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Reexamination Practice with Concurrent District Court Litigation or Section 337 USITC Investigations

Robert Greene Sterne, Jon E. Wright, Lori A. Gordon & Byron L. Pickard

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By Robert Greene Sterne, Jon E. Wright, Lori A. Gordon & Byron L. Pickard[1]

Authors' Note

Patent reexamination was first selected as a topic for presentation at the Sedona Patent Litigation Conference in 2006. Version 1 of this paper was first published as part of that conference. The Sedona Patent Litigation Conferences in 2007, 2008, 2009 and 2010 each addressed reexamination and concurrent patent litigation, and subsequent versions of this paper accompanied those Sedona dialogues. Other versions accompanied presentations made at ACPC, IPO and PLI Conferences. Now in Version XII, it will accompany the Sedona dialogue on this topic that will take place on October 13, 2011, at the Sedona Patent Litigation Conference XII (2011).[2] In all versions, the authors address current procedure, process, and cutting-edge topics in reexamination practice and concurrent litigation. This paper subscribes to a neutral Swiss approach of presenting all sides of an issue and does not advocate for any particular view so that discussion may ensue. Many have provided comments and information for this article, including judges, senior officials from the PTO, Congressional staffers, patent owners, patent litigators, patent prosecutors, academics, bloggers and interested members of the public. Moreover, the authors devote substantial portions of their practices to reexaminations on behalf of patent owners and third party requesters and are on the editorial board of the foremost internet site on reexamination, The Reexamination Center (www.reexamcenter.com). However, the views expressed herein are for purposes of dialogue and do not necessarily reflect the individual views of the authors.

[1] Version 12.

[2] http://www.thesedonaconference.org/conferences/20111013

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I. Introduction

This paper addresses the interplay between patent litigation before the Federal Courts or the United States International Trade Commission ("ITC") (collectively, "the courts") and co-pending reexamination proceedings involving the patent-in-suit before the United States Patent and Trademark Office ("PTO"). As independent arbiters of patent validity and patentability[3], each forum poses a distinct set of challenges and risks for those challenging or defending patent validity. These so-called parallel universes use different rules, standards, procedures, time lines, and results in cases involving the same patent. High-profile cases involving reexaminations and co-pending litigation include *NTP, Inc. v. Research in Motion, Ltd.*[4] (patents found to cover the Blackberry), *TiVo v. Echostar*,[5] (TiVo's DVR patents), *i4i v. Microsoft*, (patent covering XML functionality), *Uniloc v. Microsoft*, (patent covering anti-piracy protection), *Cordis v. Abbott*, (drug eluting stents). In another well-known case, Amazon's patent covering its "one-click" internet shopping method was recently confirmed in reexamination.[6] These high-profile cases, some involving highly profitable products or large damage awards, highlight the critical interplay between the parallel universes of the courts and the PTO.

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[3] In reexamination, the PTO reviews an issued patent for unpatentability. The courts decide the issue of patent validity. This distinction is important. For convenience, the authorities refer to these distinct issues collectively as questions of validity.

[4] *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d. 1282, 1326 (Fed. Cir. 2005).

[5] *TiVo Inc. v. Echostar, et al*, 2-04cv-01 (EDTX).

[6] Reexamination No. 90/007,946 for U.S. Patent No. 5,960,411.

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