

## Strategic Considerations in the Parallel Universe of Patent Reexamination and Patent Litigation

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Parties to patent disputes increasingly find themselves facing the complex issues that arise when a patent at issue in litigation is in concurrent reexamination proceedings before the United States Patent and Trademark Office (PTO). In these situations, the *same* patent claims may be analyzed and interpreted with different outcomes due to the differences between the two forums and their applicable timelines, rules, and purposes, and because different participants and decisionmakers are involved. These differences substantially affect the ability of patent holders to enforce their patent rights and the ways that accused infringers can defend themselves against potentially invalid patents.

For example, a significant difference between patent validity assessments in PTO reexaminations versus in connection with district court litigation is the applicable standard of proof. In the district court, a patent is presumed to be valid unless and until the accused infringer presents clear and convincing evidence of invalidity; in contrast, in reexamination proceedings, the PTO<sup>1</sup> evaluates challenges to validity based on a preponderance of evidence standard and with no presumption. Because patents do not enjoy a presumption of validity in a reexamination and validity challenges are considered under a lower standard of proof, an accused infringer may have an easier time challenging a patent's validity in reexaminations before the PTO than in the district court.

As one might expect, the concurrent and independent proceedings in these uniquely distinct forums can raise a variety of challenges, risks, and strategies for both patent holders and accused infringers. Problems may arise, for example, when the PTO and the courts arrive at different conclusions regarding validity or patentability in relation to the same patent claims. Although some courts may look to the PTO's reexamination office actions and determinations for guidance, the mere fact that a patent is found to be valid in reexamination does not guarantee the same result in the related litigation. In an even more troubling scenario, a patent determined by the district court to be valid and infringed may be later found invalid<sup>2</sup> by the PTO in reexamination, thereby erasing the patent holder's success and efforts in the district court. The interplay between reexamination and litigation with its attendant issues is a poignant area of interest for patent holders and accused infringers alike.

This article addresses some of the strategic considerations that arise most frequently in this "parallel universe."<sup>3</sup>

### *Ex Parte* or *Inter Partes* Reexamination? Strategic Considerations

Parties considering whether to seek reexamination of a patent at issue in litigation should carefully consider which type of reexamination procedure, *ex parte* or *inter partes*, will best suit their objectives, as the two procedures differ considerably.

The *ex parte* reexamination procedure, which has been around since 1981, is arguably considered the more traditional, and is the more frequently used, form of reexamination procedure. Under the *ex parte* process, any person, including the patent holder, can file a request for the PTO to reexamine any claim<sup>4</sup> of an issued patent based on prior art patents or printed publications that may relate to its patentability. The request can be filed at any time during the enforceability of the patent and may even be done anonymously. As discussed in more detail below, additional *ex parte* reexaminations or an *inter partes* reexamination can be filed even while an *ex parte* proceeding already is pending.

Third party requesters have a limited role in *ex parte* proceedings. After the request for reexamination is submitted, the patent holder may, but is not obliged to, file a response to the request within two months. If the patent holder does respond to the reexamination request, the third party requester has the right to respond to the patent holder's statement. After that point, however, the third party requester's ability to participate in the *ex parte* reexamination proceedings ends. Moreover, responding to the reexamination request is optional, many patent holders choose not to file an initial response in order to preclude the third party requester from the ability to present counter arguments. In this situation, the third party requester has no further right to participate in the reexamination proceeding after filing the initial request, other than to receive copies of office actions and the patent holder's filings. The third-party requester also has no right to appeal the PTO's decisions.

Some critics have argued that the *ex parte* reexamination procedures too heavily favor the patent holder because communications and exchanges are limited to just the patent holder and the PTO. Indeed, *ex parte* proceedings allow the patent holder to fully present its case to the examiner without interference from third parties. In addition, the patent holder has the opportunity to amend or add patent claims during the reexamination to avoid any prior art, thereby strengthening the patent. Thus, a patent holder can seek to amend what might be questionable patent claims or add new dependent claims through the *ex parte* reexamination process virtually unchallenged.

On the other hand, *ex parte* reexamination provides potential advantages to accused infringers. Compared to litigation as a venue to challenge patent claims, *ex parte* reexamination is relatively inexpensive. The PTO cannot award fees, costs, or expenses so there is no exposure even for a weak request. The accused infringer also is not subject to discovery in an *ex parte* proceeding. Additionally, the ability to file *ex parte* reexamination requests anonymously may benefit a requester who is concerned that its products could infringe the patent claims by preventing the patent holder from identifying the potentially infringing products and amending or adding claims to read on the products through the reexamination.

