417. Article 54 governs the criterion that, in order to be patentable, an invention must be new or novel. Under Article 54, "[a]n invention shall be considered new if it does not form part of the state of the art." EPC, supra note 406, art. 54(1) at 164. In turn, the state of the art is "held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the European patent application." Id. art. 54(2) at 164. Thus, patents, publications and activities such as public use all may form part of the state of the art. LUNZER, supra note 407, at 130. In addition, the content of all European patent applications which were filed prior to the filing date of the application under examination, and which were published on or after that filing date, are also considered part of the state of the art for any Contracting States which are designated in both the published applications and the application under examination. EPC, supra note 406, art. 54(3) and art. 54(4) at 164; Sir William Aldous, Earlier Patent Applications as Part of the Prior Art, 21 INT'L REV. INDUS. PROP. & COPYRIGHT L. 539 (1990). However, the state of the art will not include a non-prejudicial disclosure. A non-prejudicial disclosure is a disclosure occurring within six months prior to the filing of the application, and which is due to, or a consequence of, an evident abuse in relation to the applicant or which is due to the applicant's display of the invention at an official, or officially recognized, exhibition. EPC, supra note 407, art. 55 at 164.

The novelty criterion under Article 54 of the EPC makes use of the concept of "absolute novelty." LUNZER, supra note 407, at 130. Under this concept, anything that has been made available to the public before the prior date of the application in any accessible manner can deprive an alleged invention of novelty. Id.; see also Leif Gronning-Nielson, Concept of Novelty, 22 INT'L REV. INDUS. PROP. & COPYRIGHT L. 929 (1991); Paul K.J. Van den Berg, The Significance of the "Novelty Test" for Priority and Amendments to Patent Applications, 24 INT'L REV. INDUS. PROP. & COPYRIGHT L. 696 (1993).

418. Article 56 states the standard for inventive step as follows: "An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art." EPC, supra note 406, art. 56 at 165. This standard is applied objectively from the perspective of a person skilled in the art to which the invention pertains. See Gori, supra note 408, at 457. Some important factors involve determining if the state of the art provides a hint or pointer that would lead the skilled person to the claimed invention, or if the skilled person, having all available choices, would arrive at the invention with a reasonable expectation of success. See LUNZER, supra note 407, at 182.

419. Articles 52(1), 52(4) and 57 contemplate that an invention may not be patented if it is not susceptible to industrial application. See EPC, supra note 406, art. 52(1), 52(4) and 57 at 163, 165. An invention is generally "considered as susceptible of industrial application if it can be made or used in any kind of industry, including agriculture." EPC, supra note 406, art. 57 at 165. Article 53, in turn, cites several inventions that are excluded from patentability. These inventions are ones that "would be contrary to 'ordre public' or morality" and others that involve plant or animal varieties or essentially biological processes for the production of plants or animals. EPC, supra note 406, art. 53 at 163.

420. Article 82 requires that the application include only a single general inventive concept, such that there is unity of invention. EPC, supra note 406, art. 82 at 174.
an enabling disclosure,\(^\text{421}\) and include sufficiently clear and supported claims.\(^\text{422}\) Of these requirements, the examination will focus primarily on the novelty and inventive step criteria.\(^\text{423}\) If the Examining Division determines that these criteria are not met, the applicant will typically be invited to file observations and permitted to amend the contents of the application, including the claims.\(^\text{424}\) The Examining Division will consider the applicant's observations and any amendments to determine whether the applicant has overcome the cited documents.\(^\text{425}\) Upon making this determination, the application will either be refused or granted.\(^\text{426}\) If a patent is refused, the applicant may appeal the decision of refusal to the Examining Division's Board of Appeal.\(^\text{427}\) Granted patents are published in the *European Patent Bulletin* and take effect on the date on which they are published.\(^\text{428}\)

2. **Grounds for Opposition**

Under the EPC, an issued patent may be opposed on various grounds.\(^\text{429}\) In general, these grounds are commensurate with the re-

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\(^{421}\) Article 83 requires that the application disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art. EPC, *supra* note 406, art. 83 at 174.

\(^{422}\) Article 83 requires the claims of an application to be clear, concise and supported by the description in the application. EPC, *supra* note 406, art. 84 at 175.

\(^{423}\) See Gori, *supra* note 408, at 457.

\(^{424}\) EPC, *supra* note 406, art. 96 at 180.

\(^{425}\) EPC, *supra* note 406, art. 96 at 180.

\(^{426}\) EPC, *supra* note 406, 97 at 181.

\(^{427}\) EPC, *supra* note 406, art. 106(1) at 181. Appeals from the Examining Division are made to a Board of Appeal that is composed of two technically qualified members and one legally qualified member. EPC, *supra* note 406, art. 21(3) at 150. The Notice of Appeal must be filed within two months of the date of notification of the decision of the Examining Division. EPC, *supra* note 406, art. 108 at 185. Subsequently, the applicant must, within four months after the date of the notification of the decision of the Examining Division, file a written statement setting out the grounds of appeal. EPC, *supra* note 406, art. 108 at 185. The Board of Appeal may refer any question to the Enlarged Board of Appeal in order to ensure uniform application of the law. EPC, *supra* note 406, art. 112(1) at 186. The Enlarged Board of Appeal is composed of five legally qualified members and two technically qualified members. EPC, *supra* note 406, art. 22(2) at 151.

\(^{428}\) EPC, *supra* note 406, art. 98 at 180.

\(^{429}\) Article 100 lists the grounds upon which an opposition may be based. EPC, *supra* note 406, art. 100 at 182. These grounds encompass these instances: (1) the invention covered by the European patent is not patentable under Articles 52 to 57, which generally set forth the requirements for novelty, inventive step and industrial application; (2) the European patent does not, as required under Article 83, disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art; or (3) the subject matter of the European patent extends beyond the content of the application as originally filed.
quirements and conditions for patentability under the EPC, with few exceptions.430 Thus, an issued patent may be opposed by challenging the alleged invention's novelty, inventive step or industrial application.431 In addition to these grounds, an issued patent may also be opposed based on an insufficiency of disclosure or because, for example, the claims of the patent were extended during examination beyond the application as originally filed.432 Typically, however, challenges will be based on the failure to meet either the requirement of novelty or the inventive step.433

Often, the most persuasive arguments are based on a lack of novelty. Experience shows that the most successful opponents have usually chosen to challenge an invention's novelty based on documents or activities that are part of the state of the art and that may not have been considered by the EPO in issuing the patent.434 Although, in drawing up a search report, the EPO is effective in discovering patents and publications that are closely connected with an alleged invention, the EPO search does not encompass other activities, such as prior public use or prior oral disclosure of the invention.435 As a result, evidence of prior public use or prior oral disclosure may serve as a valuable basis in opposing a patent before the EPO.436

See also supra notes 416-419 and accompanying text (discussing the requirements of novelty, inventive step and industrial application). No other grounds may be raised. See Gori, supra note 408, at 462. Thus, an issue regarding the clarity and support of claims under Article 84 cannot be raised, unless an amended claim is alleged to have gone beyond the extent of the original disclosure. See, e.g., Paterson, supra note 407, at 210.

430. See discussion, supra note 429 (describing the grounds that may be raised and noting that grounds such as clarity and support of claims under Article 84 cannot be raised).

431. EPC, supra note 406, art. 100 at 182; see supra note 429 (listing grounds for opposition as including lack of novelty, inventive step, and industrial application).

432. EPC, supra note 406, art. 100 at 182; see supra note 429 (listing additional grounds for opposition).

433. Gori, supra note 408, at 462; Paterson, supra note 407, at 214; European Patents Handbook § 25.7.3 (Rev. 1995).

434. EPO statistics from 1995 indicate that approximately 6.5% of all issued European patents were opposed, and roughly 34.3% of these opposed patents are revoked. In approximately 65.7% of the cases, the patent was either maintained in amended form, or the opposition was rejected. EPO Ann. Rep. 44 (1995). See also Lünzer, supra note 407, at 481-82; European Patents Handbook, supra note 433, § 25.7.3; Volker Vossis et al., Prior Written Disclosure and Prior Public Use under German Law and the EPC, 3 Eur. Intell. Prop. Rev. 130 (1994).

435. EPC, supra note 406, art. 92 at 179; Lünzer, supra note 407, at 415, 481-2; Gori, supra note 408, 459-60 (describing generation of search report).

436. Indeed, a member of the EPO's Enlarged Board of Appeal has stated that use of such evidence is an important reason underlying the need for an opposition system under the EPC. This member states that "[a]n opposition stage was introduced into the EPC in an attempt to
For example, acts that constitute prior public use are construed broadly, including manufacture, offers for sale, and the distribution or mere use of the invention prior to the date on which the application was filed.\textsuperscript{437} Such acts also include "disclosures such as exhibitions and demonstration at trade fairs or during tours of factories, disclosures in factory drawings, company brochures, technical data sheets, and the like."\textsuperscript{438} These acts must occur prior to the patent application's date of priority and they must be "made available to the public."\textsuperscript{439} The "public" requirement is easily satisfied under the EPC as even a disclosure to a single member of the public is sufficient.\textsuperscript{440} Availability, in turn, will be shown if members of the public could have accessed the information or disclosure.\textsuperscript{441} Thus, a product embodying an alleged invention may place that invention in the state of the art if the invention could be deduced from analysis, then reproduced by a skilled person without undue burden.\textsuperscript{442} Consequently, the state of the art may very well include such knowledge, acts and other disclosures that were not considered during the examination of the patent.\textsuperscript{443} 


\textsuperscript{438} Id.

\textsuperscript{439} EPC, supra note 406, art. 54(2) at 164 (defining the state of the art). Such acts may, however, be excluded from the state of the art under a narrowly construed circumstance in which the disclosure results from "an evident abuse in relation to the applicant." EPC, supra note 406, art. 55(1)(a) at 164; see also discussion, supra note 417 (discussing Article 55).

\textsuperscript{440} See Castro, supra note 437, at 191; Decision T 482/89, 1992 O.J. EPO 646 (indicating that a single disclosure without reservation results may negate novelty).

\textsuperscript{441} See Decision G 1/92, in 24 Int’l Rev. Indus. Prop. & Copyright L. 491, 493 (1993) (decision of the Enlarged Board of Appeal of the EPO indicating that "[w]here it is possible for the skilled person to discover the composition or the internal structure of the product and to reproduce it without undue burden, then both the product and its composition or internal structure become the state of the art"). The United States follows a similar rule. See discussion, supra note 242 (discussing accessibility to the public in the United States).

\textsuperscript{442} Decision G 1/92, supra note 441, at 493. However, such acts will not be considered to have been made available to the public where the acts were conducted under an obligation of secrecy or confidentiality. Decision T 830/90, 1994 O.J. EPO 713 (decision of Technical Board of the EPO indicating that prior discussions between the patent proprietor and the opponent were conducted without any obligation of secrecy, thereby making the discussions available to the public and part of the state of the art).

\textsuperscript{443} See LUNZER, supra note 407, at 482; see also EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.7.3.
The EPC opposition system is, therefore, instrumental in allowing members of the public to assert such grounds when challenging the validity of European patents. Without such a system, members of the public would have no means by which to mount a meaningful challenge to patent validity based on their knowledge of the state of the art. With advances in software and biotechnology occurring with increasing frequency, the EPC opposition system, unlike the current reexamination system in the United States, accommodates challenges based on grounds such as prior public use and prior oral disclosure, so that any facts unknown during examination can be taken into account.

