I. INTRODUCTION

Now threatened, an inventor’s rights were once secured. Protection of the inventor dates back to our founding fathers drafting directly into the United States Constitution the availability of patents “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” The American patent system, established by the U.S. Constitution, relies upon providing incentive for three types of activities. The patent system must provide incentive for the inventor to invent, to disclose, and to risk capital. Furthermore, the incentive offered by the government in its patent bargain with the inventor must come with minimal interference to foster the motivation of an inventor to invent, to...
disclose, and to invest. Only when this delicate contractual balance is struck will the patent system serve to advance technological progress.

Patent reexamination has become such a colossal and powerful administrative instrument that it threatens to disrupt this delicate balance and destroy patent rights previously granted through the patent bargain. A multitude of reexamination benefits for third parties reveals a dominant method to supplement or replace litigation when a reexamination petitioner seeks to terminate the patent rights of an inventor. These third party reexamination requesters are typically accused infringers, but may include anonymous competitors. Infringer-friendly reexamination characteristics


5 Hughs, supra note 4, at 1–2.

6 The term “inventor,” as used throughout this Article, refers to every type of inventing entity. However, the increasing power of reexamination especially harms individual inventors. Christopher A. Cotropia, The Individual Inventor Motif in the Age of the Patent Troll, 12 Yale J.L. & Tech. 52, 57 (2010). See also Mark D. Janis, Rethinking Reexamination: Toward a Viable Administrative Revocation System for U.S. Patent Law, 11 Harv. J.L. & Tech. 1, 37 (1997) (quoting a USPTO commissioner who “testified that the time and expense associated with judicial resolution of the patent validity issue placed ‘special hardships on small businesses and individual inventors.’”).

7 Stefan Blum, Note, Ex Parte Reexamination: A Wolf in Sheep’s Clothing, 73 Ohio St. L.J. 395, 412 (2012). “Infringers” or “accused infringers,” as referenced throughout this Article, may include parties accused of infringing a patent, active infringers that have not been discovered, or anonymous third parties such as competitors of the inventor wishing to infringe. The term “infringer” is used frequently in the present analysis to emphasize that (continued)
and rules, recent case law that makes the validity of previously granted patents now questionable, and new patent legislation that expands the scope of reexamination at the United States Patent and Trademark Office (USPTO) give accused infringers greater power now than ever before. This unprecedented power erodes the incentives that form the basis of the patent system and disrupts the delicate and longstanding balance between inventors and the government. The continued use and expansion of reexamination will discourage the patenting efforts of inventors as the core purpose of patent law—the incentive for inventors to invent, to disclose, and to invest—is stifled, and the patent rights of inventors are compromised.

II. BACKGROUND OF PATENT ACQUISITION AND PATENT REEXAMINATION

A. Acquisition of Patent Rights

The relationship between a patent applicant and the USPTO is a delicate contractual relationship. The government offers a patent applicant an exclusive right to make, use, sell, or import an invention if the inventor discloses certain information, performs certain tasks, and pays certain fees. After spending the energy, time, and resources to create a new and useful invention, an inventor must decide whether to expend additional energy, time, and resources to protect that invention at the USPTO.

As part of the price to obtain patent rights, an inventor must do more than simply pay a large amount of money. The inventor must disclose the invention to the public in a formal patent application and pay filing, an infringer benefits most from reexamination while being the least deserving of empowerment at the United States Patent and Trademark Office.

8 Brenner v. Manson, 383 U.S. 519, 534 (1966) (“The basic quid pro quo... for granting a patent monopoly is the benefit derived by the public from an invention with substantial utility.”). See also Eldred v. Ashcroft, 537 U.S. 186, 216 (2003) (“[I]mmediate disclosure is not the objective of, but is exacted from, the patentee. It is the price paid for the exclusivity secured.”).


11 The financial cost of obtaining a patent can be as much as $30,000. Damon C. Andrews, Why Patentees Litigate, 12 COLUM. SCI. & TECH. L. REV. 219, 223 (2011).
search, and examination fees. The inventor must then struggle for as long as thirty-six months arguing the patentability of the invention with a patent examiner at the USPTO. The inventor argues for a broad inventive scope, as recited in patent claims, in view of prior art documents that may, for example, indicate obviousness or a lack of novelty in the claims that would prevent the patent from issuing. However, the patent allowance rate in recent years has been as low as 50%. Therefore, the multiyear effort to obtain patent protection often results in no patent rights, despite the patent application publication that fully discloses the invention to the public. If, however, an inventor is finally allowed a patent, the inventor relies upon the expertise and judgment of the USPTO that the invention is, in fact, patentable, and that the newly earned patent rights will be secure.

B. Patent Reexamination

Patent reexamination is a procedure offered by the USPTO whereby, after a patent is issued, a petitioner, such as an accused infringer, may have any of the patent claims cancelled or amended. One purpose of reexamination is to provide a remedy for administrative error occurring in the USPTO during initial patent examination that resulted in the erroneous patenting of an invention. Additionally, because accused infringers often

---

12 Currently, the standard filing fees for a filer other than a small entity total at least $1,180.00 before any claim fees or allowance fees are due. 37 C.F.R. § 1.16(a)(1), (k), (o) (2012). This is the minimum cost before utilizing the services of a registered patent attorney or agent.


14 Mark A. Lemley & Kimberly A. Moore, Ending Abuse of Patent Continuations, 84 B.U. L. REV. 63, 96–97 (2004). If the invention lacks novelty, 35 U.S.C. § 102 (2006), or "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," id. § 103(a), an inventor may not obtain a patent.


16 See id.


18 Patlex Corp. v. Mossinghoff, 758 F.2d 594, 601 (Fed. Cir. 1985).
attempt to invalidate patents through litigation, reexamination exists to replace patent invalidation litigation.¹⁹

In recent years, nonpracticing entities, occasionally referred to as “patent trolls,” have emerged, creating a market for the patent rights of inventors that are incapable of adequately enforcing their patent rights.²⁰ These entities are generally known for their active enforcement of patent rights without actually practicing the inventions protected by the patents.²¹ Although their aggressive patent enforcement practice creates a generally negative attitude toward their existence,²² some scholars recognize several benefits of nonpracticing entities to the patent system.²³ Nevertheless, because they actively assert patent rights, the destruction of nonpracticing entities is a major goal in modern reexamination practice that continues to expand through the most recent patent legislation.²⁴

There are three main types of reexamination: ex parte reexamination,²⁵ inter partes review,²⁶ and post-grant review.²⁷ With ex parte reexamination, any party, including the inventor, may request the reexamination of a patent anytime during the life of the patent.²⁸ A third-party requester, such as an accused infringer, is not allowed to participate in the proceeding between the USPTO and the inventor.²⁹ The third-party requester must base the request for reexamination on evidence in the form of previously granted patents or printed publications, make invalidity arguments at the time of the request, and base the invalidity argument on

---

¹⁹ Janis, supra note 6, at 43.
²¹ *Id.* at 338.
²² *Id.*
²⁴ *Id.* at 193, 195.
²⁶ *Id.* § 311.
²⁷ *Id.* § 321.
²⁸ *Id.* § 302.
²⁹ 37 C.F.R. § 1.550(g) (2012).
either a lack of novelty under 35 U.S.C. § 102 or obviousness under 35 U.S.C. § 103.\textsuperscript{30}