Partially due to criticisms that *ex parte* reexaminations did not provide a route for third parties to participate substantially in the proceedings, Congress created an optional *inter partes* reexamination procedure. Any patents issuing from original applications filed in the United States on or after November 29, 1999, can be reexamined in an *inter partes* reexamination. *Inter partes* reexamination requests cannot be filed anonymously; they must identify the real party in interest filing the request.

In *inter partes* proceedings, third party requesters, including accused infringers, may actively participate in the reexamination process before the PTO. The third party requester has the right to file a response and comments to all submissions made by the patent holder, can comment on the examiner's office actions, can raise additional arguments to support invalidity, and can cite additional prior art to rebut a response by the patent holder if the prior art was not known before the request was filed. However, the third party does not have the right to respond to all of the patent holder's submissions, such as petitions for extensions of time. In *inter partes* proceedings third party requesters can appeal the PTO's decisions. *Inter partes* reexamination generally is less costly than litigation.

*Inter partes* reexaminations, however, do impose significant potential limitations that third party participants do not face in *ex parte* reexamination proceedings. Unlike the case with *ex parte* proceedings, in *inter partes* proceedings the requester may not initiate multiple proceedings. If an *inter partes* reexamination has been filed already, third parties may not subsequently request either an *ex parte* or a further *inter partes* reexamination.

Importantly, in *inter partes* reexaminations the third party requester cannot later challenge in district court litigation or before the ITC the validity of any claim determined to be valid or patentable by the PTO in the reexamination on any ground that the requester raised or could have raised in the *inter partes*

reexamination.<sup>10</sup> The requester also is estopped from subsequently challenging in litigation any fact determined in the *inter partes* reexamination (unless the fact is found to be incorrect based on information that was unavailable at the time of the reexamination).

It is important to be aware that litigation proceedings also can create estoppels applicable to the *inter partes* reexamination. Once a final decision has been entered against a party in litigation finding that the party has not sustained its burden of proving the invalidity of any patent claim in suit, that party and its privies cannot later request an *inter partes* reexamination on the basis of the prior art that was raised or could have been raised in the civil action.<sup>11</sup>

## Considerations Related to the Length of Reexamination

Increasing focus is being placed on the amount of time it takes for a patent to emerge from the reexamination process. The amount of time it takes for the PTO to reexamine patent claims plays a significant role in the extent to which reexamination is a viable option for an accused infringer or a patent holder. If reexamination proceedings drag on forever, the patent holder potentially may be prejudiced in its ability to enforce its patent rights. But, if the PTO is too hasty in reexamining the patent claims, the process will not be an effective alternative forum for an accused infringer to challenge patent claims. Essentially, unless the reexamination process is efficient but thorough, parties may be better off resolving disputes about patent validity through litigation proceedings. As discussed more fully below, the anticipated length of reexamination proceedings often is a factor considered by courts in evaluating whether to stay litigation pending the completion of the reexamination. Depending on other factors involved, staying litigation until the PTO makes a reexamination determination can be prejudicial to the patent holder's ability to assert its patent rights. On the other hand, not staying the litigation may force the accused infringer to spend substantial time and resources on duplicative efforts in different forums.

The PTO is mandated to conduct reexaminations with "special dispatch."<sup>12</sup> At the time of this printing, the PTO's statistics show that the average pendency of reexamination proceedings is 25.4 months for *ex parte* reexaminations and 36.5 months for *inter partes* reexaminations.<sup>13</sup> However, the actual amount of time that any individual reexamination proceeding can take may vary significantly.<sup>14</sup> Accordingly, because reexaminations can be used to strategically delay progress in concurrent litigation, both plaintiffs and defendants in patent disputes should pay close attention to reexamination pendency statistics.

## Strategic Considerations When Facing Multiple Reexamination Proceedings

A significant issue in dealing with concurrent litigation and reexamination is that there are no restrictions on how many *ex parte* reexamination requests can be filed on the same patent or even the same patent claims. Accordingly, a patent holder may have to deal with multiple and "rolling" reexamination requests, or an accused infringer may need to contemplate whether to file multiple requests.