3. Opposition Procedure

In order to challenge a European patent by any of the grounds permitted under the EPC, a notice of opposition must be filed in the EPO within nine months from the date that the application was published in the European Patent Bulletin. An Opposition Division of

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444. The opposition system is also procedurally flexible so that these grounds may not only be raised, but also substantiated and proven. See infra notes 461-467 and accompanying text (discussing substantiation and proof of grounds). In addition to the opposition system, the validity of European patents may be challenged in other proceedings, such as national revocation proceedings in a particular Contracting State. See LUNZER, supra note 407, at 829; Judge Giles S. Rich, Foreword — And Comments on Post Issuance Reexamination, 4 AM. PAT. L. ASS'N. Q.J. 86 (1976) (providing an introduction to various opposition/revocation systems considered in that volume of the Am. Pat. L. Ass'n. Q.J.). Where EPC opposition proceedings and national revocation proceedings are commenced concurrently, the national proceedings will often be stayed pending the outcome of the proceedings under the EPC. PATERSON, supra note 407, at 230-31.

445. American patent practitioners are undoubtedly familiar with the types of problems that can occur where the third parties cannot adequately raise important grounds in challenging doubtful patents. See supra notes 199-318 and accompanying text (discussing the lack of confidence in the system, the need for expanded grounds for challenges, and the need to increase third party participation).

446. See LUNZER, supra note 407, at 482.

447. See EPC, supra note 406, art. 99 at 182. The notice may be filed at the EPO in Munich, at its branch at The Hague, or at another sub-office in Berlin. PATERSON, supra note 407, at 193. The EPC's opposition system is a post-grant opposition system under which patent validity may be challenged upon issuance of the patent. See, e.g., Decision G 9/91, 1993 O.J. EPO 408, and Decision G 10/91, 1993 O.J. EPO 420 (decisions of Enlarged Board of Appeal indicating that the European patent opposition system is conducted entirely post-grant). Compare with infra notes 493-502 and accompanying text (discussing prior Japanese practice under a pre-grant opposition system and explaining some of the problems inherent in such a system).
the EPO conducts the proceedings.\textsuperscript{448} Although the Convention indicates that any person may file a notice of opposition,\textsuperscript{449} the patent proprietor may \textit{not} file such a notice and oppose its own patent.\textsuperscript{450} Instead, the proceedings are conducted \textit{inter partes} and are generally regarded as adversarial legal proceedings, independent of the grant procedure.\textsuperscript{451}

Once a notice of opposition is filed, the Opposition Division initially checks the notice for required formalities and content.\textsuperscript{452} The notice of opposition must be filed as a "written reasoned statement," which must include the following elements: (1) a statement of the extent to which the patent is opposed; (2) the grounds upon which the opposition is based; and (3) an indication of the facts, evidence and arguments presented in support of the grounds.\textsuperscript{453} These elements are evaluated to determine whether the notice of opposition is admissi-

\begin{footnotesize}

\textsuperscript{448} EPC, supra note 406, art. 19(1) at 150. An Opposition Division is formed by the appointment of three examiners, including at least two examiners who did not take part in the initial examination that led to the grant of the patent. \textit{Id}. If the opposition is expected to require presentation of evidence beyond documentary evidence, at least one of the examiners will be a legally-qualified judicial officer who will preside over the taking of oral evidence. \textit{PATerson, supra note 407, at 190.}

\textsuperscript{449} EPC, supra note 406, art. 99 at 182 (stating that "any person" may file a notice of opposition).

\textsuperscript{450} This is a recent change in interpretation of opposition procedure under the EPC. Under prior practice, in Decision G 1/84, 1985 O.J. EPO 299, the Enlarged Board of Appeal held that a notice of opposition may be filed by the patent proprietor. However, in a rare move, the Enlarged Board of Appeal subsequently reversed itself. Decision G 9/93, 1994 O.J. EPO 891. Thus, under current practice, a patent proprietor cannot oppose their own patent. \textit{See Lunzer, supra note 407, at 482.}

\textsuperscript{451} \textit{See, e.g.,} Decision G 9/91, 1993 O.J. EPO 408, and Decision G 10/91, 1993 O.J. EPO 420 (decisions of Enlarged Board of Appeal indicating that the proceedings are "contentious proceedings" between parties having opposite interests); Decision T 198/88, 1991 O.J. EPO 254 (decision of the Technical Board of Appeal indicating that oppositions under the EPC are independent of the grant procedure). The proceedings are, therefore, \textit{inter partes} procedures where opponents and patent proprietors may be brought together "face to face." \textit{See Gori, supra note 408, at 462.} In addition, third parties involved in infringement actions with the patent proprietor are permitted to intervene in the proceedings. EPC, supra note 406, 105 at 184. Nevertheless, the proceedings do retain an "administrative character." The proceedings are also more investigative than other judicial-type proceedings before the EPO, such as appeals. \textit{See, e.g.,} Decision 8/91, 1993 O.J. EPO 346 (decision of the Enlarged Board of Appeal indicating that appeals from the Opposition Division are less investigative than oppositions); \textit{cf.} Herwig von Morze, \textit{Bad Times in Munich: Trouble in European Patent Oppositions, IP Worldwide, May/June 1996, at 27.}

\textsuperscript{452} \textit{EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.9.}

\textsuperscript{453} \textit{Rule 55 requires the inclusion of these elements in the written reasoned statement.} \textit{See, e.g.,} \textit{PATerson, supra note 407, at 197; EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.6.}

\end{footnotesize}
If the filed opposition is determined to be deficient, the opponent may seek to remedy the deficiencies in the notice. Where the opponent fails to correct the deficiencies within the appropriate time period, the notice will be rejected as inadmissible. However, where the notice of opposition is found admissible, the Opposition Division will send the notice to the patent proprietor, soliciting her observations and possible amendments. Subsequently, the Opposition Division will examine the opposed patent and determine whether the evidence presented prejudices the maintenance of the patent.

454. Article 101(1) requires that a notice of opposition must be found admissible before it may be substantively examined. EPC, supra note 406, art. 101(1) at 182. In order to be admissible, the indication of facts, evidence, and arguments presented must support and substantiate every ground raised in the opposition within the nine month opposition period. For example, lack of novelty substantiation may be found insufficient if the notice merely makes general references to cited prior art documents and fails to show which features are disclosed in the various documents. Decision T 448/89, 1992 OJ. Epo 361. In the case of opposition grounds based on prior public use, an adequate submission must contain details of the manner, place and time of the alleged use, with a specific description of the subject matter and particulars of its availability to the public. Decision T 93/89, 1992 O.J. Epo 718.

455. Rule 56(1) of the EPC indicates that certain deficiencies must be remedied prior to the expiration of the nine-month opposition period, including the failure to file in Munich, at The Hague, or in Berlin; failure to write the notice in an official language (English, French or German); insufficient identification of the opposed patent; failure to note the extent of patent opposition; failure to provide a statement of opposition grounds; or failure to indicate supporting facts in the notice. In addition, if the opposition fee is not paid within this nine month period, the notice will be deemed to have never been filed. EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.9. Other deficiencies, such as failure to comply with formal requirements regarding representative name or address may be remedied after the expiration of the opposition period. Id.

456. Article 119 indicates that the opponent is entitled to be notified of any deficiencies. EPC, supra note 406, art. 119 at 190. Nevertheless, the deficiencies must be remedied prior to expiration of appropriate time periods. See supra note 455. If certain remedies should have been corrected, but were not, the notice will be rejected as inadmissible and the opponent will be given two months in which to comment. EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.9.

457. EUROPEAN PATENTS HANDBOOK, supra note 433, § 25.9; see also PATerson, supra note 407, at 202.

458. Notwithstanding this initial review, the patent proprietor may attack the admissibility of the notice of opposition during the opposition proceedings itself. See LUNZER, supra note 407, at 485; PATerson, supra note 407, at 202.

459. Rule 57 of the EPC is the basis for the invitation of observations and amendments. All opponents and intervenors are provided with any filed documents and are permitted to file their own observations. PATerson, supra note 407, at 202-3.

460. EPC, supra note 406, art. 101(1) at 182. The Opposition Division is not obliged to consider grounds that have not been raised in the notice for opposition. However, under Article 114(1), the Opposition may consider other permissible grounds for opposition, which prima
During opposition proceedings, the opponents are required to present evidence to prove the grounds for opposition. The EPO has very broad authority in the taking of evidence during opposition proceedings. Generally, evidence may be presented in the form of written documents without limitation on the types of documents or their content. Thus, all documents are considered admissible during the proceedings, with the probative value of each document determined case by case. In addition, the Opposition Division may hear oral evidence of parties, witnesses or experts. Usually, witnesses will be summoned to appear before the Opposition Division at the EPO. With respect to the grounds of opposition, the opponents have the burden of proof on the balance of probabilities, with any doubts in conflicting evidence resolved in favor of the patent proprietor for any grounds that are not substantiated.

Upon considering the evidence, observations and any amendments, the Opposition Division will render a decision as to whether the patent will be revoked or maintained. In the event that the patent is revoked, either in whole or in part, the patent proprietor may appeal the decision to a Board of Appeal in the EPO. Similarly, if
the patent is maintained, the opponents are permitted to appeal the decision of the Opposition Division.469

B. The Japanese Model

1. Overview of the Japanese Patent System

In Japan, the Japanese Patent Office ("JPO") is the administrative body charged to examine and issue patents.470 Among its staff, the JPO employs a corps of patent examiners, who examine patent applications for formal and substantive patentability requirements.471 These examiners conduct the examination of an application from its initial filing through its issuance as a patent.472 Because the JPO has exclusive jurisdiction over all questions of validity of a patent, the JPO plays an important role in the Japanese patent system, even after a patent has been issued.473 In addition to the examiners who examine patent applications, the JPO also employs approximately two-hundred fifty Trial Examiners, who sit in groups of three or five to hear various "trials" within the JPO.474 These trials include not only appeals from an examiner's decision refusing to grant a patent, but also all questions concerning validity after a patent has issued.475

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469. See supra note 468.


472. To assure a uniform understanding and application of Japanese Patent Law, the JPO issue Examination Guidelines that discuss patentability criteria, disclosure requirements, and other substantive matters applicable to obtain a patent. Matsutoshi Hosoda et al., Newly Published Examination Guidelines: Introduction and Patentability, Japan A.I.P.P.I., July 1993, at 130 (indicating that, in addition to Examination Guidelines, the JPO also issues an Examination Manual that contains only general guidance on substantive matters); see also Japanese Patent Office, Examination Guidelines (1993) [hereinafter Examination Guidelines].

473. Courts in Japan do not have jurisdiction over validity issues and, therefore, cannot revoke a patent. As a result, a patent in Japan remains valid until it is revoked by the JPO. Kurokawa, supra note 470, at 14-15; Yukuzo Yamasaki, Action for an Injunction against an Infringement on a Patent Right, Japan A.I.P.P.I., Jan. 1991, at 19, 23.


The Japanese patent examining process begins, as in the United States and Europe, with the filing of an application. Upon filing, the application is assigned an application number and checked for formalities. Once the JPO examiner has determined that the application complies with all requisite formalities, the application will...