The Leahy-Smith America Invents Act (AIA) of 2011 expanded the scope of inter partes reexamination and renamed it inter partes review.\textsuperscript{31} The evidence of invalidity that an inter partes review requester may present is also limited to patents or printed publications and arguments based on either novelty or obviousness.\textsuperscript{32} However, inter partes review allows a third-party requester to participate in the reexamination proceeding, including the discovery of evidence and responding to the validity assertions of the inventor to the USPTO.\textsuperscript{33} Unlike ex parte reexamination, inter partes review requires identification of the third-party requester.\textsuperscript{34} This is necessary due to estoppel rules preventing the requester from requesting multiple inter partes reexaminations based on the same grounds\textsuperscript{35} and preventing the requester from initiating an inter partes review if the requester already initiated a civil action challenging the validity of the patent.\textsuperscript{36} The same estoppel rules do not exist for ex parte reexamination,\textsuperscript{37} which may be initiated multiple times by the same requester, even after an inter partes reexamination has been conducted.\textsuperscript{38} This is so because a third party ex parte reexamination requester can remain completely anonymous.\textsuperscript{39}

The third type of reexamination, post-grant review, is the newest type of reexamination and offers the most comprehensive method of reexamination to infringers seeking to dispose of a patent.\textsuperscript{40} The AIA

\begin{flushleft}
\textsuperscript{30} 35 U.S.C.A. §§ 301(a)(1), 302.
\textsuperscript{31} Id. § 311.
\textsuperscript{32} Id. § 311(b).
\textsuperscript{33} Id. § 316.
\textsuperscript{34} Id. § 312(a)(2).
\textsuperscript{35} After an inter partes review results in a final written decision, the accused infringer cannot “request or maintain a proceeding before the Office” or file a civil action with respect to “any ground the petitioner raised or reasonably could have raised during that inter partes review.” Id. § 315(e).
\textsuperscript{36} Id. § 315(a)(1).
\textsuperscript{37} Id. § 302.
\textsuperscript{38} See discussion infra Part III.A.3.
\end{flushleft}
introduced post-grant review to allow a third party to request reexamination based on virtually any invalidity ground in view of virtually any evidence within nine months of the grant of the patent.\textsuperscript{41} Aside from this, post-grant review is similar to inter partes review in that there are similar estoppel rules\textsuperscript{42} and the requester participates in the reexamination proceeding with the ability to conduct discovery.\textsuperscript{43}

Reexamination recently exploded in popularity.\textsuperscript{44} Specifically, there were more ex parte reexamination filings for the eleven-year period from 2001 through 2011 than the sum of all preceding years since ex parte reexamination began in 1981.\textsuperscript{45} Moreover, the number of inter partes reexamination filings in 2010 and 2011 is nearly equivalent to the sum of all inter partes requests from preceding years dating back to 2000, the year inter partes review was implemented.\textsuperscript{46}

Possible reasons for this reexamination boom may relate to the power possessed by a reexamination requester over a patentee, as discussed throughout this Comment. However, the historically liberal grant rate of reexamination requests likely encourages the increased use of reexamination as a low-risk method to dispose of an asserted patent. Currently, 92\% of ex parte reexamination requests and 94\% of inter partes reexamination requests are granted.\textsuperscript{47}

With the growth of reexamination, the expansion of inter partes reexamination under the AIA, and the introduction of post-grant review as the most expansive reexamination procedure to date, every inventor should

\textsuperscript{41} Id. § 321.
\textsuperscript{42} Id. § 325(e).
\textsuperscript{43} Id. § 326(a)(5).
\textsuperscript{47} Ex Parte Reexamination Statistics, supra note 45; Inter Parties Reexamination Statistics, supra note 46.
be wary of the breadth and depth of invalidity challenges capable of being launched against their hard-earned patent rights.

III. THE DOMINATING POWER OF REEXAMINATION

A. Reexamination Advantages for Infringers

The exponential rise in reexamination filings, as explained previously, may be partially due to recent recognition of the ease with which reexaminations are granted.48 However, more obvious characteristics of reexamination, including cost and the ability to obtain a stay in concurrent litigation, also make reexamination an attractive route for accused infringers.

When compared to challenging a patent in federal court, reexamination is significantly less expensive than trial court litigation.49 Rather than seek a declaratory judgment in federal court, an infringer finds the low cost of reexamination a compelling reason to utilize reexamination instead of the federal court system.50 Even if an infringer is already brought into federal court to defend against an infringement claim, the additional cost of reexamination represents a small additional expense alongside hefty litigation costs. This incentivizes infringers to utilize reexamination as another means to escape liability, even if they lose in federal court.51

Additionally, if an accused infringer requests reexamination when there is pending litigation, there is a strong likelihood of the judge granting a motion to stay the litigation.52 In enacting the reexamination proceedings into law, Congress intended for courts to frequently stay litigation in cases involving a concurrent reexamination proceeding.53 With the AIA, Congress went one step further and wrote into law the requirement of courts to grant a stay of litigation in cases involving either inter partes54 or

48 See Ex Parte Reexamination Statistics, supra note 45; Inter Partes Reexamination Statistics, supra note 46.
49 The median costs of an ex parte reexamination and an inter partes reexamination can be as low as $25,000 and $38,000, respectively. Andrew L. Schaeffer, Parallel Patent Reexaminations: The Poor Man’s Litigation, in 1 PATENT LITIGATION 441, 448 (2011). The cost of patent litigation can be anywhere from $650,000 to $5.5 million. Id.
50 Id.
51 Id. at 449.
52 Id. at 448.
53 Janis, supra note 6, at 80–81.
When infringers request reexamination of the patent in question and are granted stays of litigation, they are immediately moved into a valuable bargaining position for settlement negotiations with the inventor. Infringers gain this position at a significant financial discount compared to the cost of litigation.

The rules of reexamination have evolved such that they now offer an accused infringer substantial incentives that are unavailable to the infringer who attempts to invalidate a patent in a federal court proceeding. Beyond the simple, albeit significant, benefits of reexamination such as cost and likelihood of a litigation stay, a compilation and assessment of the many empowering features of reexamination is provided. Infringer-friendly finality, validity and duty rules, as well as claim construction rules and recent case law all benefit accused infringers utilizing reexamination. These infringer incentives combat inventors’ attempts to enforce their patent rights and directly conflict with the inventor incentives that form the entire basis of patent law in the United States.

1. Final Adjudication

One of the main reasons infringers utilize reexamination as an invalidation tool is because decisions affirming patent validity are never final, while patent invalidity decisions are always final. In 1992, Roger Smith invented a vehicle for processing and screening debris for cleaning an environment and was granted U.S. Patent No. 5,234,564. When the assignee of Smith’s patent, Construction Equipment Company (CEC), attempted to assert the protected invention against PowerScreen International Distribution Ltd. (PowerScreen), PowerScreen argued in district court that the patent was invalid. However, the district court did not agree with PowerScreen, upheld the validity of the patent, and issued an injunction against PowerScreen based on a finding of infringement.

---

55 Id. § 325(a)(2).
56 Schaeffer, supra note 49, at 450.
57 Id.
58 Janis, supra note 6, at 82.
61 Id. at 1211.
The Federal Circuit affirmed, and PowerScreen unsuccessfully petitioned to the Supreme Court for a writ of certiorari.

