

# Amendment Rights in Reexamination

BY MATTHEW C. PHILLIPS & KEVIN B. LAURENCE  
OF STOEL RIVES LLP



Matt Phillips



Kevin Laurence

The PTO is considering revisions to its rules for reexamination.<sup>1</sup> Specifically, the PTO wants to streamline reexaminations, recognizing that they can be slow proceedings. To that end, the PTO has proposed numerous changes meant to impose a stricter compact prosecution model on the reexamination process and to allow examiners in the Central Reexamination Unit (CRU) to take certain shortcuts to more efficiently deal with issues in reexamination.

Some proposals would limit the ability of patent owners to amend their patents in reexamination. According to one proposal, "Claim amendments will not be entered unless accompanied by a statement explaining how the proposed new claim language renders the claims patentable in light of an SNQ [substantial new question of patentability]."<sup>2</sup> This proposal is meant to exclude from reexamination extraneous amendments, which can complicate and prolong a reexamination.

The PTO relies on *In re Freeman*<sup>3</sup> to support the premise underlying this proposal: That the only right to amend claims in reexamination is to address an SNQP<sup>4</sup> or corresponding rejection. At a June 1, 2011 roundtable discussion of the PTO's proposals, several practitioners expressed opposition to this proposal, arguing that *Freeman* does not support that premise and that such a proposal would be contrary to statutes. This article explores those issues and related topics.

## STATUTES

35 U.S.C. § 305, which governs *ex parte* reexamination, says in part, "reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title." 35 U.S.C. §§ 132 and 133, in turn, specify that the PTO must examine patent applications, give notice of rejections and objections, and provide the applicant with

an opportunity to respond "with or without amendment."<sup>5</sup>

35 U.S.C. § 305 goes on to prohibit claim broadening in reexamination and also says the following about permissible reasons for amending claims in reexamination:

In any reexamination proceeding under this chapter, the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order to distinguish the invention as claimed from the prior art cited under the provisions of section 301 of this title, or in response to a decision adverse to the patentability of a claim of a patent.

Thus, § 305 expressly permits amendments for two reasons: (1) to distinguish the prior art on which an SNQP is based (the so-called § 301 prior art) and (2) to respond to a claim rejection. The key question is whether those are the only two permissible reasons for claim amendments in *ex parte* reexamination.

35 U.S.C. § 314, which governs *inter partes* reexamination, says:

Except as otherwise provided in this section, reexamination shall be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133. In any *inter partes* reexamination proceeding under this chapter, the patent owner shall be permitted to propose any amendment to the patent and a new claim or claims, except that no proposed amended or new claim enlarging the scope of the claims of the patent shall be permitted.

Thus, unlike the *ex parte* reexamination statute, the *inter partes* counterpart does not specify that amendments must be for any particular reasons.

## CASE LAW

Three Federal Circuit cases have discussed whether 35 U.S.C. § 305 imposes a limit on the purpose of claim amendments in *ex parte* reexamination. Those cases – *Freeman*, *Southwest Bell Telephone*, and *Cordis* – are thoroughly discussed in a November 2008 Intellectual Property Today article<sup>6</sup> and are therefore only briefly summarized below. Those cases suggest, but do not clearly hold, that the two categories of permissible purposes for claim amendments in § 305 are a closed set. These cases do not present a clear holding to that effect because (1) *Freeman*'s statements on this point are arguably dicta, (2) *Southwest Bell Telephone*

is nonprecedential, and (3) *Cordis* found no violation of § 305.

## Freeman

*Freeman* is a case in which the patent owner amended its claims in reexamination after an unsuccessful litigation. *Freeman* was displeased with the court's construction of his claims in litigation and sought to amend them in reexamination to avoid having them similarly "misconstrued."<sup>7</sup> The PTO rejected his claims under § 305 for improper broadening after comparing his amended claims to the original claims, as they had been construed in the litigation. The Federal Circuit affirmed the PTO's broadening rejection after concluding that *Freeman* was collaterally estopped from challenging the court's construction as part of the PTO's broadening analysis.

In concluding that it would be fair to apply collateral estoppel, the Federal Circuit addressed generally a patentee's amendment rights in reexamination. *Freeman* argued that his opportunity to amend the claims in reexamination should permit him to relitigate the question of claim scope. The Federal Circuit rejected that idea, stating:

[T]he ability of a patentee to amend claims during reexamination must be seen in light of the fundamental purpose of reexamination – the determination of validity in light of a substantial new question of patentability. Thus, amendment of claims during reexamination is limited to amendment in light of prior art raising a substantial new question of patentability.<sup>8</sup>

As noted above, the PTO cites *Freeman* to support its proposal requiring an explanation of patentability in light of an SNQP for all claim amendments.<sup>9</sup> However, this portion of *Freeman* is arguably dicta unnecessary to the holding of the case.