476. See Ishida, supra note 470, at 95. However, unlike the United States system, the Japanese system will award a patent to the first to file an application on the claimed invention. Japan Patent Law, supra note 471, art. 39 at 15; Sekizo Hayashi, Comparative Study on Patent Systems between the U.S. and Japan, Japan A.I.P.P.I.J., July 1995, at 171; Matsutoshi Hosoda, Novelty, Inventive Step, Section 29bis and First-to-File, in JAPANESE PATENT PRACTICE, supra note 470, at 34. See also supra note 409 (describing the European Patent Convention's adherence to a first-to-file system). In contrast, the United States system is a first-to-invent system that awards the patent to the first inventor. See supra note 257 (discussing rules for determining priority of invention in the United States) and infra notes 541-556 and accompanying text (discussing interference practice as a means for resolving disputes over priority of invention).

477. Although the check is not rigorous at this point, the application must nevertheless comply with certain formalities. Japan Patent Law, supra note 471, art. 36, art. 43 and art. 43bis at 13-14, 18-19. For example, any patent application should include: (i) the name and domicile or residence of the applicant; (ii) a specification or description of the invention, with claims; (iii) any drawings necessary to understand the invention; and (iv) any information regarding priority, such as whether Paris Convention priority is being claimed. Id. Articles 36(2) and 36(3) provide that the specification should include: (i) the title of the invention; (ii) a brief explanation of the drawings; (iii) a detailed explanation of the invention; (iv) one or more claims, and (v) an abstract. Id. art. 36(2) and art. 36(3) at 14. When claiming foreign priority under Article 4 of the Paris Convention, information regarding the date of the application from which priority is claimed and the country in which the original application was filed must be submitted. Id. art. 43 and art. 43bis at 18-19. Typically, the document must be filed within sixteen months from the first priority date. See Ishida, supra note 470, at 95.

478. As part of this initial check, the specification of the application is reviewed to ensure that all necessary parts of the disclosure are included, as required under JPO Guidelines. See Japanese Patent Office, Guide to Industrial Property in Japan, Annex I at 54-56 (1988). In particular, the detailed explanation of the invention is checked to determine whether it includes the following sections: (i) Industrial Field of Application; (ii) Prior Art; (iii) Problems that the Invention is to Solve; (iv) Means of Solving the Problems; (v) Operation of the Invention; (vi) Working Examples; and (vii) Effects of the Invention. The "Industrial Field of Application" section requires a statement of the technical field to which the invention pertains. Id. The "Prior Art" section requires a description of the prior art with which the invention is to be compared. The description should typically cite to any documents showing such prior art. Where the invention is entirely novel and no pertinent prior art exists, the description may be substituted by a statement to this effect. Id. The "Problems that the Invention is to Solve" section requires an analysis of the problems involved in the prior art and a description of the technical subjects that are solved by the invention in relation to the prior art. The applicant is not permitted, however, to use any expression or statement that would disparage the prior art. Id. The "Means of Solving the Problems" section requires the applicant to state what means are taken as the constituents of the invention for overcoming the prior art. In addition, this section must explain the manner in which these means are mutually related. Id. The "Operation of the Invention" section requires a description of the functions of the respective solving means and the manner in which these means combine to solve the problems of the prior art. Id. The "Working Examples" section requires a description of the means of solving...
be classified and, after eighteen months, laid open to the public for inspection.479 At this time, the application will be published, pending substantive examination.480

This automatic system of publication, referred to as Kokai, was implemented to stimulate industrial growth by publicly disclosing new technology at an early date.481 The Kokai publication gives an applicant certain rights in the claimed invention, even though the application has not yet issued. The applicant is given the right to claim compensation against another who commercially works the claimed invention.482 However, should the patent application become abandoned, withdrawn or invalidated, the applicant’s right “shall be deemed never to have arisen.”483

In order for the published patent application to be substantively examined, the applicant must file a request for examination.484 A re-

prior art problems so as to enable reproduction of the invention, together with as many embodiments as possible. Id. Finally, the “Effects of the Invention” section requires a description of the effects or results produced by the indispensable constituent features of the invention. Id. Unless these requirements are met, the application will not be laid open for inspection.

479. Where the application claims priority resulting from an earlier application, the application will be published after the expiration of eighteen months from the earliest priority date. Japan Patent Law, supra note 471, art. 64 at 24; Ishida, supra note 470, at 95.

480. The publication will include the following information: the applicant’s name and domicile; the application’s filing number; the inventor’s name and domicile; and the entire specification of the application, including claims and drawings. Japan Patent Law, supra note 471, art. 64 at 24.

481. In contrast, patent applications filed in the United States Patent and Trademark Office are maintained secret until issuance. See Paul A. Ragusa, Note, Eighteen Months to Publication: Should the United States Join Europe and Japan by Promptly Publishing Patent Applications?, 26 GEO. WASH. J. INT’L L. & ECON 143 (arguing that the United States should abandon its current system of maintaining the secrecy of pending patent applications in favor of a system under which applications would be laid open for public inspection eighteen months after filing).

482. Japan Patent Law, supra note 471, art. 65(1) at 24. Article 65, which provides this right, incorporates by reference several sections. These sections include: (i) Article 101, which includes certain acts of direct and contributory infringement within the definition of infringement; (ii) Article 104, which, in the case of process patents, presumes that an identical product was manufactured by the claimed process; and (iii) Article 105, which provides the court with the discretion in litigation to order the production of documents in assessing the extent of damages. Id.

483. Japan Patent Law, supra note 471, art. 65(4) at 24-25. When such a situation occurs, the applicant may be liable for the damage caused as a result of exercising this right, and may be required to indemnify those persons damaged. For this reason, Japanese courts have been reluctant to enforce such rights, even though the current law contemplates them. See, e.g., Yukuzo Yamasaki, Action for an Injunction against an Infringement on a Patent Right, Japan A.I.P.P.I.J., Jan. 1991, at 19.

484. Japan Patent Law, supra note 471, art. 48bis at 21; Ishida, supra note 470, at 95.
quest for examination must be filed within seven years from the date on which the application was filed in Japan. Once a request for examination has been filed, the application will typically proceed to a substantive patentability examination by a JPO examiner. During examination, the JPO examiner will evaluate a number of substantive criteria and determine whether the patent application should be refused.

The examiner may render a decision of refusal upon determining that the invention is, among other things, not novel, not industrially applicable, lacks inventive step, improperly claimed, or insufficiently disclosed. If the examiner finds a reason for refusal, the examiner will notify the applicant of the reason and provide the applicant with an opportunity to submit a response or file an amendment within the designated time limit. The time limit may vary,

485. Japan Patent Law, supra note 471, art. 48ter(4) at 21. If the applicant fails to file such a request within the allotted time, the application is considered withdrawn. Id. A request for examination may also be filed by a third party, in which case the applicant will be notified and provided with an opportunity to file an amendment within three months from the date that the notification was mailed. Id. art. 48quinquies(2); Ishida, supra note 470, at 115.

486. See Ishida, supra note 470, at 115.

487. See Japan Patent Law, supra note 471, art. 49 at 22. Article 49 of the Japan Patent Law itemizes the complete list of reasons an application may be refused. For example, Article 49 provides that the invention will be refused if the application is incomplete, if the invention as claimed violates a treaty, or if the applicant is not the inventor of the invention. Japan Patent Law, supra note 471, art. 49 at 22. In addition to these reasons, Article 49 also references several other provisions of the Japan Patent Law which provide grounds for refusal. For instance, some of these referenced provisions include: (i) Article 25, which denies a patent to the applicant who is an alien and his or her home country does not have a treaty with Japan, or Japanese nationals are not afforded similar rights under such a treaty; (ii) Article 29, which denies a patent based on an invention that is not novel, not industrially applicable or lacks an inventive step; (iii) Article 29bis, which denies a patent based on an application that claims an invention already claimed in an earlier-filed application, but which was published later; (iv) Article 32, which denies patent protection for substances manufactured by the transformation of an atom or contrary to public health; (v) Article 38, which denies a patent on an invention where a joint inventor has not been named; (vi) Article 39, which denies the applicant from receiving a patent where he or she is not the first person or entity to file an application claiming that same subject matter; (vii) Articles 36(3), (4) and (5), which deny a patent where the application does not comply with certain formalities, such as where the specification is missing from certain required sections, the claim format is improper, or the specification is not enabling, among others; and (viii) Article 37, which denies a patent for an application that claims two different inventions but does not disclose the necessary relationship between the two inventions. See also infra notes 503-512 and accompanying text (discussing the grounds for opposition).

488. Japan Patent Law, supra note 471, art. 17bis(1) and art. 50, at 6-7 and 22. Amendment practice in Japan has recently been revised by new legislation that amends the Japan Patent and Utility Model Laws. See generally Kazuo Seki, Outline of Guidelines for Practices
depending on the nationality of the applicant. If the applicant fails
to respond or if the applicant fails to overcome the reasons for re-
Fusal, the decision of refusal will become final, in which case the ap-
licant may appeal the decision to the JPO Trial Board. If, how-
ever, the applicant overcomes the reasons for rejection with a
successful response, the examiner will render a decision granting the
application. In this case, the applicant must then register the patent
to establish the patent right and, upon such registration, the patent
will be published in the Patent Gazette.

Upon issuance and publication, the patent will be subject to a
post-grant opposition procedure. This post-grant opposition proce-
dure is a recent addition to Japanese patent law, effective as of January
1, 1996. Under prior practice, the Japanese patent system made

under Revised Patent and Utility Model Laws (JAPANESE PAT. OFF 1994). This new legislation
was approved by the Japanese Diet on April 23, 1993 and has been in force since January 1,
1994. Id. In general, the new legislation prohibits the introduction of new matter into the
specification or drawings and abandons the "change-of-gist" rule in an effort to promptly issue
patents and facilitate future global harmonization. Id.; see also Masahiro Samejima et al.,
Newly Published Examination Guidelines (II): Amendments, Japan A.I.P.P.I.J., Sep. 1993, at
193 (discussing change in rules); TETSU TANABE & HAROLD C. WEGNER, JAPANESE PATENT
LAW § 400 (Japan A.I.P.P.I. 1979) (discussing requirements related to gist or yoshi). In addi-
tion, the new legislation imposes certain restrictions on amendments to claims made in re-
response to a "Final Notice of Rejection," which is typically the second notice of rejection.
TETSU TANABE & HAROLD C. WEGNER, JAPANESE PATENT LAW § 400 (Japan A.I.P.P.I. 1979).

489. Domestic applicants have traditionally been allowed a period of sixty days from the
date the notification was mailed, without the possibility of extension. See Ishida, supra note
470, at 117. Foreign applicants, on the other hand, are given three months in which to respond
and may extend this time period by an additional three months. Id.
492. Japan Patent Law, supra note 471, art. 66 at 26. Under previous practice, it was nec-
essary to publish the examined application prior to issue. This publication, referred to as Kok-
oku, was performed to provide the public with opportunity to oppose the patent grant prior to
issuance. This publication requirement was eliminated with the change of the Japanese Oppo-
sition System from a "pre-grant" opposition system to a "post-grant" opposition system. See infra
notes 493-494 and accompanying text (discussing the change from the pre-grant system
to the post-grant system), and notes 495-502 and accompanying text (discussing the pre-grant
system's problems that led to the change).