It would appear that this final adjudication forever protected Smith’s patent from infringement by PowerScreen. However, infringers, especially persistent ones, are treated well by the U.S. patent system’s reexamination rules. More than a decade after PowerScreen infringed Smith’s patent and was enjoined, PowerScreen requested reexamination of Smith’s patent. The reexamination resulted in rejection of all of the patent claims.

When the Federal Circuit affirmed the reexamination decision, Judge Newman dissented, explaining that constitutional principles, res judicata, and issue preclusion forbade this result. The majority responded that “issue preclusion is generally not applicable in patent validity judgments.”

As indicated by the majority here, patents that are found invalid, either through reexamination or in federal court, are always final. Inventors cannot restore their patent rights once finally adjudicated. Meanwhile, patent validity judgments are never final and the patent that was previously validated may continue to be attacked. This illustrates the power of an infringer utilizing reexamination rules to attack a patent endlessly until the intellectual property right is finally defeated forever.

Moreover, anyone may anonymously and repeatedly attack a patent without the use of the federal court system. There is no limit to the number of ex parte reexamination proceedings that an infringer may initiate against any patent. When a patent is subjected to ex parte reexamination, the infringer submits at least one prior art reference that

---

64 Ex Parte Reexamination Certificate No. 5,234,564 C1 (requested Jan. 26, 2007).
67 Id. at 1257–61 (Newman, J., dissenting).
68 Id. at 1256.
69 Janis, supra note 6, at 82.
70 Id. at 83.
71 Id. at 82.
72 Id. at 72.
73 Id.
they believe may result in invalidation of the patent. The submitted prior art need only raise a “substantial new question of patentability” to be granted an ex parte reexamination. This is a low threshold considering over 90% of reexamination requests are granted under this standard. If, after reexamination, the examiner has confirmed the claims, a certificate of patentability is issued. Upon confirmation, the examiner states the reasons for confirming the validity of the claims, which indicates what the examiner believes is lacking in the prior art to invalidate the reexamined patent.

At this point, the infringer has the opportunity to review the prior art, or research again, keeping in mind the examiner’s reasons for allowance that state what must be found and submitted to invalidate the reexamined patent. Eventually, the infringer is led to the strongest art to cause invalidation of the patent.

An anonymous third party can utilize serial reexamination with increasing specificity and success to introduce an endless chain of challenges to an inventor’s patent rights due to the following: the statements of confirmation on record, the low threshold to be granted a reexamination request, and the availability of unlimited ex parte reexamination requests. As a result, an accused infringer may theoretically raise an infinite number of challenges. To illustrate, third parties have requested as many as six reexaminations in an attempt to invalidate a single patent without any federal court action.

PowerScreen utilized reexamination to ignore final adjudication of the validity of Smith’s patent in federal court and to continue to challenge Smith’s patent rights. The single reexamination request proved powerful.

---

75 Id. § 303.
76 Ex Parte Reexamination Statistics, supra note 45.
79 Id.
80 Over 92% of ex parte reexamination requests are granted. Ex Parte Reexamination Statistics, supra note 45.
81 Janis, supra note 6 at 72.
82 Id.
enough for PowerScreen to dispose of the infringed patent.\textsuperscript{\footnotesize 85} However, if needed, PowerScreen could have used the power of serial reexamination to initiate limitless attacks against Smith’s patent, even after the Federal Circuit affirmed the patent’s validity.

The ability of infringers to use reexamination to launch limitless attacks on a patent undermines the patent bargain accepted by the inventor, destroys confidence in patent rights granted by the USPTO, and contradicts the core incentives of the U.S. patent system. Without rules limiting the number of requests for reexamination, the inventors are heavily burdened despite having already satisfied their end of the patent bargain at the USPTO.

2. \textit{Validity Standard}

Not only does an infringer enjoy the limitless opportunities to attack a patent using reexamination, the infringer also benefits from the fact that the standard for patent validity is lower in reexamination than it is in federal court.\textsuperscript{\footnotesize 86} If a patent is challenged in district court, the patent is presumed valid.\textsuperscript{\footnotesize 87} In order for the accused infringer to invalidate the inventor’s patent rights in district court, the infringer must show clear and convincing evidence that the patent was erroneously granted.\textsuperscript{\footnotesize 88} Presuming validity reflects the court’s respect for research and expertise involved in a long and scrutinizing examination at the USPTO.\textsuperscript{\footnotesize 89}

In contrast, during ex parte reexamination and inter partes review, the examiner determines validity of the previously allowed patent by a preponderance of the evidence.\textsuperscript{\footnotesize 90} Reexamination gives no deference to the initial patent examination.\textsuperscript{\footnotesize 91} Just as the patent was initially examined at the

\textsuperscript{\footnotesize 85} \textit{In re Constr. Equip. Co.}, 665 F.3d 1254, 1256 (Fed. Cir. 2011).

\textsuperscript{\footnotesize 86} 35 U.S.C.A. § 282(a) (West Supp. 2012); Microsoft Corp. v. i4i Ltd. P’ship, 131 S. Ct. 2238, 2242 (2011) (holding that § 282 requires defendants to prove an invalidity by clear and convincing evidence).

\textsuperscript{\footnotesize 87} 35 U.S.C.A. § 282(a) (“A patent shall be presumed valid. . . . The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.”).

\textsuperscript{\footnotesize 88} Microsoft, 131 S. Ct. at 2242.

\textsuperscript{\footnotesize 89} Am. Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1359 (Fed. Cir. 1984).


\textsuperscript{\footnotesize 91} See 37 C.F.R. § 1.555(b)(2)(ii) (“A prima facie case of unpatentability of a claim pending in a reexamination proceeding is established when the information compels a (continued)
USPTO, the claim language is given its broadest reasonable interpretation consistent with the specification. The examiner tasked with reexamination does not attack the validity of the previously-granted intellectual property right, but rather “conduct[s] a subjective examination of the claims in light of prior art.”

Since the vast majority of reexamination requests are granted, the ability of an accused infringer to force the reexamination of a patent under the same validity standard as the initial examination undermines patent rights. Further, this may diminish the incentives to invent, to disclose, and to invest if the promised patent is not given any deference under an easily-initiated reexamination. With diminished incentives comes diminished inventor participation in the patent system.

3. Duties of Disclosure and Candor

How will abuse of the patent owner be controlled when any anonymous party may repeatedly attack a patent using reexamination, which applies a lower validity standard? The differing duties of disclosure and candor between an inventor and an accused infringer do little to prevent abuse to patent owners and benefit third party reexamination requesters. A patent owner is subject to a duty of disclosure in the original prosecution of a patent regarding any information that is material to patentability of the invention. Moreover, patent owners continue to be under the same duty of disclosure when the patent is reexamined. Specifically, the patent owner must “disclose to the Office all information known to that individual to be material to patentability in a reexamination conclusion that a claim is unpatentable under the preponderance of evidence, burden-of-proof standard, giving each term in the claim its broadest reasonable construction consistent with the specification, and before any consideration is given to evidence which may be submitted in an attempt to establish a contrary conclusion of patentability.”.

92 In re Swanson, 540 F.3d 1368, 1377–78 (Fed. Cir. 2008).
93 Id. at 1377.
94 See Ex Parte Reexamination Statistics, supra note 45; Inter Partes Reexamination Statistics, supra note 46.
95 Even during the early years of ex parte reexamination, it was observed that “the ability of third parties to use the [reexamination] procedure to circumvent the statutory presumption of validity poses a real threat to the viability of our patent system.” William G. Conger, Patent Reexamination Reexamined, 1986 DETROIT C.L. REV. 523, 562 (1986).
96 37 C.F.R. § 1.56(a) (2012).
97 Id. §§ 1.555(a), 1.933(a).
proceeding.” Inequitable conduct may be found if this duty is violated, resulting in all of the patent claims being invalidated.