From the accused infringer's perspective, filing multiple *ex parte* reexamination requests may be an effective way to deal with situations when a patent holder fails to disclose or improperly portrays prior art or when the accused infringer later discovers prior art that was not disclosed in a prior reexamination. However, multiple reexamination requests also can come back to haunt the requester. Each reexamination request limits the universe of possibilities for the PTO to find a substantial new question of patentability (SNQ) because the PTO considers whether that SNQ already has been raised before granting a reexamination request.<sup>15</sup> Additionally, the district court judge may interpret a defendant's request for multiple reexaminations as a dilatory tactic, especially if the defendant also is requesting a stay of the concurrent litigation based on the pending reexamination proceedings.

A patent holder faced with multiple *ex parte* reexaminations is not, however, without recourse. The

patent holder can request that multiple proceedings on the same patent be merged. Although the decision of whether to merge proceedings is in the PTO's discretion, merger is typically granted where the patent holder can show that doing so will result in efficiency and expediency, furthering the "special dispatch" obligations of the PTO.<sup>16</sup>

## Establishing a Substantial New Question of Patentability When Relying on Previously-Cited Art

A requester seeking either an *ex parte* or *inter partes* reexamination of a patent must show that the prior art references submitted with the request raise a "substantial new question of patentability." The SNQ requirement prevents third parties from filing multiple reexamination requests based on references that have already been examined by the PTO in a prior reexamination.

The Federal Circuit's decision in *In re Swanson*<sup>17</sup> addressed the definition of a SNQ and has impacted the way a requester meets the threshold requirements for a reexamination. Previously, requesters were prohibited from obtaining reexamination based on "prior art previously considered by the PTO in relation to the same or broader claims."<sup>18</sup> In 2002, however, the *ex parte* reexamination statute, 35 U.S.C. § 303(a), was amended to expressly allow a finding of SNQ based on previously-cited prior art.<sup>19</sup> In *In re Swanson*, the Federal Circuit held that a prior art reference that was used to reject claims in the original prosecution could raise a SNQ if it was presented in a "new light."<sup>20</sup> Interpreting *In re Swanson*, practitioners have provided multiple examples of situations when old art can present a "new light," such as when:

- The original examiner misunderstood the actual technical teaching of the prior art;
- The original examiner failed to consider a part of the reference containing the newly-cited teaching; or
- The original examiner applied the reference to a limitation or claim different from the limitation or claim to which the reference is sought to be applied.<sup>21</sup>

Old art does not raise an SNQ if the original examiner understood the actual teaching, but made a mistake in the rejection.<sup>22</sup> Obviously, determining what the original examiner did or did not understand, consider, or apply can open up an entirely new dispute in itself. One thing is certain, however: Patent holders cannot guarantee that they are in the clear as to previously-cited references before the PTO, and accused infringers should not discount already-cited prior art as a potential basis to challenge patent validity before the PTO.

## Staying Litigation Pending Reexamination

Requests for litigation stays pending reexamination proceedings are an increasingly common occurrence. Frequently, an accused infringer will attempt to stay a patent infringement suit when challenging the validity of the asserted patent in reexamination.<sup>23</sup> In some circumstances, a plaintiff patent holder may seek to stay litigation proceedings in order to confirm or strengthen the validity of its patent through reexamination. The decision as to whether to stay concurrent litigation pending reexamination is within the district court's discretion. In considering whether to issue a stay, courts typically consider the following factors:

- Whether a stay will cause undue prejudice or create a clear tactical advantage to the non-moving party;
- Whether a stay will simplify the issues to be determined at trial; and
- Whether discovery is complete and whether a trial date has been set.<sup>24</sup>

The inherent delay caused by reexamination alone is usually insufficient to establish undue prejudice

to the patent holder,<sup>25</sup> and courts have in many instances granted stays due to the potential prejudice to the defendant in having to litigate a lengthy and costly trial over claims eventually found invalid by the PTO in reexamination.<sup>26</sup> However, numerous courts also have refused to stay litigation “lest the trial schedule be manipulated or unduly delayed.”<sup>27</sup> Indeed, courts that grant stays typically do so where the cases are in their nascent stages.<sup>28</sup>

Courts also look to any delay by the moving party (typically, the accused infringer) in requesting either a reexamination or in moving for a stay. For example, in *Esco Corp. v. Berkeley Forge & Tool, Inc.*,<sup>29</sup> the District Court for the Northern District of California denied the defendant’s motion to stay pending an *inter partes* reexamination since the defendant had been on notice of the plaintiff’s infringement accusations for months but made no effort to seek reexamination until it became apparent that litigation was inevitable. Denying the defendant’s motion to stay, the Court also relied upon the defendant’s delay<sup>30</sup> after litigation was initiated in moving to stay the litigation based on the reexamination.