493. This change was a result of a bilateral agreement reached between the respective Pat-
ent Offices of the U.S. and Japan on August 16, 1994. See Letter of Agreement, signed by
[former] U.S. Secretary of Commerce Ronald Brown, Aug. 16, 1994 (copy on file with
author); Letter of Agreement, signed by Japanese Ambassador Takakazu Kurtyama, Aug. 16,
1994 (copy on file with author). Under the agreement, the JPO agreed to end its pre-grant op-
position practice and institute an accelerated examination procedure. In return, the U.S. PTO
agreed to begin publishing patent applications eighteen months after the filing date of the ear-
liest filed application and to expand reexamination proceedings to allow greater participation
by third parties. Although Japan has made progress in upholding its end of the agreement, the
use of a pre-grant opposition system, in which a patent application was published for opposition prior to issuance as a patent. Although a pre-grant opposition system arguably permits opponents to participate and assist the examiner in assessing the patentability of the claimed invention, such a system has inherent drawbacks, thus making such a system less desirable than a post-grant system. For example, one major drawback is the delay in issuance that accompanies pre-grant opposition. In addition, it is possible for industry members to collude with one another and lodge multiple oppositions that can prolong the delay.

U.S. companies seeking patent protection in Japan have complained of such problems as delay and collusion among oppo-

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U.S. has yet to fulfill its promises. See supra notes 219-230 and accompanying text (highlighting the need to increase third party participation in reexamination).

494. In addition to the change from pre-grant to post-grant opposition, the Japanese patent system has experienced other recent changes, which have largely resulted from legislation implementing GATT-TRIPS as well as the bilateral Japan-U.S. agreement. See supra note 254 (discussing certain aspects of GATT-TRIPS implementing legislation in the United States) and note 493 (discussing bilateral Japan-U.S. agreement). These changes include: (1) the introduction of English-language filing provisions, effective July 1, 1995, under which an application may be filed in English provided it is accompanied by a request in the Japanese language, and a Japanese translation of the application must be presented within two months of filing; (2) revision of requirements for disclosure and claims, under Article 36, effective July 1, 1995, so that the requirements more closely resemble the description, enablement and definiteness requirements of the EPC and United States; (3) new provisions for expedited examination, effective January 1, 1996, which no longer require evidence of working in order to obtain expedited examination; and (4) new provisions concerning “presentation of information,” effective January 1, 1996, which permit anyone to submit information to the JPO prior to the grant of the patent, if the information may have relevance to the examination of the application for patent. See Japan Patent Attorneys Ass’n, Revisions of Japanese Patent Law, Mar. 1996, at 6 (unpublished manuscript, copy on file with author); see also Japanese Patent Office, Revision of Japanese Industrial Property Laws in 1994, Japan A.I.P.P.I.J., Mar. 1995, at 67.


496. U.S. companies complained that the Japanese pre-grant opposition system resulted in lengthy delays due to the “bureaucratic” processing that occurred once an opposition was filed. See generally Effect of the Japanese Patent System on Am. Business, Hearing Before the Subcomm. on Foreign Commerce and Tourism of the Senate Comm. on Commerce, Science, and Transp., 100th Cong., 60 (1988) [hereinafter Rockefeller Hearing I] (statement of Larry W. Evans, Director, Patent and License Division, BP America). Under prior practice, a JPO examiner was required to evaluate each of the grounds in the opposition and subsequently serve the opposition on the applicant. U.S. companies complained that, in some cases, this processing created substantial delays. The delays, however, were compounded in the most important cases, where multiple oppositions would be filed on a single invention. See U.S. Gen. Accounting Office, Intellectual Property Rights: U.S. Companies’ Patent
nants.\textsuperscript{497} In addition to these problems, these U.S. companies have also noted other procedural problems with Japan's pre-grant opposition system, such as inadequate periods of time in which to file responses\textsuperscript{498} and inadequate service of oppositions.\textsuperscript{499} Although the

\textbf{Experiences in Japan: Report to the Honorable John D. Rockefeller IV and the Honorable Dennis DeConcini, U.S. Senate 47 (1993) [hereinafter GAO Report]. Because the examiner was not required, under prior practice, to rule on each opposition concurrently, U.S. companies complained that further delays would be introduced as the examiner evaluated all of the oppositions, one by one, before sending the documents to the applicant for an opportunity to reply. Consequently, this process can, in the view of most U.S. companies, unnecessarily delay the issuance of a Japanese patent. Rockefeller Hearing I, supra. See also Japan Patent Policy, Hearing Before the Subcomm. on Foreign Commerce and Tourism of the Senate Comm. on Commerce, Science, and Transp., 101st Cong. (1989) [hereinafter Rockefeller Hearing II].

497. Many U.S. companies also observed that most Japanese opposition documents were "very well thought through and polished." Rockefeller Hearing I, supra note 496, at 60 (statement of Larry W. Evans, Director, Patent and License Division, BP America). These companies believed that such thoroughness was the result of collusion. The U.S. companies noted that the opponents had between five to seven years in which to formulate their arguments since they had access to each opposed application as of the Kokai publication eighteen months after filing. Several U.S. companies maintained that, during these periods, it was not uncommon for Japanese opponents to collaborate with one another and jointly develop the strongest arguments against patentability. Rockefeller Hearing I, supra note 496, at 60. In fact, several companies noticed that "certain phraseology [was] repeated in several [different] opposition briefs," strongly suggesting collusive and collaborative efforts among opponents. Rockefeller Hearing I, supra note 496, at 60. Indeed, some Japanese patent attorneys have conceded that many opponents have met "to collectively define the issues, distribute the supporting documents, develop the arguments and divide those issues and arguments among themselves, all by way of mutual agreement." Rockefeller Hearing I, supra note 496, at 60. These Japanese patent attorneys attributed some of this collusion to cultural differences in claim format since U.S. practitioners typically seek patent protection for broadly-claimed, pioneer inventions, while their Japanese counterparts typically seek narrow, improvement patents. Rockefeller Hearing I, supra note 496, at 60. Consequently, Japanese companies have sought out one another to implement joint strategies for preventing the issuance of such broad claims. Id.; see also Jeffrey A. Wolfson, Note, Patent Flooding in the Japanese Patent Office: Methods for Reducing Patent Flooding and Obtaining Effective Patent Protection, 27 GEO. WASH. J. INT'L. L. & ECON 531 (1993).

498. Several complaints noted that the three-month period for response to an opposition or set of oppositions was inadequate, even though this period was extendible by three additional months. Rockefeller Hearing I, supra note 496, at 60 (statement of Larry W. Evans, Director, Patent and License Division, BP America). It was noted that the applicant would typically be required to have the opposition documents translated from the Japanese language into the applicant's native language in order to respond to the grounds raised in the opposition(s). Rockefeller Hearing I, supra note 496, at 60. Upon reviewing each opposition, the applicant would be required to draft a response, as well as any necessary amendment, and subsequently translate the response and amendment into the Japanese language before these documents could be filed. Rockefeller Hearing I, supra note 496, at 60. Where multiple oppositions were filed, the problems were even worse since the applicant had to concurrently translate and respond to the oppositions during the same response period. Rockefeller Hearing I, supra note 496, at 60. At least one company has stated that "[i]n most cases there will be more than ten
JPO initially maintained that the rules governing Japanese pre-grant oppositions were applied to both Japanese and non-Japanese applicants alike; the complaints cited by U.S. companies and other non-Japanese applicants eventually convinced the JPO that the net effect

(10) oppositions and in a few recent cases, in excess of one hundred (100) — all of which must be effectively answered in three months.” Rockefeller Hearing I, supra note 496, at 41-43 (statement of Donald M. Spero, President, Fusion Systems Corp.); see also GAO REPORT, supra note 496, at 47. In addition to the change in the opposition system, other recent changes in Japanese patent practice may help remedy these problems. For instance, applicants may now file JPO applications and related documents in the English language. See discussion, supra note 494 (discussing the recent introduction of English-language filing).

499. Under prior practice, oppositions were not served on the applicant by an opponent to the application. Rockefeller Hearing I, supra note 496, at 60 (statement of Larry W. Evans, Director, Patent and License Division, BP America). Instead, all opposition documents were submitted directly to the JPO without the applicant’s knowledge that an opposition or multiple oppositions had been filed. The JPO subsequently compiled the opposition for “processing” within the JPO, which could demand anywhere from one to six months. Japan Patent Law, supra note 471, art. 115(3) at 40. Once the oppositions had been compiled, the JPO would eventually serve the opposition documents on the applicant or the applicant’s patent attorney. At this time, the applicant would learn of the opposition proceeding for the first time and would be required to immediately begin preparing a reply to the opposition or oppositions to avoid losing the right to a patent. This surprise aspect of the Japanese opposition system was frequently cited as unfair among U.S. companies who had applications opposed in Japan. See generally Rockefeller Hearing I, supra note 496; see also generally Rockefeller Hearing II, supra note 496. Nevertheless, this disconcerting aspect of Japanese opposition procedure has remained unchanged under the most recent revisions.

500. See Rockefeller Hearing II, supra note 496 (statement of the Pacific Industrial Property Ass’n). In particular, the Pacific Industrial Property Association position during the second Rockefeller Hearing maintained that the Japanese opposition system does not discriminate against foreign applicants since Japanese applicants must deal with the same situation. Id. In addition, a survey conducted in 1991 regarding the number of applications opposed in Japan indicated that only 6.5% of all applications were opposed, with each opposed application having an average of 1.8 opponents. GAO REPORT, supra note 496, at 46. These figures may, however, be deceivingly low as the percentages are based on the total of all applications, rather than simply on the number of non-Japanese applications that were opposed.
of certain rules was unfair. As a result, the opposition system was changed from a pre-grant to a post-grant system.

2. Grounds for Opposition

Under the Japanese opposition system, an issued patent may be opposed on a number of grounds. For the most part, these grounds are coextensive with the reasons for which an examiner may refuse an application. One of the most common grounds for opposition in Japan is based on a claimed invention's failure to satisfy novelty requirements. Under the novelty requirements, opposition grounds are based on documentary prior art as well as nondocumentary prior art. So, these grounds may be based not only on prior art publications but also on activities that indicate that the claimed invention was "publicly known" or "publicly worked" in Japan prior to the
filing of the patent application. In addition to novelty grounds, an opponent may rely on such prior art and other activities that indicate the claimed invention fails to include an inventive step. The Japanese patent law also accommodates challenges that are not based on prior art, such as an invention’s failure to be industrially applicable.

An important ground for challenging validity in Japan is provided under Article 29bis of the Japan patent law. Under Article 29bis, a patent for a claimed invention will not be granted on a later-filed application if an earlier-filed application discloses the same in-

507. Japan Patent Law, supra note 471, art. 29 at 11. The phrase “publicly known” refers to the contents of the claimed invention which were known by others not under a duty to protect the information. Hosoda, supra note 476, at 35. The phrase “publicly worked” means that the claimed invention has been used publicly such that its contents became publicly known or likely became publicly known. Id.