## Southwest Bell Telephone

*Southwestern Bell Telephone* is a case directly confronting this same issue – unquestionably not in dicta – but in a non-precedential opinion.<sup>10</sup> The patent owner in that case amended its claims during *ex parte* reexamination and stated that the purpose of the amendment was "to preclude any interpretation of the claims in accordance with" an earlier litigation in which a district court had held the claims invalid as indefinite.<sup>11</sup> The Federal Circuit affirmed a ruling by the district court that the claims are invalid under § 305, stating, "As in *Freeman*, Collins [the patent owner] cannot use reexamination for the purpose of amending its claims to address an adverse claim construction."<sup>12</sup>

## Cordis

The court reached a different result in *Cordis*.<sup>13</sup> When amending its patent during *ex parte* reexamination, *Cordis* stated that certain new claims "provide specific protection for aspects of the disclosed invention which have

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been incorporated into competitive products and methods.”<sup>14</sup> The defendants in litigation argued that the stated reason for the addition of those new claims was outside of § 305 and that the new claims were therefore invalid. The district court agreed and invalidated those claims. The Federal Circuit reversed, seizing on a remark Cordis made on the record with its filing that included the new claims, wherein Cordis said that its amendments were generally “responsive to the Office Action.”<sup>15</sup> The Federal Circuit was satisfied that this simple remark brought the amendment within § 305. According to the Federal Circuit, “Cordis specifically stated that the changes made in its . . . submission to the PTO, including the addition of claims . . . , were ‘[r]esponsive to’ the office action that had rejected all but two of the claims . . . in light of prior art references.”<sup>16</sup> The Federal Circuit went on to explain that “Section 305 does not require the patent owner to include an express statement that the new claims distinguish the prior art or remarks indicating how the new claims distinguish the prior art references.”<sup>17</sup> The court also made the interesting observation that “[f]or purposes of assessing validity under section 305, the MPEP directs the examiner to determine only whether any added claims impermissibly ‘enlarge the scope of the original claims,’” while noting that the new claims in this case did not go beyond the scope of the original claims.<sup>18</sup>

## Practice Tips Drawn from the Case Law

These cases teach some important practice pointers, regardless whether the PTO imposes rules about claim amendments in reexamination, because it is probably just a matter of time before the Federal Circuit removes all doubt and squarely holds that § 305 permits amendments for only two reasons: (1) distinguishing over § 301 prior art or (2) responding to a rejection. For that reason, a patent owner in reexamination should not characterize its amendments as being for any other reasons. Moreover, as a backstop, it may be worthwhile to include in the remarks with every amendment an omnibus statement like the one in *Cordis* that the amendments are responsive to an Office action or made to distinguish over the § 301 prior art.

## CONCLUSION

The PTO’s proposal requiring an explanation tying each claim amendment to an SNQP rests on a questionable premise. Section 305 probably should be interpreted to permit only amendments addressing an SNQP or a corresponding rejection, but the statutory text is not crystal clear, the Federal Circuit has not yet clearly so held, and, at most, § 305 applies only to *ex parte* reexamination. Nothing in the statutes or case law similarly restricts amendment rights in *inter partes* reexamination.

Nonetheless, it is laudable for the PTO to limit distractions in reexamination. As a policy matter, reexamination should not be a proceeding for the patent owner to address extraneous issues or to correct unrelated problems in the patent. There are other mechanisms, such as reissue and certificate of correction, for those purposes. A reexamination should ideally focus solely on the resolution of its SNQPs, without additional issues slowing the proceeding. **(IPT)**

## ENDNOTES

1. 76 Fed. Reg. 22,854 (Apr. 25, 2011).
2. *Id.* at 22,857.
3. *In re Freeman*, 30 F.3d 1459 (Fed. Cir. 1994).
4. We prefer SNQP, rather than SNQ.
5. 35 U.S.C. § 132(a).
6. James R. Klaiber, *Reexamination Amendments Made for an Improper Purpose – A New Basis for Invalidity Under 35 U.S.C. § 305*, *Intell. Prop. Today* 33 (Nov. 2008).
7. *Freeman*, 30 F.3d at 1465.
8. *Id.* at 1468.
9. 76 Fed. Reg. at 22,857.
10. *See Bell Tele. Co. v. Arthur A. Collins, Inc.*, 279 F. App’x 989 (Fed. Cir. 2008) (nonprecedential).
11. *Id.* at 992 (internal quotation marks and citations omitted).
12. *Id.*
13. *Cordis Corp. v. Medtronic AVE, Inc.*, 511 F.3d 1157 (Fed. Cir. 2008).
14. *Id.* at 1184 (internal quotation marks and citations omitted).
15. *Id.* (internal quotation marks, brackets, and citations omitted).
16. *Id.* at 1185.
17. *Id.*
18. *Id.* (citation omitted).