When the reexamination requester is the party seeking to stay the litigation, courts may consider whether the requester sought an *ex parte* or an *inter partes* reexamination. District courts, especially in the Eastern District of Texas, have begun to recognize that defendants who choose *ex parte* reexamination, instead of utilizing the potentially binding *inter partes* examination process provided by Congress,<sup>31</sup> may be using reexamination as a tactical device to delay the case and drive up litigation costs.<sup>32</sup> For example, in *Affinity Laboratories of Texas, LLC v. Dice Electronics, LLC*,<sup>32</sup> the Court denied the defendants’ motion to stay, finding that the defendants failed to act with dispatch in seeking reexamination. The District Court for the Eastern District of Texas significantly observed that the “[d]efendants’ failure to choose the congressionally provided option of a binding *inter partes* reexamination smacks of a litigation tactic designed to bog down rather than expedite resolution of this case.”<sup>33</sup> The *Affinity Laboratories* Court further observed that, in opting for *ex parte* instead of *inter partes* reexamination, the defendants

[have] reached back in history to the non-binding “no risk for me” *ex parte* reexamination process, allowing all Defendant [sic] to lay behind the log, hoping for favorable developments with the passage of time. Instead of streamlining the process, [the defendants’] choice guarantees the imposition of additional costs on [the plaintiff],<sup>34</sup> and indicates a lack of desire to resolve the issues in the case in a timely manner.

Accordingly, an accused infringer contemplating whether to seek reexamination of the patent holder’s patent would be well-advised to consider how the *type* of reexamination proceeding requested could subsequently impact its ability to seek a stay of the litigation.

Finally, both patent holders and accused infringers involved in patent litigation should be aware of the growing practice of courts imposing conditions in order to grant a stay. Some examples of conditions that courts have placed on defendants in granting a stay include:

- Estopping the defendant from arguing invalidity in the litigation based on any prior art considered by the PTO in reexamination;<sup>35</sup>
- Requiring the defendant to submit all evidence of relevant prior art to the reexamination proceeding;<sup>36</sup>
- Prohibiting the defendant from instituting any further reexamination proceedings;<sup>37</sup>
- Authorizing limited background discovery on certain topics to preserve evidence even if a stay is granted;<sup>38</sup> or
- Requiring the defendant to post a bond or other security.<sup>39</sup>

It is important to keep in mind, however, that not all courts are amenable to conditions on stays.<sup>40</sup>

## Meeting the Duty of Disclosure in Reexamination While Complying With Protective Orders in Litigation

Another important topic when dealing with concurrent patent litigation and reexamination is the potential tension between a patent holder's need to satisfy its duty of disclosure to the PTO in reexamination and also comply with a protective order in effect in the concurrent litigation. Parties in reexamination owe a duty of candor and good faith to the PTO. This duty requires that the parties<sup>41</sup> disclose all information of which they are aware that is material to patentability in the reexamination. Conflicts may potentially arise between this duty of candor and a party's duty to keep information confidential under a protective order in a concurrent litigation proceeding. For example, if the patent holder acquires confidential information in the litigation subject to a protective order that impacts the validity of the patent, is the patent holder required to disclose that information to the PTO under its duty of candor? In at least one case, the Eastern District of Virginia has held that the patent holder cannot do so. Despite the patent holder's disclosure obligations to the PTO, the Court in *TeleCommunications Systems, Inc. v. Mobile 365, Inc.*<sup>42</sup> held that the patent holder violated the terms of the protective order in the district court litigation by submitting materials covered by the protective order to the PTO without authorization. Accordingly, the duty of candor to the PTO does not give parties full reign to disclose information from the litigation without first considering whether such information is confidential under the protective order.

Parties negotiating a protective order in patent litigation also should consider how each provision in the agreement might play out in a reexamination proceeding. The protective order should clearly address how the provisions might or might not cross-apply between the litigation and the reexamination.