Conversely, an inventor defending a patent’s validity in federal court is not subject to the same duty of disclosure as in reexamination. Furthermore, the discovery process in civil litigation is less likely to reveal material information due to the limited disclosure requirement present in federal court proceedings. As such, reexamination provides the power to reveal material information that would prove inequitable conduct of the patent owner during examination.

Meanwhile, an anonymous requester may get away with ex parte reexamination requests that amount to “sham petitioning.” Reexamination opens the door for abuse by accused infringers and competitors who file reexamination requests in order to devalue the patent and harass the inventor with meritless invalidity challenges and additional expenses. Patent attorneys and patent agents who file reexamination requests may be sanctioned by the USPTO’s Office of Enrollment and Discipline if they violate their duty of candor, but third-party requesters have no duty of candor during a reexamination proceeding. As such, reexamination offers the best method for an infringer wishing to subject an inventor to the highest duties of disclosure and candor, while remaining virtually invincible.

One federal court decision has stalled the wave of unwarranted inequitable conduct charges against inventors attempting to assert their

---

98 Id. § 1.555(a).
99 See infra note 111 and accompanying text.
101 Id. at 377.
102 Scott M. Daniels & Kate Addison, Why Wait for Oppositions?, 47 IDEA 343, 353 (2007) (“Absent such a pending reexamination, a patentee that becomes newly aware of material prior art, has no such obligation to disclose it to the Patent Office.”).
104 Id.
105 Accused infringers are not held to a duty of candor with respect to their arguments during a reexamination. “This duty is codified at 37 C.F.R. § 1.555, which only addresses the duty to disclose information. The section simply does not apply to arguments made during the reexamination.” Sony Elecs., Inc. v. Guardian Media Techs., Ltd., 658 F. Supp. 2d 1208, 1222 (S.D. Cal. 2009).
patent rights. In *Therasense*, the court corrected the inequitable conduct standard that required showing “the applicant knew of the reference, knew that it was material, and made a deliberate decision to withhold it.” Before *Therasense*, courts used a “sliding scale” to find the required level of intent and materiality. Applying this sliding scale analysis to show inequitable conduct, courts held that “a weak showing of intent may be found sufficient based on a strong showing of materiality, and vice versa.” This approach resulted in around 80% of subsequent patent infringement cases including inequitable conduct claims. Chief Judge Rader explained that this ruling, which raised the bar for requiring an inventor to endure extensive inequitable conduct discovery, “tighten[ed] the standards for finding both intent and materiality in order to redirect a doctrine that has been overused to the detriment of the public.”

However, despite *Therasense*, a new invalidation strategy utilizing reexamination has emerged. If infringers try to construct an inequitable conduct defense in litigation, they can use reexamination to establish the “but for” materiality of an undisclosed reference that was known by the inventor before their patent issued. By proving materiality of a reference through reexamination, an accused infringer can successfully prove

---

107 *Id.* at 1290.
108 *Id.*
109 *Id.*
110 *Id.* at 1289.
111 Inequitable conduct “expands discovery into corporate practices before patent filing,” and “cast[s] a dark cloud over the patent’s validity and paint[s] the patentee as a bad actor.” *Id.* at 1288. Most importantly, Chief Judge Rader explained that “the remedy for inequitable conduct is the ‘atomic bomb’ of patent law” because, if inequitable conduct is found for just one claim, the entire patent is invalidated. *Id.*
112 *Id.* at 1290.
114 Because the validity standard is the same for both initial patent examination and patent reexamination, if the undisclosed but known reference causes the examiner to reject just one claim in view of the reference, the “but for” materiality standard is satisfied. *Id.*
inequitable conduct in court, which drops the “atomic bomb” on the inventor.\textsuperscript{115}

Although the judiciary has taken steps to stop abusive inequitable conduct claims against inventors, reexamination makes it easy for infringers to force inventors back to the USPTO, subject them to exhaustive discovery and stringent duties of disclosure and candor, and assert any breach of duty as an inequitable conduct claim in litigation. While disclosure is a major part of the inventor’s side of the patent bargain, the ease with which an anonymous third party may continually harass an inventor using reexamination does not comport with the government’s side of the patent bargain—to provide secure patent rights.

4. Claim Construction

While rules relating to final adjudication, validity standards and ethical duties give infringers the advantage in reexamination, the ability to expose a patent to the highest level of scrutiny also benefits an infringer seeking to obliterate patent rights. As the former Chief Judge of the Federal Circuit Giles S. Rich once said, “[T]he name of the game is the claim.”\textsuperscript{116} The patent claims lay out the boundaries of an inventor’s patent rights.\textsuperscript{117} Because a veteran patent examiner with a high level of both technical and legal skill is tasked with scrutinizing the patent claims, reexamination offers great benefits to an infringer seeking to invalidate an asserted patent.\textsuperscript{118}

The party analyzing the claims of the patent, whether it be a judge, a jury, or an examiner, may construe the claims broadly or more narrowly in order to determine if they were properly allowed in view of the teachings of the prior art.\textsuperscript{119} In view of the closest prior art, an examiner interprets claims broadly rather than applying a limiting construction.\textsuperscript{120} This practice increases the likelihood of rejecting claims.\textsuperscript{121}

\textsuperscript{115} The entire patent is invalidated as a result of a finding of inequitable conduct with respect to one claim. \textit{Therasense}, 649 F.3d at 1288.


\textsuperscript{117} Kara Tech. Inc. v. Stamps.com Inc., 582 F.3d 1341, 1347 (Fed. Cir. 2009).

\textsuperscript{118} Andrews, \textit{supra} note 11, at 235.


\textsuperscript{120} Id. at 581.

\textsuperscript{121} Id.
At the district court, a Markman hearing is conducted where a judge constructs the claims as a matter of law. However, the judge is not likely to have technical training and may misunderstand the invention or the prior art. For example, a specific term of art in a claim may be better understood by those possessing technical knowledge as encompassing several inherent features, while a judge may be unaware of these structural or functional features. As a result, a judge may construe the claimed invention to prevent invalidation by finding that the claim limitations sufficiently overcome the closest prior art. Therefore, district courts generally return a claim construction favorable to the inventor in invalidity challenges.

Reexamination, however, typically exposes a patent to a broad and technically-focused claim construction. During reexamination, a veteran examiner, experienced in both patent law and the relevant technology, conducts a careful construction of the claim based on technical knowledge, the prior art technology, and the rules of claim construction. Additionally, unlike a judge in district court, the USPTO may consider other evidence beyond what is cited by the requester during a reexamination. Reexamination examiners have, on average, seventeen years of experience. Under the AIA, inter partes and post-grant review proceedings are conducted by the Patent Trial and Appeals Board, a group of experienced patent judges having a very high level of

122 Mark A. Lemley, The Changing Meaning of Patent Claim Terms, 104 MICH. L. REV. 101, 102 (2005). “Claim construction occurs in every patent case during a ‘Markman hearing.”’ Id. This separate proceeding, conducted solely for claim construction in patent litigation, is so important that it typically results in either settlement or summary judgment.