508. Japan Patent Law, supra note 471, art. 29(2) at 11. The inventive step requirement precludes a patent on an invention if a person having ordinary skill in the art to which the claimed invention pertains could have reached the claimed invention on the basis of teachings in references before the time of filing the patent application. Hosoda, supra note 476, at 36-7. The standard is analogous to the obviousness standard applied in the United States. See supra notes 33-41 and accompanying text (discussing obviousness under U.S. patent law). Under the Japanese standard, the hypothetical person of ordinary skill is presumed to have common technical knowledge in the art to which the invention pertains and is presumed to have research and creative abilities. Hosoda, supra note 476, at 37. The standard is applied from the perspective of this person. In general, the standard will be applied by “appropriately grasping the technical level of the technical field to which the claimed invention pertains, at the time of filing the patent application, and by logically reasoning whether or not a person having ordinary skill in the art could have reached the claimed invention from the cited art.” Id. In making this determination, consideration may be given inter alia to indicia of inventive step, such as unexpected results or whether the references teach away from the claimed invention. See Dr. Shoichi Okuyama, Japanese Case Law Report, Japan A.I.P.P.I.J, Jan. 1994, at 98 (discussing unexpected results); Yukuzo Yamasaki, Latest Developments in Japanese IP Cases, Japan A.I.P.P.I.J, June 1989, at 98 (discussing, as an indicia of inventive step or lack thereof, whether references suggest or direct one skilled in the art in the direction of the claimed invention).

509. Japan Patent Law, supra note 471, art. 29(1) at 11. This requirement arises from the preamble of Article 29(1), which states that “[a]ny person who has made an invention which is industrially applicable” may obtain a patent, provided other conditions, such as novelty and inventive step are likewise met. Hosoda et al., supra note 472, at 133-36. This preamble imposes two requirements on inventions: (1) the invention must not fall within a category of non-invention, such as a law of nature, a mere discovery, mental activity or theory, or something that is not a technical idea; and (2) the invention must be industrially applicable in that the invention is not a method of operation or treatment on a human being, is not something that cannot be commercially used, or is not something that cannot be physically realized. Id. Some of these conditions are analogous to non-statutory subject matter in the United States. See supra notes 7-11 and accompanying text (discussing patent eligible subject matter under U.S. patent law).
vention and if the earlier-filed application is laid open for inspection (Kokai) after the date upon which the later-filed application for the claimed invention was filed. This rule applies even in instances where the earlier-filed application never issues as a patent. Regardless of whether the earlier-filed application issues, it will be prior art if it has been published.

3. Opposition Procedure

Within six months after the issued patent is published, any person may file a written opposition to the grant of a patent based on the published application. This written opposition should be filed with the Director-General of the JPO and must include a statement of the grounds upon which the opposition is based, together with an indication of the supporting evidence. The JPO has issued guidelines to standardize the format of written oppositions in an effort to reduce the burden on the patentee when responding to the opposition and to clarify the content of the opposition.

510. Japan Patent Law, supra note 471, art. 29bis at 11. However, this provision does not apply if the applicant of both the later-filed and earlier-filed applications is the same or the inventions in these respective applications were made by the same person. Japan Patent Law, supra note 471, art. 29bis at 11; Hosoda, supra note 476, at 42. The phrase "publicly worked" means that the claimed invention has been used publicly such that its contents become publicly known or are likely to become publicly known. Hosoda, supra note 476, at 42.

511. Japan Patent Law, supra note 471, art. 29bis at 11; Hosoda, supra note 476, at 41.

512. Yamasaki, supra note 508, at 283; see also Dr. Shoichi Okuyama, Japanese Case Law Report, Japan A.I.P.P.I, Sep. 1993, at 219 (indicating that, where the disclosed invention in the earlier-filed application is the same as the claimed invention in the later-filed application, the rejection is based on novelty grounds; but, where there are differences between the disclosed invention and the claimed invention, the rejection should be based on lack of inventive step).

513. Japan Patent Law, supra note 471, art. 113 at 40. In addition, any interested party may intervene in the trial examination, in order to assist the patentee. Japan Patent Law, supra note 471, art. 118 at 41.

514. Japan Patent Law, supra note 471, art. 115 at 40; see also Examination Guidelines, supra note 472, at 60.13 A-2.

515. Japan Patent Law, supra note 471, art. 115 at 40. The supporting evidence can include published patent applications; official gazettes or specifications issued by the Patent Office; patent specifications, official gazettes or abstracts from foreign countries; periodical publications; other written evidence such as certificates; witnesses; and inspected evidence. See Examination Guidelines, supra note 472, at 60.14 A-2.

516. See Japanese Patent Office, Guidelines for Drawing Up “Reasons for Opposition” in a Written Opposition against a Patent (1990). This standardized format must include the “Reasons for Opposition,” which “should concretely and expressly describe the opponent’s allegation and evidence concerning the reasons why the present invention must be refused.” Id. at 1. These Reasons for Opposition must include specific sections in order for the opposi-
For oppositions that are filed, the trial examiner-in-chief will compile and transmit a copy of each opposition to the patentee. Subsequently, the patentee will be given an opportunity to file a written reply, which is typically sixty days for a domestic patentee and three months for a foreign patentee. Once the patentee receives notification that an opposition has been filed, the patentee may amend the specification or drawings in response to the opposition. The amendment, however, is limited to: (i) restriction or narrowing of the claims; (ii) correction of errors in the description; and (iii) clarification of an ambiguous description. Typically, the patentee will be required to amend the claim or claims in the application in light of the evidence or prior art cited in the opposition.

The evidence in the opposition is presented to a collegial body of three Trial Examiners. The presented evidence usually consists of: (i) Abstract of the Reasons for Opposition, which should tabulate the general Reasons for Opposition and relate the present invention to the evidence for the opposition; (ii) Antecedents to the Proceeding, which identify information such as the application’s date of filing and date of publication; (iii) Grounds of the Opposition, which set forth the legal grounds upon which the opposition is based; (iv) Present Invention, which describes the features of the invention seeking protection; (v) Description of Evidence, which should describe how the evidence relates to the present invention; (vi) Comparison of the Present Invention with the Invention disclosed in the Evidence, which should describe the difference between the evidence and the present invention; and (vii) Conclusion, which should provide a concluding statement concerning reasons to deny patent to the present invention. By standardizing the format, the JPO has attempted to eliminate the possibility of receiving insufficient, disorganized or confusing oppositions.
of documentary evidence; however, upon motion by the patentee, the examiner-in-chief may conduct the trial using oral evidence. Thus, in addition to submitting documentary evidence, the opponent may call witnesses on his or her behalf or request inspection of evidence by the Trial Examiners. It is within the discretion of the trial examiner-in-chief to permit presentation of evidence in such ways. Due to the possibility of the presentation of various types of evidence, the taking of evidence in opposition proceedings is governed by the Japanese Code of Civil Procedure.

Based on the evidence presented and any amendments or arguments filed in response, the Trial Examiners will render a ruling on the opposition. If the ruling is unfavorable to the patentee, the ruling may be appealed to the Tokyo High Court. If the ruling is favorable, such that the patent will be maintained, this decision may not be appealed. The unsuccessful opponent may then resort to further opposition proceedings, if the six month time period has not lapsed, or the opponent may resort to other proceedings to contest the validity of the patent.

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524. Witnesses may include expert witnesses. JAPANESE PATENT PRACTICE, supra note 470, at 238, 253.

525. Id.

526. Id. at 119 at 41.

527. Id. art. 114 at 40. See Masao Kohda, Opposition (Law and Procedure), in JAPANESE PATENT PRACTICE, supra note 470, at 248, 253.


530. In addition to its opposition system, the Japanese patent system also includes other procedures for challenging the validity of issued patents. Under one procedure, referred to as a “trial for invalidation of a patent,” a trial is administered by the Trial Board. See Ishida, supra note 470, at 124. A trial for invalidation of a patent is an inter partes proceeding, which is typically handled by three Trial Examiners. Id. at 125. The trial is almost always conducted predominantly with oral evidence. Takeshi Kikuchi, Actions to Revoke JPO Decisions, in JAPANESE PATENT PRACTICE, supra note 470, at 422, 424-25. In most cases, such a trial is demanded by an alleged infringer, who is involved in infringement litigation before a Japanese court. Ishida, supra note 470, at 124. In this case, the alleged infringer can use the invalidation procedure as a defense measure since the court, which has no authority to affirm or invalidate a patent, will likely suspend the litigation until the trial decision becomes final. Id. A trial for invalidation may be demanded for individual claims in cases where the patent at issue has more than one claim. Japan Patent Law, supra note 471, art. 123 at 43. In general, the cases for which invalidation may be effected closely track those reasons for which an examiner
C. Impressions from the European and Japanese Models

The international models indicate that the grounds for challenging patentability and validity may be substantially broadened over those permitted under the current reexamination system. These models illustrate that the grounds may be broadened so that they are commensurate, or nearly commensurate, with the statutory bases for invalidity challenges. More importantly, these models reveal how such grounds can be substantiated in an administrative setting, unlike most of the proposals discussed in Part V of this article. The models confirm that flexible presentations of evidence and proof are important in substantiating the grounds. The foreign systems, however, appear to be used with frequency because, among other reasons, third parties may not have other viable alternatives to contesting patent validity in another administrative or judicial proceeding. Thus, third parties have a "choose or lose" choice with regard to challenging the validity of an issued patent.

For instance, in Europe, third parties choosing to forego filing an opposition are left with the options of seeking revocation proceedings or defending themselves in multiple infringement actions in various Contracting States.\textsuperscript{531} Thus, the European opposition model provides an incentive to oppose the "bundle" of European patents at a central location, prior to revocation or enforcement in different Contracting States.\textsuperscript{532} Similarly, in Japan, a court does not have the authority to invalidate a patent, so third parties are unable to mount an invalidity challenge in an infringement action.\textsuperscript{533} Thus, third par-

\begin{itemize}
\item may render a decision of refusal concerning a pending patent application. \textit{Compare Id. with Japan Patent Law, supra} note 471, art. 49 at 22 (itemizing the list of reasons upon which a decision to refuse a patent may be based). If the trial for invalidation results in extinguishment of the patent right, the patent right is deemed to never have existed. \textit{Japan Patent Law, supra} note 471, art. 125 at 44.

Under another procedure, the patentee may be entitled to amend the patent's specification, claims and drawings by demanding a "trial for correction," although any amendments are limited to the restriction of claims, correction of errors in the specification, and the clarification of ambiguous descriptions, as in an opposition proceeding. \textit{See supra} notes 519-521, and accompanying text (discussing amendment during and after opposition). In contrast to the trial for invalidation, a trial for correction is an \textit{ex parte} proceeding, although the two trials are typically handled by the same group of trial examiners. \textit{See Ishida, supra} note 470, at 125.

531. \textit{See Soobert, supra} note 410, at 211-14 (highlighting some of the problems found in enforcement actions between various Contracting States).

532. \textit{See discussion, supra} note 407 (describing the centrally-granted European patent as a bundle of national patent rights).

533. \textit{See discussion, supra} note 473 (discussing Japanese courts' lack of authority to rule on the validity of an issued patent).\end{itemize}
ties in Europe and Japan have added incentives to use these systems, even though the models permit broad groups to be raised and use flexible procedures.534

In contrast, the United States offers the capability to challenge validity in both administrative and judicial forums, with little incentive to pursue administrative revocation in lieu of proceeding in federal district court. Putting the shortcomings of reexamination aside, this is likely to result in the underutilization of any administrative revocation system proposed for use in the United States, regardless of the permissible scope of grounds or third party participation. As a result, a system is needed that provides both flexible procedures and an incentive for use.