## Reexaminations and Willfulness

The use of reexaminations to defend against potential liability for willful infringement is another key issue that arises<sup>43</sup> when dealing with concurrent patent reexamination and litigation. In *In re Seagate Technology, LLC*,<sup>44</sup> the Federal Circuit redefined the standard for finding willful infringement, holding that willful infringement exists when an accused infringer acted "despite an objectively high likelihood that its actions constituted infringement of a valid patent" and the "objectively defined risk (determined by the record developed in the infringement proceeding) was either known or so obvious that it should have been known to the accused infringer."<sup>44</sup> Thus, to show willful infringement, the accused infringer must have known or should have known that the patent was valid. Based on the new standard laid out in *Seagate*, many accused infringers accused of willful infringement have argued that the existence of pending reexamination proceedings must be considered when evaluating willfulness. Their argument is that the PTO, by virtue of granting the reexamination request, has raised a substantial question as to the patent's validity, thereby negating the possibility of willful infringement by the accused infringer.

Courts applying *Seagate* have refused to impose a blanket rule regarding the impact of reexamination evidence on a willfulness claim. Instead, they note that the PTO's recognition of a substantial question of patentability is but one factor among the totality of circumstances that must be considered in evaluating a claim of willful infringement.<sup>45</sup> Although some courts have found that reexamination evidence defeats a finding of willfulness,<sup>46</sup> other courts have precluded such evidence, particularly where the evidence would be presented to a jury.<sup>46</sup> These courts typically examine the status of the claims in the reexamination proceeding at the time of the willfulness determination, finding that the weight of the reexamination evidence depends on whether the reexamination proceedings are complete and whether the patent claims have undergone substantive changes in reexamination.<sup>47</sup>

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<sup>1</sup> In re Swanson, 540 F.3d 1368, 1377–1378 (Fed. Cir. 2008) (holding that “[i]n PTO examinations and reexaminations, the standard of proof—a preponderance of evidence—is substantially lower than in a civil case; there is no presumption of validity; and the ‘examiner is not attacking the validity of the patent but is conducting a subjective examination of the claims in light of prior art.’ And unlike in district courts, in reexamination proceedings ‘[c]laims are given their broadest reasonable interpretation, consistent with the specification . . . .’ Thus, considering an issue at the district court is not equivalent to the PTO having had the opportunity to consider it.” (citation omitted)); Manual of Patent Examining Procedure (MPEP) § 706.1 (“The standard to be applied in all cases is the ‘preponderance of the evidence’ test. In other words, an examiner should reject a claim if, in view of the prior art and evidence of record, it is more likely than not that the claim is unpatentable.”).

<sup>2</sup> Swanson, 540 F.3d at 1378 (“[T]he court’s final judgment and the examiner’s rejection are not duplicative—they are differing proceedings with different evidentiary standards for validity.”); *but see id.* n.5 (suggesting that vacating a final federal court judgment on the basis of a reexamination finding of invalidity may raise constitutional problems).

<sup>3</sup> For an excellent in-depth analysis of the topics discussed in this outline and others, please see Robert G. Sterne et al, “Reexamination Practice with Concurrent District Court Litigation or Section 337 US ITC Investigations,” The Sedona Conference (2009), *available at* <http://64.237.99.107/media/pnc/8/media.908.pdf>.

<sup>4</sup> 35 U.S.C. §§ 301, 302.

<sup>5</sup> 37 C.F.R. § 1.530.

<sup>6</sup> 35 U.S.C. §§ 311–318; 37 C.F.R. §§ 1.902–1.997.

<sup>7</sup> 37 C.F.R. §§ 1.510(b), 1.510(f).

<sup>8</sup> 35 U.S.C. § 314(b)(2); 37 C.F.R. § 1.948; MPEP § 947.

<sup>9</sup> 35 U.S.C. § 317.

<sup>10</sup> One exception to this estoppel allows the challenger to rely on newly-found prior art if it was not available to the third party requester or the PTO at the time of the *inter partes* reexamination. However, the scope of previously cited prior art is unclear; some argue that the estoppel applies only to prior art cited in the original reexamination request while others believe that the estoppel applies to any prior art discovered while the reexamination is pending since it arguably could be asserted in the reexamination.

<sup>11</sup> 35 U.S.C. § 315(c).

<sup>12</sup> 35 U.S.C. §§ 305 and 314.