123 Chiang, supra note 119, at 582–83.
124 See id.
125 Daniels & Addison, supra note 102, at 350.
126 See id.
127 Id.
128 Id. at 351.
130 Id.
133 Id. § 326(c).
technical and legal expertise.\textsuperscript{134} By having more extensive knowledge and experience, these judges more readily expose any novelty or obviousness issues that may exist in the patent claims.

Patent examiners have similar experience and knowledge, and likewise scrutinize patent claims strictly. Under such exacting scrutiny, claims are invalidated more often than they otherwise would be if construed by non-USPTO entities.\textsuperscript{135} As such, an accused infringer has much more power to kill the patent through a critical reexamination than through litigation in district court.\textsuperscript{136}

5. Narrowing Claims

Exposing patent claims to the USPTO’s increased scrutiny further benefits infringers by increasing the likelihood that the claim scope will be narrowed because of reexamination. Narrowing claims presents a significant opportunity for infringers to avoid liability. Unlike litigation where an inventor has no ability to amend claims, reexamination affords the patent owner a chance to narrow the scope of the claims to avoid being invalidated based on subsequently discovered prior art.\textsuperscript{137} Although amending the claims around prior art may benefit the patentee by making the patent stronger when viewed in light of the newly discovered art, it also gives infringers the power to compel inventors to narrow the claims.\textsuperscript{138} The effectiveness of this pressure to amend is illustrated by the fact that 77\% of ex parte reexaminations\textsuperscript{139} and 89\% of inter partes reexaminations\textsuperscript{140} result in at least one claim of the patent being cancelled or amended.

Narrowed claims reduce the scope of the claimed invention such that the infringer may avoid infringement.\textsuperscript{141} Additionally, narrowing claims


\textsuperscript{135} See Chiang, supra note 119, at 586.

\textsuperscript{136} Id.

\textsuperscript{137} Robert Greene Sterne et al., \textit{Reexamination Practice with Concurrent District Court Litigation or Section 337 USITC Investigations}, in \textit{1 PATENT LITIGATION} 329, 369 (2011).

\textsuperscript{138} Id. “[I]n reality, patent owners have an extremely limited ability to amend claims” during reexamination. Id. at 370.

\textsuperscript{139} \textit{Ex Parte Reexamination Statistics}, supra note 45.

\textsuperscript{140} Inter Partes Reexamination Statistics, supra note 46.

\textsuperscript{141} Sterne et al., supra note 137, at 369.
may introduce intervening rights that limit or eliminate the infringer’s liability.\textsuperscript{142} Hence, infringers possess significant power over inventors attempting to enforce their patent rights as a result of the amendment ability, and consequently, the likelihood that the patent claims will be narrowed during reexamination.

6. \textit{Intervening Rights}

If reexamination results in substantively narrowing one or more claims, then the intervening rights doctrine can effectively absolve the infringer of liability.\textsuperscript{143} Under the intervening rights doctrine, a patent is considered to be fatally defective until the termination of a reexamination when a reexamination proceeding results in substantive claim amendments.\textsuperscript{144} As such, the inventor may not collect damages for any infringement prior to the conclusion of the reexamination proceeding.\textsuperscript{145} Moreover, the infringer is given an “absolute right to continue to use or sell” the invention without any monetary liability as long as the infringer “made, purchased or used” the invention before the conclusion of the reexamination proceeding.\textsuperscript{146}

The expansion of intervening rights through amendments during reexamination represents yet another benefit for infringers who seek to kill the patent rights of inventors. Further, this shows additional erosion of patent rights inconsistent with the basis of our patent system.

7. \textit{Case Law Affecting Patent Validity}

Just as the judicial expansion of the intervening rights doctrine advances the reexamination power of infringers, recent case has heightened the obviousness standard, which exposes patent rights to more reexamination attacks. Additionally, recent federal court decisions regarding patent-eligible subject matter blur the patent eligibility line and cut away at patent eligibility for some technologies. Worse yet, the decisions threaten newly-granted patent rights of inventors as post-grant review under the AIA is implemented.

\textsuperscript{142} Id.
\textsuperscript{143} Id.
\textsuperscript{145} Id.
\textsuperscript{146} Id.
a. The Obviousness Standard

A modification to the laws of patentability due to a federal court decision not only affects future patent applicants, but also casts doubt upon the validity of patents issued under the previous legal standard. A benefit for accused infringers is the use of reexamination to test an asserted patent under the new, more stringent obviousness standard.

In response to criticism of the quality of patents being issued, the allowance rate of patents at the USPTO has recently decreased. The decreased allowance rate is at least partially due to a more critical obviousness standard initiated by the USPTO. Many patents are currently relied upon that may not survive an obviousness attack because they were examined and issued before the rules for finding obviousness were altered.

In 2007, the Supreme Court addressed the obviousness standard for determining patentability of patent applications and validity of previously granted patents. KSR v. Teleflex gave patent examiners during initial patent prosecution, and judges considering patent validity, more flexibility in their obviousness rationale as to why a person having ordinary skill in the art would have combined prior art references to create the claimed invention. While there must still be some articulated reasoning why a person of ordinary skill would be motivated to combine the prior art elements, the Supreme Court stated that obviousness may even be satisfied with rationale that the combination would be “obvious to try.”

Application of KSR’s higher obviousness standard has increased the number of previously valid patent claims that are amended or cancelled during reexamination. The power of reexamination under the higher obviousness standard is so great that reexamination is now considered “a front line defense.”

147 Stahl & Heckenberg, Jr., supra note 131, at 23.
148 Id.
149 Id. at 24.
151 See Stahl & Heckenberg, Jr., supra note 131, at 23.
152 KSR, 550 U.S. at 421.
153 Stahl & Heckenberg, Jr., supra note 131, at 24.
By holding the power of the new obviousness standard, infringers cause uncertainty with respect to patent validity. Reexamination looms over the heads of potential inventors, scaring them away from disclosing their invention, risking capital, or inventing altogether. For existing patentees, reexamination requesters taking advantage of constricting patentability represents another way the government is defaulting on its obligations to protect the inventor under the patent bargain.

b. Patent Subject Matter Eligibility

Similar to shifting the obviousness standard, if the line between eligible and ineligible patent subject matter shifts, patents granted before the change may have questionable validity if they sit near the line. Several cases were recently argued before the United States Court of Appeals for the Federal Circuit and the Supreme Court that blur the line between the statutorily permissible and impermissible subject matter of patents. 155

A patent that contains claims directed to software or biotechnology may have questionable validity and is now susceptible to reexamination attack. 156 Although ex parte reexamination and inter partes review do not allow arguments based on statutory subject matter under 35 U.S.C. § 101, the new post-grant review does allow challenges based on § 101. 157

With respect to software method claims, the Federal Circuit recently decided in *CyberSource* that an entire genre of software patents drafted using a previously acceptable form of software method claim, known as a “Beauregard claim,” may now be invalidated as being nonstatutory. 158 While many software method patents may still be upheld as being sufficiently tied to a computer, others may be found invalid as being simply an unpatentable mental process under *CyberSource*. 159 As a simple way to measure the impact of *CyberSource*, a report focused only on the

156 While *Bilski* rejected restricting the determination of subject matter eligibility to a single test, 130 S. Ct. at 3228, it failed to provide additional guidance as to the eligibility of patents in the computer software and biotechnology areas.
158 *CyberSource*, 654 F.3d at 1373–77. “A Beauregard claim . . . is a claim to a computer readable medium (e.g., a disk, hard drive, or other data storage device) containing program instructions for a computer to perform a particular process.” *Id.* at 1373.
159 *Id.* at 1375.
portfolios of a few large corporations revealed the presence of hundreds of software method patents that were drafted in reliance on the “Beauregard claim” language. Since CyberSource, federal courts continue to cast doubt on the inclusion of some computer-related inventions as statutory subject matter.