VII. A PROPOSED SOLUTION: BREAKING NEW GROUND IN ADMINISTRATIVE REVOCATION

A. Creating an Incentive for Use

This article proposes an administrative revocation system that accommodates meaningful validity challenges and provides an added incentive to use the system. Unlike prior proposals, the proposed system not only calls for a novel approach when substantiating grounds for invalidity, but also would provide third parties with an incentive to use the system that is not merely based on expanded grounds and increased rights of participation. Such an incentive is proposed so that early adjudications of invalidity would be pursued.535 In addition, the incentive is necessary so that third party use is encouraged, while a flexible procedure, fair to patentees and third parties alike, can be implemented.

As a result, the proposed system would offer the possibility of awards of equitable remuneration against certain infringers in subsequent litigation who chose to forego use of the proposed system.536

534. See discussion, supra note 434 (noting statistics of EPO oppositions).
536. A number of approaches to develop an incentive may be taken. For example, simply increasing the permissible grounds and the methods of substantiation so that they are equivalent in all respects to district courts might provide such an incentive; however, this approach could clog the system and overwhelm the PTO. See discussion, supra note 103 (discussing problems with contested reissue practice). Another approach would be to require a "Fong-like" feature, under which a district court could not consider any prior art that was not first considered in the PTO. See supra notes 94-96 (discussing mandatory referral provision pro-
As envisioned, such awards would be available to the patentee against accused infringers, who earlier chose not to challenge a patent, but who subsequently are found to infringe that patent. An award of equitable remuneration would be appropriate where the alleged infringer: (1) had knowledge of the patent prior to or during the period for filing a request for opposition under the proposed system; and (2) practiced, or made substantial preparations to practice, the claimed invention during this same period. Consequently, third parties who are aware of grounds that place the validity of a patent in doubt would be persuaded to initiate proceedings under the proposed system or otherwise risk payment of equitable remuneration to the patentee. With such an incentive, the proposed system could make use of broad grounds for challenging validity without granting overly increased rights of participation, which could overwhelm the system.

B. Mounting a Meaningful Challenge: The Grounds for Challenging Validity

Under the proposed system, third party challengers would be permitted to raise all grounds of patent invalidity under §§ 101, 102, 103 and 112 of the U.S. patent laws. The proposed system would permit validity challenges to be based not only on prior art patents and printed publications, but also on nondocumentary sources of prior art, which have become increasingly important in such technol-
ogy areas as biotechnology and software. Other issues arising from a patent's failure to meet the disclosure and claiming requirements may also be raised. Such issues would necessarily include a failure to comply with the best mode requirement of § 112. Although other proposals have excluded this requirement from various proposed systems that would accommodate administrative challenges to patent validity, the system proposed in this article does not limit the scope of an invalidity challenge in this way.

Instead, the system proposes not only a breadth of grounds that is commensurate in scope with statutory bases for invalidity, but also enables such grounds to be raised under a flexible procedure that could handle each and all of the these issues without unduly complicating offers of proof. The companion procedure for presenting evidence must be flexible enough to permit issues requiring resolution of questions of intent, such as best mode, so that such issues could be addressed during the proceedings.

C. Establishing the Basic Framework for Substantiating Grounds for Opposition: Using Other Administrative Proceedings as a Guide

1. Overview

In order to accommodate the breadth of grounds contemplated under the proposed system, a companion procedure for presenting and substantiating these grounds is required. In seeking to develop a framework for such a procedure, it is helpful to consider other administrative proceedings that frequently address patent validity issues. These other administrative proceedings provide insight into the mechanisms for taking and presenting evidence and, as such, may serve as a guide regarding the procedure that would be required to implement the proposed opposition system. Based on this insight, a flexible procedure for the proposed system can be established.

539. See supra notes 237-299 and accompanying text (describing the importance of non-documentary prior art in mounting a meaningful challenge of patent invalidity).

540. The proposed system could, therefore, accommodate charges of inequitable conduct, provided that such charges are plead and substantiated with particularity. Unfounded charges would be subject to sanctions, ranging in severity from adverse evidentiary inferences to dismissal of an opposition with prejudice, as in other administrative proceedings. See infra notes 547 and 560.
2. The Interference Experience

In addition to reexamination, the PTO conducts various administrative proceedings that are intended to resolve certain issues involving patents or patent applications. For example, where two or more inventors claim rights in the same invention, an "interference" proceeding may be conducted before the Board of Patent Appeals and Interferences.\(^5\) Under this proceeding, the PTO will formulate a "count," which defines the subject matter of the invention that is common to all of the inventors involved in the proceeding.\(^4\) Thus, "[t]he purpose of the count is to determine what evidence is relevant to the issue of priority."\(^3\)

During the proceedings,\(^5\) each inventor will seek to establish that he or she was the first inventor of the subject matter corresponding to the count or that others in the interference derived that
subject matter from the first inventor's work. However, in addition to issues of priority of invention and derivation, the parties involved in an interference may raise other issues by preliminary motions, including that an opponent's claim corresponding to the count is not patentable. These grounds include virtually all issues raised under §§101, 102, 103 and 112 of the U.S. Patent Act as well as charges of inequitable conduct.

During an interference, a party may present testimony taken by affidavit or, in a foreign country, by written interrogatories. When an affidavit is filed in the proceedings, the examiner-in-chief will set a period in which the opponent may request the opportunity to cross-examine the witness, or affidavit, on oral deposition. The affidavit

545. However, the party with the earliest filing date will be deemed the "senior party" and, as such, benefits from the presumption that he or she is the first inventor. Each remaining party will, as a "junior party," have the burden of proving an earlier date of invention. See, e.g., Hahn v. Wong, 892 F.2d 1028, 1032 (Fed. Cir. 1989); Scott v. Finney, 34 F.3d 1058, 1061 (Fed. Cir. 1994). If a party intends to rely on a pre-filing date of invention, that party must file a preliminary statement that identifies the person(s) that made the invention and where the invention was made. 37 C.F.R. § 1.629 (1995). The statements made in the preliminary statement will be sealed until preliminary motions are decided. 37 C.F.R. § 1.631.

546. 37 C.F.R. § 1.633. In 1985, the interference rules were revised to, inter alia, permit the Board of Patent Appeals and Interferences to consider the patentability of the parties' claims as well as traditional interference issues of priority and derivation. CHISUM & JACOBS, supra note 8, § 2D[5]; see also COLLINS, supra note 541, § 2.6[a]; Perkins v. Kwon, 886 F.2d 325 (Fed. Cir. 1989) (holding that it is permissible to "award" priority to a junior party against a senior party, even though the junior party's claims are barred under 35 U.S.C. § 102(b), such that neither party receives a patent on the interfering subject matter). In addition, the revisions of the rules were also intended to facilitate the completion of interference proceedings within two years, although this has yet to be seen. COLLINS, supra note 541, § 1.1 (discussing "24-month guideline" set forth in 49 Fed. Reg. 48449).

547. COLLINS, supra note 541, § 2.6[a]. In presenting motions for judgment under these issues, the motion should state the grounds of unpatentability or unenforceability, as well as the factual basis supporting these grounds. Id. ("For example, if the grounds are anticipation under § 102 or obviousness under 35 U.S.C. § 103, each claim limitation should be addressed, having regard to the disclosure of the prior art upon which reliance is placed"). COLLINS, supra note 541, § 2.6[a]. The motion must be directed to the opponent's claims, not the count. Id. The presumption of validity will not be applied to claims in the interference proceeding. Id. Charges of inequitable conduct may be similarly raised in the proceeding by setting forth particular facts to support the charge. Id.

548. Discovery in such proceedings is generally limited to answers in response to requests for admissions, and answers to written interrogatories. Id. § 5.1. However, the parties may also agree on other methods of discovery. Id.; see also Charles L. Gholz et al., The Taking of Voluntary Testimonial Depositions in Japan for Use in U.S. Patent Interferences, 78 J. PATENT & TRADEMARK OFF. SOC'Y 139 (1996).

549. 37 C.F.R. § 1.672(b). Although Rule 672(b) indicates that oral deposition is the only manner of cross-examination, the parties may stipulate to others. 37 C.F.R. § 1.672(d); COLLINS, supra note 541, § 5.4[a]. During cross-examination, the parties may be entitled to
and transcript of the cross-examination testimony on deposition may be used as evidence to support the parties’ positions. Oral examination is not permitted during interference proceedings. The Board of Patent Appeals and Interferences will hold a final hearing, weigh the evidence, and render a decision resolving the issues. In most cases, the decision is rendered long after the twenty-four month guideline sought under the rules. The delay has recently increased with the backlog of interference proceedings before the PTO. This backlog has been attributed to the unhurried pace set by the examiners-in-chief. Upon conclusion of the proceedings, an adverse decision may be appealed by any of the parties directly to the Federal Circuit, or by civil action in a district court.

3. The ITC Experience

Another administrative forum in which patent issues are addressed is in the United States International Trade Commission ("ITC"). Among its duties, the ITC administers proceedings arising from violations of § 337 of the Tariff Act of 1930. Such violations encompass "[u]nfair methods of competition and unfair acts in the importation of articles into the United States," which include certain acts of patent infringement. Patentees may, therefore, pursue actions through the ITC by filing a complaint under § 337 for unfair acts of importation based, in part, on the importation of infringing articles. Respondents named in the complaint may raise a number of further discovery, such as production of documents and things. Oral examination is not permitted during interference proceedings. The hearing is held before a three-person panel. The proceeding has certain advantages over an infringement action filed in district court. For example, an action under § 337 is an in rem proceeding that may result in exclusion of the infringing articles.
of defenses, including that the asserted patent is invalid or unenforceable under the U.S. patent laws.\textsuperscript{560}

Section 337 proceedings before the ITC are conducted under statutory guidelines that require a fast-paced procedure for resolving issues raised in the proceedings.\textsuperscript{561} In most cases, the ITC will complete the proceeding within one year and, in more complicated cases, within eighteen months.\textsuperscript{562} The ITC manages to do so even though it must usually address unfair trade, patent infringement, validity and enfor-cability issues, all in the same proceeding.

Upon the filing of a complaint, the ITC will informally review the complaint and determine whether to initiate investigation into the acts of unfair importation.\textsuperscript{563} This is accomplished, in part, by an ITC of the infringing article from importation. Because it is an \textit{in rem} proceeding, \textit{in personam} jurisdiction over a foreign importer named as a respondent need not be established. See, e.g., Sidney Katz & Eric C. Cohen, \textit{Effective Remedies Against the Importation of Knock-Offs: A Comparison of Remedies Available from the International Trade Commission, Customs, and Federal Courts}, 66 J. PATENT \& TRADEMARK OFF. SOC'Y 660, 662 (1984). In addition, an ITC proceeding is usually conducted much more rapidly than an infringement action in district court. See discussion \textit{infra} note 562 (discussing time limits).