<sup>13</sup> See USPTO Ex Parte Reexamination Filing Data—March 31, 2010, *available at* [http://www.uspto.gov/patents/stats/EP\\_quarterly\\_report\\_Mar\\_31\\_2010.pdf](http://www.uspto.gov/patents/stats/EP_quarterly_report_Mar_31_2010.pdf); USPTO Inter Partes Reexamination Filing Data—March 31, 2010, *available at* [http://www.uspto.gov/patents/stats/IP\\_quarterly\\_report\\_Mar\\_31\\_2010.pdf](http://www.uspto.gov/patents/stats/IP_quarterly_report_Mar_31_2010.pdf).

<sup>14</sup> See *Anascape, Ltd. v. Microsoft Corp.*, 475 F. Supp. 2d 612, 615 (E.D. Tex. 2007) (“While reexamination procedures can simplify a case by determining the validity of some claims, data indicates that reexamination may take two to three years, and frequently longer.”).

<sup>15</sup> “Notice of Changes in Requirement for a Substantial New Question of Patentability for Second or Subsequent Request for Reexamination While an Earlier Filed Reexamination is Pending,” US Patent and Trademark Office, March 1, 2005 (providing a new policy where subsequent reexaminations will only be granted if the prior art previously cited in the pending reexamination raises a SNQ).

<sup>16</sup> MPEP § 2283.

<sup>17</sup> In re Swanson, 540 F.3d 1368 (Fed Cir. 2008).

<sup>18</sup> In re Portola Packaging, Inc., 110 F.3d 786, 791 (Fed. Cir. 1997).

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<sup>19</sup> The statute was amended to add that “[t]he existence of a substantial new question of patentability is not precluded by the fact that a patent or printed publication was previously cited by or to the PTO or considered by the PTO.” 35 U.S.C. § 303(a).

<sup>20</sup> *Swanson*, 540 F.3d at 1376.

<sup>21</sup> See Robert G. Sterne et al, “Reexamination Practice with Concurrent District Court Litigation or Section 337 US ITC Investigations,” The Sedona Conference (2009) at 125.

<sup>22</sup> *Id.*

<sup>23</sup> Many courts have recognized that reexamination requests may be used as a litigation strategy to delay resolution of the dispute. See, e.g., *Esco Corp. v. Berkeley Forge & Tool, Inc.*, 2009 U.S. Dist. LEXIS 94017 at \*5 (N.D. Cal. 2009); *Fresenius Med. Care Holdings, Inc. v. Baxter Int’l, Inc.*, 2007 U.S. Dist. LEXIS 44107 at \*16 (N.D. Cal. 2007) (citation omitted) (“Parties should not be permitted to abuse the [reexamination] process by applying for reexamination after protracted, expensive discovery or trial preparation.’ To do so would be to allow a party to use reexamination as ‘a merely dilatory tactic.’”).

<sup>24</sup> *Telemac Corp. v. Teledigital, Inc.*, 450 F. Supp. 2d 1107, 1110–1111 (N.D. Cal. 2006).

<sup>25</sup> See *Nanometrics, Inc. v. Nova Measuring Instruments, Ltd.*, 2007 U.S. Dist. LEXIS 18785 (N.D. Cal. 2007).

<sup>26</sup> See, e.g., *Ricoh Co., Ltd. v. Aeroflex, Inc.*, 2006 U.S. Dist. LEXIS 93756 at \*13 (N.D. Cal. 2006).

<sup>27</sup> *Hoescht Celanese Corp. v. BP Chems. Ltd.*, 78 F.3d 1575, 1584 (Fed. Cir. 1996); see also *Landis v. North American Co.*, 299 U.S. 248, 254–255 (1936).

<sup>28</sup> See *Fresenius Med. Care Holdings, Inc. v. Baxter Int’l, Inc.*, 2007 U.S. Dist. LEXIS 44107 at \*13 (N.D. Cal. 2007); *KLA-Tencor Corp. v. Nanometrics, Inc.*, 2006 U.S. Dist. LEXIS 15754 at \*2 (N.D. Cal. 2006) (granting stay when only one party had responded to the first round of discovery, no claim construction briefing had occurred, and no discovery had been taken on the patent infringement cause of action).

<sup>29</sup> *Esco Corp. v. Berkeley Forge & Tool, Inc.*, 2009 U.S. Dist. LEXIS 94017 at \*10–11 (N.D. Cal. 2009).