Prometheus and Myriad represent the uncertainty present in biotechnology-related patents. The U.S. Supreme Court determined that the drug delivery method of Prometheus is ineligible subject matter. In Myriad, initially the district court held that the isolated DNA molecules are ineligible patent subject matter since they are “products of nature.” The Federal Circuit disagreed with the district court. In light of the Prometheus, the Supreme Court granted the petition for certiorari, vacated the Federal Circuit’s opinion, and remanded the case. On remand, the Court of Appeals distinguished the case from Prometheus and again reversed the district court, determining that the isolated DNA is subject to patent protection. In response to the Federal Circuit’s second holding that isolated DNA is patent-eligible matter, the American Civil Liberties

---


161 See, e.g., Dealertrack Inc. v. Huber, 674 F.3d 1315, 1332 (Fed. Cir. 2012).


165 Prometheus, 132 S. Ct. at 1294.


167 653 F.3d at 1350.

168 132 S. Ct. at 1794.

169 689 F.3d at 1326.
Union and the Public Patent Foundation filed petition for certiorari with the Supreme Court, again.\textsuperscript{170}

The most recently filed petition for certiorari means that Myriad may take another trip to the Supreme Court to clarify the still-unsettled eligibility question. The intersection of Prometheus and Myriad represents the murkiness of subject matter eligibility in biotechnology patents.\textsuperscript{171} Any biotechnology patent less than nine months old remains susceptible to invalidation under post-grant review while these patent eligibility questions remain unanswered.\textsuperscript{172}

The preceding cases relating to software and biotechnology patents do little to provide patent owners or applicants with guidance on how secure patent rights are in these areas. The recent expansion of reexamination to allow statutory subject matter arguments using post-grant review, combined with the current murkiness between what is statutory and nonstatutory subject matter eviscerates any incentive for invention, disclosure, and investment in these borderline areas of innovation. This is especially detrimental because, for vast and ever-expanding technology fields such as these, technological advancement must not be impeded while new discoveries are made every day. Obstructing to the progress of scientific discovery as a result of infringer-friendly reexamination laws and an uncertain definition of eligible subject matter directly contradicts the principles laid out in the U.S. Constitution that patent laws “promote the Progress of Science and useful Arts.”\textsuperscript{173}

Even before its recent expansion, reexamination has provided powerful methods for infringers to invalidate patent rights through limitless attacks without any deference to previous findings of validity.\textsuperscript{174} Despite holding inventors to high duties of disclosure and candor, the USPTO views their patents with a low level of validity.\textsuperscript{175} Furthermore, reexamination offers


\textsuperscript{172} See 35 U.S.C.A. § 321(c) (West Supp. 2012).

\textsuperscript{173} U.S. CONST. art. I, § 8, cl. 8.

\textsuperscript{174} See supra Part III.A.1–2.

\textsuperscript{175} See supra Part III.A.2–3.
an infringer the opportunity to force a patent to undergo the most scrutinizing review. During reexamination, there is a high likelihood a patentee will amend or cancel claims to maintain patent validity, which may create intervening rights for the infringer. 176 Finally, patents are increasingly susceptible to reexamination attack as a result of recent case law that shrinks patentability and creates uncertainty as to the validity of many patents across a broad spectrum of technologies. 177 Notwithstanding impending post-grant review cases involving challenges to patent-eligible subject matter, the reexamination power of patent infringers was substantial even before the recent expansion under the AIA.

B. Reexamination Expansion Under the AIA

If finality, validity, and ethical rules, combined with increased claim scrutiny, narrowing claim scope, and intervening rights opportunities did not tip the scales far enough to damage inventors and incentivize infringers, new legislation certainly will. The power of reexamination continues to increase because of the AIA. Although ex parte reexamination remains virtually unchanged, the Act reduces restrictions on inter partes review proceedings and introduces post-grant review as a new reexamination route to allow arguments and types of evidence for invalidating patents that have never been permitted in the past. 178

The expansion of reexamination was intended to counteract the underutilization of reexamination due to fear and uncertainty surrounding the estoppel provisions attached to inter partes reexamination. 179 To illustrate, when the inter partes and post-grant review provisions of the Act were being drafted, if a practitioner suggested reexamination to an allegedly infringing client, then it was considered malpractice. 180 However, the power of reexamination has gained such recognition in the

176 See supra Part III.A.4–6.
177 See supra Part III.A.7.
179 Matthew A. Smith, Inter Parties Revocation Proceedings § 1:3 (2012), available at Westlaw INTRPARTIES.
180 Chiang, supra note 119, at 579.
few years preceding the enactment of the AIA that not suggesting reexamination to a client now may constitute malpractice.181

With the AIA, Congress added fuel to the fire and further increased the reexamination power of accused infringers. The substantive rule changes to reexamination directed to inter partes review and the new post-grant review proceeding further diminishes the incentives of the patent system, violates the granted patent rights of inventors, and places unprecedented burdens on inventors.

1. The Expansion of Inter Partes Reexamination

The first major benefit for infringers under the AIA relates to the expansion of inter partes reexamination. The AIA changed the name of inter partes reexamination to “inter partes review” and created a new standard for granting inter partes review.182 Previously, a requester was required to show a “substantial new question of patentability” in order to be granted ex parte reexamination183 or inter partes review.184 The new standard imposed by the AIA requires that the requester show “that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”185 Under the previous “substantial new question” standard, about 95% of reexamination requests were granted.186


183 Id. § 303(a).

184 Id. § 311(b).

185 Id. § 314(a).

The new threshold for inter partes review will be just as easy to satisfy as the old standard. While the new standard is determined based on the USPTO’s interpretation, many practitioners in the patent community expect this new standard to raise the threshold requirement for granting a reexamination. However, a recent report indicates that the new standard will not decrease the percentage of reexamination requests being granted. Indeed, the current implementation of the new inter partes review standard produces the same high grant rate.

Even without this evidence, viewing the high percentage of claims cancelled or amended during inter partes reexamination already gives the appearance a reasonable likelihood that a requester will prevail with at least one claim. As such, the high success of reexamination for infringers provides the “reasonable likelihood” needed to initiate an inter partes review. Moreover, a patent being enforced against an infringer typically has many claims varying in scope from broad to more narrow. The requester can show the reasonable likelihood of success for only one claim and bind the entire patent with a reexamination proceeding. Since recent observations indicate an enduring liberal grant rate, the new standard for granting inter partes review is not a higher standard than the old threshold. As the percentage of reexamination grants remains high,


189 Wright & Mutschelknaus, supra note 187.


191 Wright & Mutschelknaus, supra note 187.

192 Quinn, supra note 190.


194 Id.

195 See supra Part II.B.
the popularity of reexamination will continue to grow, and inter partes review will continue to serve as another instrument to burden inventors attempting to assert their patent rights.