\textsuperscript{560} In re Certain Salinomycin Biomass and Preparations Containing Same, Inv. No. 337-TA-370 (U.S. Int'l Trade Comm'n Feb. 9, 1996) (notice of Commission decision not to review final initial determination of ALJ, holding patent claims invalid for failure to comply with the best mode requirement and unenforceable for inequitable conduct). It is important to note that the primary source of authority for the ITC's proceedings and determinations is a trade statute, and not the patent laws. Thus, although the ITC may invalidate a patent, some courts have refused to give the ITC determinations on validity or invalidity of a patent preclusive effect. See generally E. Brendan Magrab, \textit{Patent Validity Determinations of the ITC: Should U.S. District Courts Grant them Preclusive Effect}, 75 J. PATENT \& TRADEMARK OFF. SOC'Y 125 (1993). Nevertheless, appeals from the ITC are heard by the Federal Circuit, which results in some degree of consistency.


\textsuperscript{562} Although the mandatory statutory deadlines for completion have been recently amended, the ITC nevertheless strives to complete proceedings within one year or, for more complicated cases, within eighteen months. 19 U.S.C. § 1337, as amended, Pub. L. 103-465, § 321, 108 Stat. 4943 (1994); see also DONALD K. DUVALL, \textit{UNFAIR COMPETITION AND THE ITC} 38 (1996); Donald K. Duvall, \textit{Adjudication Under Statutory Time Limits: The ITC Experience}, 32 ADMIN. L. REV. 733, 735 (1980) (describing the statutory time limits). Although they are contemplated, "more complicated" proceedings are rarely conducted and, instead, the proceedings are generally completed in one year. Andrew S. Newman & Steven E. Lipman, \textit{Representing Respondents in a Section 337 Investigation of the United States International Trade Commission}, 20 INT'L L. 1187, 1190 n.9 (1986).

\textsuperscript{563} Complainants may generally seek relief in the form of temporary or permanent exclusion orders. Temporary relief is analogous to a preliminary injunction in district court, and requires the proof of irreparable harm. See DUVALL, supra note 562, at 49, 411. Typically, a complainant will seek only permanent relief, which implements the type of proceeding considered in this article. See id. (distinguishing temporary and permanent relief and noting that monetary damages are not available). A hearing is mandatory under either proceeding. See
staff attorney from the Office of Unfair Import Investigations ("OUII"), who assists the Commission in the proceedings. If an investigation is initiated, a pre-hearing conference will be held in which a presiding administrative law judge ("ALJ") will propose ground rules that expedite a fair and orderly hearing. The ground rules will cover discovery, evidence, motions and other submissions, as well as scheduling and issues concerning trial.

The OUII staff attorney will participate in the proceedings, primarily serving a third-party evidentiary function by participating in discovery. Discovery may usually be sought during the proceedings by the complainant, respondents and the OUII staff attorney. Discovery is generally coextensive with the Federal Rules of Civil Procedure and may include requests for admissions, interrogatories, subpoenas, depositions, and production of documents. Because of the accelerated nature of the proceedings, discovery motions are rarely denied, and opposing counsel are expected to cooperate in good faith in discovery. Sanctions for non-compliance range from adverse evidentiary inferences to an adverse initial determination.

During the proceedings, the parties may file motions seeking orders such as summary determination, extensions of time, or sanctions for non-compliance with discovery. The burden of proof is typically by a preponderance of the evidence; however, patent invalidity must be proven by clear and convincing evidence, as in district court. The ALJ will conduct a trial-like hearing after the close of discovery and, based on the evidence in the record, will issue an ini-


564. See DUVALL, supra note 562, at 33.
565. Id.
566. Id.
567. Id.
568. Id. at 289.
569. Id.
570. Id. at 291.
571. Id.
572. Id. at 40. Summary determination is similar to summary judgment under Fed. R. Civ. P. 56.
Although the Federal Rules of Evidence are not applied, the ALJ may accord them substantial weight.\textsuperscript{575} Within forty-five days of the ALJ’s initial determination, the ITC Commissioners will decide, on behalf of the Commission, whether the initial determination will be reviewed.\textsuperscript{576} Based on the Commission’s decision, a number of other procedures may be pursued, such as conducting a further hearing, gathering input from interested parties and agencies on an appropriate remedy, or noticing the decision for appeal.\textsuperscript{577}

4. Drawing on Different Experiences

Experience with both interference and ITC practice indicates that both systems have features that are useful in addressing issues of patent validity in an administrative context. The systems are, however, in somewhat contrast with one another. Under interference practice, evidence and testimony are primarily presented through discovery mechanisms and exhibits. Under ITC practice, a more complete, trial-like setting is available. In crafting an administrative revocation system, it may be useful to draw on principles of both proceedings and strike a balance through implementation of a flexible procedure.

\textbf{D. Making it Work: Introducing a Flexible Procedure for Challenging Validity}

1. Tailoring Procedural Mechanisms for Implementation

The proposed system calls for a flexible procedure that would permit presentation and substantiation of all grounds available for opposition. Under this approach, a request for opposition would be filed within nine months from grant or eighteen months from initial

\textsuperscript{574} \textit{Id.}
\textsuperscript{575} \textit{Id.}
\textsuperscript{576} \textit{Id. at 49.}
publication, whichever is longer.\footnote{578}{This period is generally consistent with the European model. However, a condition is provided in the unlikely, but possible, event that the United States does not adopt automatic publication of applications after eighteen months from filing. See supra note 493. In this case, where an application is not published, the initial publication would occur upon the grant of the patent, and potential opponents would be given eighteen months to evaluate whether an opposition should be filed.}

Oppositions could only be filed by third parties, as under the European model.\footnote{579}{See supra note 450 (indicating that, under the European model, a patent proprietor may not file an opposition against his or her own patent).}

The PTO would be required to establish a set of "Opposition Masters," who would oversee and conduct the proceedings.\footnote{580}{The Opposition Master position would be a new position within the PTO. The Opposition Master would be a judicially trained individual competent to address both patent and evidentiary issues.}

An Opposition Master would conduct the proceedings according to various procedures, depending on the grounds raised in the request for opposition. Where only issues based on documentary evidence are raised, the proceedings would be simplified. A third party opponent would simply file a request for opposition within the time period, pay a fee, and cite the specific grounds upon which opposition is based.\footnote{581}{The fee would be comparable to the fee for reexamination. See discussion, supra note 136 (indicating that the fee for 1996 is $2460).}

Supporting facts would be required with the submission. The supporting facts could, for example, include various items, such as affidavits, patents, publications, and the like. The patentee would be permitted to file comments in response, and the third party would be permitted to file a reply.

Based on the filings, the Opposition Master would evaluate whether an opposition proceeding is justified. If the Opposition Master so concludes, the patentee will be given an opportunity to file comments and any amendments that narrow the scope of the claims, in an effort to overcome the grounds of opposition.\footnote{582}{The use of broadening amendments is considered inappropriate under the proposed system, given the intent underlying reissue. See supra note 399 and accompanying text (questioning AIPLA proposal for broadening amendments).} The proceedings would continue, unlike reexamination, on an \textit{inter partes} basis, with the opponent being permitted to file comments in
response to all submissions by the patentee. During the proceedings, the Opposition Master may require a hearing to clarify issues raised in the opposition, in which all parties would be represented. However, such a hearing would not normally be required where the issues raised are based solely on patents and printed publications. The Opposition Master would conclude the proceedings by either determining that the opposed patent claims should be revoked or maintained in amended form. Either party would be permitted to appeal to the Federal Circuit.

2. Invoking More Complicated Proceedings

The proposed system also contemplates the use of "more complicated" proceedings. Where issues such as prior public use, knowledge or invention are raised by the request for opposition, the opponent may invoke more complicated proceedings by motion and upon payment of an additional fee, which would be substantially higher than that required for the simplified proceedings. The Opposition Master must conclude that issues not traditionally susceptible to documentary proof have been raised in the initial submissions, in order to merit more complicated proceedings.

Although the Opposition Master would oversee and control the manner of taking and presenting evidence, more complicated proceedings would include an initial scheduling period, motions period, hearing, and submission of pre-hearing and post-hearing briefs. Unlike previous proposals, limited discovery should be permitted under the proceedings, such as interrogatories and requests for admissions, as in interference practice. However, in contrast to interference

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583. If the opposed patent were to be concurrently involved in litigation, any accused infringer would be permitted to intervene. Any stays of the district court proceedings would be solely within the discretion of that court.

584. Appeal to the Federal Circuit is chosen over a de novo appeal to district court since, under an appeal to district court by way of civil action, the Federal Circuit is nevertheless the likely court of last resort. Thus, although it may be argued that the Federal Circuit hears "too many" appeals, a civil action based on an appealed opposition would most likely be concluded at the Federal Circuit. Thus, it is in the best interest of the proposed system, in the author's view, to bypass another proceeding to create a new record. Instead of offering a route of appeal through district court, the PTO should have the capability and flexibility to create a complete record for any appeals, as suggested under the procedure proposed in this article.

585. The fee could be, for example, approximately $5000, which is roughly double the proposed fee associated with the simplified proceedings. See discussion, supra note 136 (indicating the fee for requesting reexamination). This fee would be appropriate, given the breadth of issues that could be raised to test a patent's validity.
practice, the parties may examine witnesses by deposition. In this way, the parties to the proposed proceedings would be permitted to explore each other's positions prior to the motions period. The parties would be expected to cooperate in good faith discovery, as in ITC practice, subject to sanctions for non-compliance.

During discovery and prior to the hearing, motions may be filed. Various motions would be permissible, such as motions for judgment, motions to strike certain grounds of opposition, and motions for sanctions. At the conclusion of the motions period, the Opposition Master may hold a hearing in which the parties would be offered the opportunity to present live witness testimony for the purpose of resolving any remaining issues that could not be resolved by pre-hearing motion.

Throughout the proposed proceedings, the patentee would, as in the simplified version of the proceedings, be permitted to propose amendments. The opponent would, in turn, be permitted to file comments to all submissions. The Opposition Master would weigh the amendments in light of all submissions. Subsequently, the Opposition Master would conclude the proceedings by determining that the opposed patent claims should be either revoked or maintained in amended form. The possibility of appeal to the Federal Circuit from an adverse decision would remain, as under the simplified version of the proposed procedure.

E. The End Result: An Improved System

By establishing flexibility and a two-stage procedure, the PTO could accommodate more meaningful validity challenges without overburdening the system. All statutory grounds for invalidity could be raised and substantiated in a fair and efficient manner. In addition, third parties would have an incentive to use the system based on the possibility of an award of equitable remuneration to the patentee.

VIII. EFFECTS OF THE PROPOSED SYSTEM

A. Benefits of the Proposed System

1. Increasing Patent Strength and Investor Confidence

The proposed opposition system would have the benefit of increasing patent strength and building investor confidence. The proposed system would encourage opponents to file oppositions. The
system would permit opponents to raise most, if not all, of the important grounds upon which validity challenges in a district court could be based. However, unlike previous proposals, third parties would be encouraged to participate since there would be relatively few restrictions on their participation, along with the complementary incentive of potential equitable remuneration. Situations that have decreased the effectiveness of the current reexamination system, such as the failure of third parties to request reexamination, would likely be avoided. Consequently, third parties could mount meaningful challenges to patent validity and, therefore, would utilize the system to increase patent strength and build investor confidence. In the end, district courts would likely respect the decisions made by the PTO under the proposed system.