<sup>30</sup> *Id.* See also *Fujitsu Ltd. v. Nanya Tech. Corp.*, 2007 U.S. Dist. LEXIS 83581 at \*10 (N.D. Cal. 2007) (noting that the defendant could have filed its reexamination requests with the PTO earlier in the litigation but instead waited nine months after initiating a related action).

<sup>31</sup> See, e.g., *Anascape, Ltd. v. Microsoft Corp.*, 475 F. Supp. 2d 612, 615 (E.D. Tex. 2007) (“[T]he court must be aware that a request for examination can be used as a tactical tool to delay a case and impose costs, with no real expectation that any controversy will be resolved. This is especially true of the *ex parte* procedure, which may be a reason Congress enacted the *inter partes* reexamination.”).

<sup>32</sup> *Affinity Labs. of Texas, LLC v. Dice Electronics, LLC*, Case No. 9:08-CV-163 at \*2 (E.D. Tex. 2009).

<sup>33</sup> *Id.*

<sup>34</sup> *Id.* at \*5.

<sup>35</sup> See *Roblor Marketing Group, Inc. v. GPS Indus., Inc.*, 2008 WL 5210946 at \*3 (S.D. Fla. 2008) (granting stay on the condition that “Defendants may not argue invalidity in the present action based on one or more prior printed publications that were considered by the [USPTO] in the Reexamination.”).

<sup>36</sup> See *Sorensen v. Metabo. Corp.*, 2008 WL 2697173 at \*1 (S.D. Cal. 2008) (granting stay and suggesting defendants submit to the PTO all relevant prior art of which they were aware: “Defendants are advised to identify and submit any relevant prior art that is not already being considered by the United States Patent Office as soon as possible to facilitate the completion of the reexamination process within a reasonable time period.”).

<sup>37</sup> See *Visto v. Good*, No. 2:06-CV-039 (E.D. Tex. Mar. 27, 2008).



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<sup>38</sup> See *Procter & Gamble Co. v. Kraft Foods Global, Inc.*, 2008 WL 3833576 at \*2 (N.D. Cal. 2008) (granting a stay pending reexamination but allowing limited discovery of product development to be undertaken to preserve evidence).

<sup>39</sup> See *Plastmart Inc. v. Wincell Intern. Inc.*, 2008 WL 4107464 at \*1 (S.D.N.Y. 2008).

<sup>40</sup> See, e.g., *Advanced Analogic Techs., Inc. v. Kinetic Techs., Inc.*, Case No. C-09-1360 (N.D. Cal. 2009) (refusing to impose requested condition on stay); *Emerson Electric Co. v. Davoil, Inc.*, 88 F.3d 1051 (Fed. Cir. 1996) (finding that district court exceeded its authority in conditioning stay on plaintiff sending defendants' documents with plaintiff's response to reexamination request).

<sup>41</sup> 37 C.F.R. §§ 1.555(a), 1.933(a).

<sup>42</sup> *TeleCommunications Systems, Inc. v. Mobile 365, Inc.*, Order of March 31, 2009, Case No. 3:06-cv-485 (E.D. Va. 2009) at 9.

<sup>43</sup> *In re Seagate Technology, LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007).

<sup>44</sup> *Id.*

<sup>45</sup> See *Lucent Techs. Inc. v. Gateway, Inc.*, 2007 U.S. Dist. LEXIS 95934 at \*18–19 (S.D. Cal. 2007).

<sup>46</sup> See *Presidio Components Inc. v. American Technical Ceramics Corp.*, Case No. 08-CV-335 at \*3 (S.D. Cal. 2009) (distinguishing *Lucent* as involving summary judgment and finding that because reexamination proceedings were incomplete and only based on evidence provided by the accused infringer, the proceedings were unfairly prejudicial and were outweighed by the potential of confusion by the jury).

<sup>47</sup> See *Ultratech Int'l, Inc. v. Swimways Corp.*, 2009 U.S. Dist. LEXIS 80997 (M.D. Fla. 2009) (holding that the validity of a patent, and therefore claims of willful infringement, are questionable before a reexamination certificate is issued); *Safoco, Inc. v. Cameron Int'l Corp.*, Case No. H-05-0739 at \*59–60 (S.D. Tex. 2009) (noting that because the PTO had not required substantive changes to the patent claims, “the granting of a reexamination request by the USPTO is only a single factor to consider and is not dispositive as to the objective prong of the willful infringement standard.”).