The AIA further expands inter partes review by allowing discovery of evidence of patent invalidity.196 Previously, a requester could only file one written comment when the patent owner filed a response to an action on the merits from the USPTO.197 The written comment needed to be received by the USPTO within thirty days after the third party received the patent owner’s response.198 After the AIA, infringing requesters are able to initiate an inter partes review and conduct discovery against the patent owner just as if they were litigating in a district court.199

The opportunity for discovery within an already powerful inter partes review option adds to an infringer’s power and undermines the inventor’s intellectual property rights. The liberal grant rate of inter partes review will not shield inventors from the expensive burdens of protecting patent rights; it will drive away potential patentees as they witness the shift of power from the inventor to the infringer.

2. The Introduction of Post-Grant Review

In addition to expanding inter partes reexamination, the second major benefit infringers receive from the AIA is the implementation of post-grant review. The AIA created post-grant review as a type of reexamination that imposes the fewest restrictions on a requester attempting to show invalidity of a previously granted patent.200 Before the AIA introduced post-grant review, a reexamination proceeding was only granted based on a lack of novelty argument under 35 U.S.C. § 102 or an obviousness argument under 35 U.S.C. § 103.201 Post-grant review has now expanded reexamination such that a reexamination petition may now be granted based on any grounds that would have prevented the patent from going to issue initially, including a nonstatutory subject matter argument under 35 U.S.C. § 101 or a non-enabling disclosure or indefiniteness argument under 35 U.S.C.

---

198 Id.
201 See discussion supra Part II.B.
§ 112.202 Post-grant review may even extend beyond the grounds initially considered for patentability by allowing reexamination “by a showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.” Never before has the USPTO offered a method for patent invalidation as extensive as this.

Only prior art in the form of patents and printed publications may be submitted as evidence of invalidity with ex parte reexamination and inter partes review. However, post-grant review is virtually unlimited in its evidence requirement. Affidavits, declarations, or even expert opinions may be enough to force a patent to undergo a post-grant review.

The threshold for initiating a post-grant review is similar to inter partes review, except that post-grant review allows further reexamination “by a showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.” Since the threshold for inter partes and post-grant review are similar, the threshold for initiating post-grant review will likely be low and result in a high grant rate of post-grant review requests.

Just as with the new inter partes review, the AIA further broadens the power of the infringing reexamination requester by allowing discovery of evidence during post-grant review. However, post-grant review discovery may be more extensive and intrusive for the patent owner since post-grant review requests can be based on any argument of invalidity, as discussed previously.

Despite the broad expansion of these infringer-friendly reexamination proceedings, there are specific timing restrictions with respect to inter partes review and post-grant review. A post-grant review request may not

---

203 Id. § 324(b).
204 Id. § 311(b).
205 See id. § 322(a)(3).
206 Id. § 322(a)(3)(B).
207 There must be a showing that “it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.” Id. § 324(a).
208 Id. § 324(b).
209 Wright & Mutschelknaus, supra note 187.
211 Id. § 326(a)(5).
212 See supra notes 203–09 and accompanying text.
be filed beyond nine months after the issue date of the patent\textsuperscript{213} and an inter partes review request may not be filed before that nine month period has expired or before the termination of a post-grant review.\textsuperscript{214} However, although a party is barred from initiating an inter partes review based on an argument that they could have raised in a previous post-grant review, there are often several infringers that face an asserted patent.\textsuperscript{215} As such, one party may initiate a post-grant review based on one argument of invalidity before a second challenger, who is accused of infringing the same patent, initiates an inter partes review based on a different, but previously available argument.\textsuperscript{216} Strategies such as this are loopholes to the estoppel provisions designed to limit the power of reexamination requesters. As illustrated, minimal restrictions across multiple reexamination routes empowers infringers under the newly expanded reexamination proceedings. This empowerment has arrived after the substantial benefits of reexamination gained recognition.\textsuperscript{217}

Initiating an inter partes review imposes a heavy burden on inventors due to the lengthy and expensive discovery and arguments for validity required to defend the patent rights already granted by the USPTO. Moreover, a post-grant review will require an inventor to face an unprecedented amount of delay, work, and expense in order to defend intellectual property rights they believed would be secure upon the USPTO issuing a patent. Furthermore, the “substantial new question of patentability” standard for initiating reexaminations that was in place for inter partes reexaminations, and still exists for ex parte reexaminations, is very easy to satisfy.\textsuperscript{218} The AIA created a new reexamination threshold that will not reduce the frequency of reexamination or its burden on inventors.\textsuperscript{219} Therefore, an increased threshold is needed for all three types of reexamination in order to restore confidence in American patent system and prevent abuse by infringers.

\textsuperscript{213} 35 U.S.C.A. § 321(c).
\textsuperscript{214} Id. § 311(c).
\textsuperscript{215} See Michel, supra note 193.
\textsuperscript{216} Id.
\textsuperscript{217} See Ex Parte Reexamination Statistics, supra note 45; Inter Partes Reexamination Statistics, supra note 46.
\textsuperscript{218} See Michel, supra note 193.
\textsuperscript{219} See Wright & Mutschelknaus, supra note 187.
IV. RESTORING THE POWER OF THE INVENTOR

The power of infringers to use reexamination’s finality, validity, and ethical rules, while gaining an advantage through increased claim scrutiny, narrowing claim scope, and intervening rights opportunities, will only increase with the expansion of reexamination under the AIA. The vast and rapidly expanding amount of power given to infringers through reexamination correlates with a proportional diminution of rights previously granted to the inventor by the USPTO. The expense and complication of litigation necessitates the existence of some type of administrative reexamination procedure in order to provide a practical means of correcting errors; however, the increasing popularity of reexamination coupled with its expansion under the AIA requires safeguarding the rights of inventors. Solutions should focus on reducing serial reexamination abuse, establishing more sophisticated validity rules for reexamined patents, creating higher thresholds for the initiation of all three types of reexamination, and shifting the focus to initial examination. By taking these actions, the government will further incentivize inventors to continue to invent, to disclose, and to invest.

A remedy for serial reexamination abuse may reduce burdens on inventors. One remedy may be in the works. The AIA includes an inter partes review estoppel provision prohibiting the named petitioner from “request[ing] or maintain[ing] a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.” Since post-grant review must occur prior to inter partes review, the estoppel provision refers to estoppel for ex parte reexamination petitioners after an inter partes review has been filed by the same party. However, because ex parte reexamination requesters may remain completely anonymous, enforcing this estoppel will be challenging. A new rule has been suggested that any inter partes review petitioner should be required to disclose any ex parte reexamination proceedings that they are initiating, even if anonymous. This proposal may greatly reduce abusive serial

220 See Gardella & Berger, supra note 17, at 387.
223 Id.
224 Id.
reexamination by petitioners who file one or more ex parte reexamination requests after an extensive inter partes review proceeding. Although it may fix serial reexamination requests after an inter partes review proceeding, this proposal does not cap the excessive serial ex parte reexaminations requested by a party who has not initiated inter partes review.

The problem of serial ex parte reexamination abuse may be solved by either prohibiting anonymous ex parte requests or adjusting the level of deference given to serial reexamination requests. Each subsequent reexamination request in a serial reexamination should be viewed with increasing deference to the previous reexamination decision affirming the patent claims. Courts tend to view the validity of a reexamined patent with slightly higher deference. The USPTO should also consider any previous reexamination of the patent resulting in affirmed claims in its determination of validity during a subsequent reexamination. This may prevent the endless harassment of inventors by infringers using multiple ex parte reexamination requests.