2. Expertise and Efficiency

An important benefit of the proposed system is that it would promote use of the PTO’s expertise in assessing patent validity and would thereby increase the efficiency of the patent system. By accommodating validity challenges in the PTO, the proposed system would benefit from the expertise of the PTO in assessing validity issues and in making technical judgments with regard to inventions in highly complex technologies. Further, it is likely that the PTO is better suited than a district court to hear issues involving such technologies.

Drawing on PTO expertise would also increase the efficiency of the overall patent system. Issues of patent validity, particularly those with regard to questionable patents, would be resolved early in the patent term. The PTO, in administering its duties under the patent laws, would resolve validity issues under the proposed system in a fair and expeditious manner. Imposed time limits, similar to those

586. See supra notes 536-537 and accompanying text (evaluating incentives to use the system and concluding that equitable remuneration to the patentee would be an acceptable incentive).

587. See supra notes 207-218 and accompanying text (discussing the Commissioner-initiated reexamination of the Compton’s patent).

588. See supra notes 62-70 and accompanying text (summarizing the purpose and goals that reexamination hoped to achieve).

589. See Dreyfuss, supra note 202, at 67 (indicating that “because both patent law and the facts...are technically abstruse, expertise is particularly desirable”); John B. Pegram, Should the U.S. Court of International Trade be given Patent Jurisdiction Concurrent with that of the District Court, 32 Hous. L. Rev. 67, 128 (1995).
followed by the ITC, would encourage the PTO to conclude the proceedings in a timely manner.590

Unlike delays in interference practice, which may be attributed to the members of the Board of Patent Appeals and Interferences, the proposed system would make use of a new Opposition Master to conduct the proceedings.591 The control and discretion of the Opposition Master would allow the PTO to conduct the proceedings with minimal delay and disruption. In this way, the proposed system could address and handle all necessary issues, while at the same time curbing any potential abuse of *inter partes* proceedings through the Opposition Master’s inherent authority to issue sanctions for such abuses.

3. Moving Closer Toward Patent Worksharing

By establishing a new procedure for administrative revocation, the proposed system would facilitate the transition to a global worksharing patent community.592 This effort would be, as part of a larger effort to globally harmonize patent laws throughout the world, beneficially served by the creation of the proposed administrative revocation system since the proposed system incorporates key features from post-grant opposition systems in European and Japan. By incorporating these features, the proposed system would allow the United States to participate in future worksharing developments, such as examining a universal or global patent application and accommodating challenges to a patent that issues from that application under the proposed system. In this way, the PTO could share the burdens of a worksharing system with Europe and Japan.

B. Potential Objections to the Proposed System

1. Paying a Price for Stronger Patents

One argument against the proposed system is that by creating complicated *inter partes* proceedings in the PTO for challenging patent validity the burden on the PTO will be too great. In particular, it

590. *See supra* note 562.

591. *See Collins, supra* note 541, § 1.1 (attributing delay in interference practice to the examiners-in-chief, who oversee the proceedings); *see also supra* note 554 and accompanying text.

may be argued that the PTO is not well equipped to handle issues such as best mode and inequitable conduct; however, such problems with expanded grounds for challenges and increased evidentiary procedures may still be addressed in an administrative setting. The PTO itself handles such issues in the context of interference practice already. The procedure draws on the salient features of interference practice and other administrative proceedings, such as those conducted at the ITC proceedings. In this way, the proposed system establishes a flexible procedure that allows the Opposition Master to control and conduct the proceedings as he or she sees fit. The parties themselves will be placed under a duty of good faith under which, for example, they should comply with discovery requests and resolve disputes through the Opposition Master. The Opposition Master would have the authority to enforce such claims. In addition, the use of discretionary proceedings, in more complicated cases of prior public use, knowledge or invention, would allow the PTO to conduct and control the *inter partes* proceedings.

2. Other Burdens of the Proposed System

Perhaps the biggest burden on the PTO, under the proposed system, would be a requirement to establish a division of Opposition Masters to conduct and oversee the proceedings. These posts would be entirely new positions within the PTO, which undoubtedly would consume resources. However, the expenditure of such resources is necessary in order to avoid the creation of another system that would not likely be used or another system in which delays would be routine. Thus, even though several new Opposition Master positions would be created, these persons would greatly benefit the overall operation of the proposed administrative revocation system. Moreover, the creation of similar positions has been advocated by the AIPLA. For instance, the AIPLA Committee proposal, which was officially adopted by a unanimous Board of Directors of the AIPLA, also concluded that the addition of "administrative officers" were required to implement its proposed system and, more importantly, that such a requirement was not considered an impediment to the development of the system.\textsuperscript{593} As a result, the creation of a division of Opposition Masters would not be an impediment here.

\textsuperscript{593} See *supra* notes 395-398 and accompanying text (proposing the use of an administrative officer to tightly control the proposed system).
C. Additional Concerns

1. Limitations of the Seventh Amendment

The Seventh Amendment of the U.S. Constitution is the basis for the right to a jury trial in the United States.\[594\] Under the Seventh Amendment, patentees may be entitled to a jury trial on certain patent issues.\[595\] An argument may, therefore, be raised that limitations on the proposed system are imposed by the Seventh Amendment because the system may deprive a patentee of the right to a jury trial on issues of patent validity. However, this argument is unpersuasive.

The Federal Circuit has made it clear that a patentee’s rights to exclude others from practicing his or her invention is a public right.\[596\] Such rights do not preclude the PTO from implementing an administrative revocation system for challenging the validity of issued patents.\[597\] Thus, an administrative revocation system may be implemented without serious implication of Seventh Amendment issues. As a result, the Seventh Amendment would not likely undermine the system proposed in this article.

2. The Remaining Role for Reexamination

Upon the implementation of the proposed administrative revocation system, another issue that arises is whether a need for reexamination exists. The answer is unequivocally yes. The reexamination system should remain in effect with minor statutory modifications to allow the system to complement other proceedings, such as interferences, reissue and the system proposed in this article. The reexamination system should be modified so that it is a patentee-initiated system. In this way, patentees could seek reexamination

\[594\] U.S. CONST. amend. VII.

\[595\] See, e.g., Patlex v. Mossinghoff, 758 F.2d 594, 604 (Fed. Cir. 1985).

\[596\] Id.; see also Joy Techs., Inc. v. Manbeck, 959 F.2d 226, 228 (Fed. Cir.); In re Lockwood, 50 F.3d 966 (Fed. Cir. 1995).

\[597\] See Joy Techs., Inc. v. Manbeck, 959 F.2d at 228. Other systems and forums have been authorized to rule on validity issues without the benefit of a jury. For example, the ITC does not use a jury to render its decisions on validity issues. In addition, the U.S. Court of Federal Claims renders decisions on patent matters, under 28 U.S.C. § 1498 (1994), without the benefit of a jury. See Motsenbocker, supra note 6, at 902-5 (rejecting the limitations of the Seventh Amendment as a barrier to non-jury determinations of patent validity); Wegner, AIPLA Report, supra note 378, at 13 (indicating that an administrative revocation proceeding with a “jury-free test of validity” is consistent with the Seventh Amendment).
throughout the term of their patent to correct any issues that were not addressed under the proposed system.

In order to encourage the use of a revised reexamination system, one suggestion would be to allow patentees to enjoy a presumption of validity under the revised reexamination proceeding.\(^{598}\) Under this approach, patentees would not be fearful of clarifying patent rights on their own initiative in the face of possible revocation. Such an approach appears beneficial.

Where other proceedings are initiated concurrently with an opposition under the proposed system, the proceedings could be merged into a single proceeding at the discretion of the Opposition Master. In the event that the concurrent proceeding is an interference, the validity issues of the two proceedings could be merged for rapid resolution prior to final determination of priority and derivation issues.\(^{599}\)

D. Summary: Benefits Outweigh the Costs of Implementation

The benefits of the proposed system justify any increased cost or burdens of implementation. The proposed system is needed to provide third parties with an adequate alternative that permits challenges to the validity of doubtful patents. The proposed system would enable third parties to mount meaningful challenges to patent validity and, at the same time, would provide third parties with an adequate incentive to do so.

This incentive is a key ingredient of the proposal. Although some foreign systems appear to operate relatively well in terms of utilization and effect, third parties must typically use these systems or forego the opportunity to mount a challenge. Thus, when confronted with the option of pursuing a relatively inexpensive opposition or a more expensive nullity or invalidation proceeding, most choose the former. However, in the U.S., it is likely that third parties will not choose to contest the validity of a patent in the PTO unless he or she

\(^{598}\) Wegner, Administrative Revocation, supra note 377, at 11 (suggesting reexamination reforms in the event the United States adopts another administrative revocation system).

\(^{599}\) Such practice has been employed before. Shaked v. Taniguchi, 21 U.S.P.Q. 2d (BNA) 1288 (Comm'r Pat. & Trademarks 1990) (merging interference and reexamination); see also Robert A. Armitage, Remaking the U.S. Patent System after the GATT: Patent Interferences are Dead; Long Live Post-Grant Opposition Practice 6 (1995) (unpublished manuscript on file with author) (proposing an allocation of issues between an opposition-style system and interference proceedings in which interfering patents would be issued and "tagged" for opposition); see also ABA Resolutions, supra note 403, at 4.
can fully and fairly present all invalidity theories in the proceeding. Even then, third party opponents may require an added incentive to seek administrative redress when a judicial forum is available. In contrast, the proposed system would provide third parties with an adequate incentive to mount meaningful challenges through the possibility of subsequent awards of equitable remuneration in a later infringement litigation.

IX. Conclusion

This article proposes an administrative revocation system that accommodates meaningful challenges to patent validity. The proposed system outlines a novel procedure for substantiating grounds of invalidity in the U.S. Patent and Trademark Office, and also provides an added incentive to use the system. This incentive stems from potential awards of equitable remuneration against an infringer in a subsequent litigation.

Awards of equitable remuneration would be available against accused infringers who would choose not to challenge the patent under the proposed system, but who would later be found to infringe. Under these circumstances, awards of equitable remuneration would be appropriate where the alleged infringer: (1) had knowledge of the patent during the period for filing a request for opposition under the proposed system; and (2) practiced, or made substantial preparations to practice, the claimed invention during this same period. As a result, third parties who are aware of grounds that place the validity of a patent in doubt would be persuaded to initiate proceedings under the proposed system in order to oppose the patent or otherwise risk the payment of remuneration to the patentee.

The proposed system would permit all statutory bases for invalidity challenges to be raised and substantiate proceedings that contemplate both simplified and more complicated procedures. Either form of procedure could be invoked depending on the grounds of opposition raised by an opponent. Among other features, the proposed system calls for the creation of a set of Opposition Masters in the PTO. These Opposition Masters would be legally trained in patent and evidentiary matters and would conduct the proceedings in a fair and expedited manner. Under the proposed system, evidence could be presented to support any grounds for opposition raised in the proceedings and meaningful challenges to patent validity in an adminis-
trative proceeding could be accommodated. The benefits of such a system far outweigh the costs involved in implementing the proposal.

Using the proposed system, validity issues that are commensurate in scope with all statutory conditions and other requirements for patentability could be resolved, thereby breaking new grounds in administrative revocation of U.S. patents. As a result, the validity of issued patents and the public's confidence in the patent system would be substantially strengthened, putting the fears of Thomas Jefferson and others to rest.600

600. See supra note 1 and accompanying text quoting Thomas Jefferson.