Additionally, in its validity determination during reexamination, the USPTO should consider a federal court’s finding of validity of the patent in question. A heightened validity standard for previous validity decisions will protect inventors and their assignees, like Roger Smith and CEC, from competitors seeking to cash in on their years of investment in the patented technology.

To protect investment, patents subject to reexamination beyond a certain age should be presumed valid, similar to how they are viewed in federal court. Dr. Nancy J. Linck, an influential contributor to the development of both inter partes and post-grant review, argues that the evidentiary standard should be raised at least with respect to reexamination that occurs beyond nine months after patent issuance, which would include inter partes review and ex parte reexamination. Limiting the power of

227 “Maintaining the preponderance of the evidence standard for an additional nine months seems fair. After that the presumption should be applied.” Interview by The Reexamination Center with Dr. Nancy J. Linck, Partner, Rothwell, Figg, Ernst & Manbeck, (continued)
an infringer to invalidate a patent after the inventor invests significant time and money correlates with an essential purpose of the patent system.

Regarding the ex parte reexamination threshold, the “substantial new question” standard should be reevaluated in view of the potential power an infringer possesses when they initiate reexamination. Once initiated, an ex parte reexamination petitioner can launch limitless attacks, significantly reduce the patent’s value, and require large expenditures of time and money by the inventor to protect patent rights. As such, the USPTO should work to reduce the ease with which an infringer may initiate an ex parte reexamination by raising the “substantial new question” threshold, especially in view of the increasing popularity of reexamination threatening a larger number of inventors.

While recent reexamination statistics suggest the new threshold for inter partes review will be low, exact results are yet to reveal how low the threshold will be under the “substantial likelihood” and “more likely than not” standards of the new post-grant review proceeding. However, as USPTO officials implement inter partes and post-grant review, they should consider an infringer’s power during reexamination. Specifically, the “reasonable likelihood,” “substantial likelihood,” and “more likely than not” standards of the new inter partes and post-grant review should be set high enough to prevent anything close to the 94% reexamination grant rate currently experienced with respect to inter partes reexaminations. This guarantees that an inventor’s patent is not issued arbitrarily, that the USPTO upholds its end of the patent bargain, and that infringers will not use the reexamination system for illicit purposes.

If an accused infringer’s ability to initiate reexamination remains unabated, a fee-shifting provision may prevent frivolous reexamination requests that burden inventors.Meritless requests would be punished with either sanctions or an award of attorneys’ fees, just as federal court treats similar conduct. Especially in the case of an expensive inter partes


228 Janis, supra note 6, at 72; Mercado, supra note 103, at 106–07.
229 See Ex Parte Reexamination Statistics, supra note 45.
230 See Wright & Mutschelknaus, supra note 187.
231 Inter Partes Reexamination Statistics, supra note 46.
232 Janis, supra note 6, at 51.
233 Id.
or post-grant review, a fee-shifting provision will protect the inventor from a third party creating unnecessary costs.\footnote{Id.}

Finally, due to a lack of funding, an increasing number of patent applications, and a large application backlog, the USPTO has occasionally sacrificed patent quality to meet the demand of the inventing community.\footnote{Interview by The Reexamination Center with Paul R. Michel, Chief Judge (part 3 of 3) (Sept. 1, 2011) [hereinafter Michel Interview], available at http://reexamcenter.com/2011/09/the-reexamination-center-executive-interview-chief-judge-paul-r-michel-part-3-of-3/.} Rather than punishing those intended to be protected by Article I, Section 8, Clause 8 of the U.S. Constitution and empowering patent infringers with an expansion of reexamination, the focus of patent quality should be shifted to initial patent examinations. Budgetary allocations should be spent on the root cause of low quality patents at the USPTO.\footnote{See id.}

Thankfully, with the AIA, fee-setting authority was given to the Director of the USPTO in order to bring the backlog and budgetary issues under control.\footnote{Warren K. Mabey, Jr., Deconstructing the Patent Application Backlog . . . A Story of Prolonged Pendency, PCT Pandemonium & Patent Pending Pirates, 92 J. PAT. & TRADEMARK OFF. SOC‘Y 208, 256 (2010).} As the number of patent applications continues to increase, and the backlog continues to grow, the USPTO should allocate financial resources to update its dilapidated computer systems and hire and retain qualified patent examiners.\footnote{Id. See also Michel Interview, supra note 235.} If equipped with the proper tools, then the USPTO will grant higher quality patents, which will diminish the need for a massive reexamination program, and will grow inventor confidence in their granted patent rights.

As it stands, however, expanded reexamination provisions under the AIA will bleed any excess funding from the USPTO.\footnote{Michel Interview, supra note 235.} If the USPTO wishes to promote technological progress in this country, their efforts should focus on improving the quality of initial examination while implementing inventor-friendly rules rather than empowering infringers with reexamination benefits that threaten the inventors.\footnote{See id.}

In order to restore the power of the inventor and promote the progress of science, reexamination must be reduced by limiting serial
reexamination, increasing the threshold for the initiation of all types of reexamination, and improving the quality of patents at the source, thereby removing the necessity for an extensive patent disposal program.

V. CONCLUSION

The entire purpose of the U.S. patent system is to provide incentives for inventors to invent new technology, disclose technology to the public, and risk capital in pursuit of their technological achievements. It is counterproductive to the foundation of the U.S. patent system to empower third-party reexamination requesters who do not advance technology, yet abuse the well-deserved patent rights of inventors. Patent rights offered as part of the patent bargain, established by the United States Constitution, initiated in the USPTO, and enforced in our federal court system continue to deteriorate because of the growth of reexamination. Growth is likely due to finality, validity, and ethical rules; increased claim scrutiny, narrowing claim scope, and intervening rights opportunities; and recent precedential opinions that cast doubt on the validity of many patents. Furthermore, recent patent reform laws expand reexamination scope to a level never experienced in this country. In any case, reexamination now offers accused infringers more power than ever before to the disadvantage of inventors asserting their patent rights granted by the USPTO.

The expansion of reexamination under the AIA was premature. Congress drafted the new reexamination provisions in order to increase the use of reexamination during a time when the suggestion of reexamination was considered malpractice. Since that time, there have been almost twice as many inter partes reexaminations initiated than the total number of inter partes reexaminations of all preceding years and ex parte reexamination has experienced a similar increase. Reexamination is now so powerful and commonplace that not suggesting it to a client accused of infringement may constitute malpractice. This recent

241 Campbell, Jr., supra note 2, at 294.
242 See Ex Parte Reexamination Statistics, supra note 45; Inter Partes Reexamination Statistics, supra note 46.
243 See supra Part III.A–B.
244 SMITH, supra note 179, at § 1:3.
245 Chiang, supra note 119, at 579.
246 Inter Partes Reexamination Statistics, supra note 46.
247 Ex Parte Reexamination Statistics, supra note 45.
248 McKeown, supra note 181.
explosion in popularity illustrates that the expansion of reexamination through legislation was not needed. Now, an agency established to grant patent rights to inventors will operate a massive reexamination program to serve accused infringers in exponentially increasing numbers. As this growth becomes more prevalent, reexamination will weaken the patent system by eroding the incentives that form the basis of our patent system and destroy the hard-earned patent rights of inventors.