Evaluating the Effectiveness of Third Party Preissuance Submissions

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By Rory Pheiffer on 11.02.2015 | Posted in Patents, Rules and Regulations

Summary: While the Leahy-Smith America Invents Act (AIA) brought sweeping changes to the United States patent system, including moving to a first-to-file system and implementing and modifying a number of post-grant proceeding options, one less heralded change is the expansion of the third party preissuance submission process, by which a third party can submit prior art references in a pending U.S. patent application for consideration by the examiner. The revised preissuance submission process is significantly more robust and accessible than its pre-AIA counterpart. Key features of the process such as low cost, anonymity, and preclusion from estoppels make it a potentially attractive tool for challenging pending applications. However, a third party’s participation in the patent prosecution process is still limited and the submitted references may even inadvertently strengthen any patent that issues from the application in which the submission is filed. Accordingly, third parties should carefully consider the limitations and risks associated with the process before filing a preissuance submission.

FULL ARTICLE

While the Leahy-Smith America Invents Act (AIA) brought sweeping changes to the United States patent system, including moving to a first-to-file system and implementing and modifying a number of post-grant proceeding options, one less heralded change is the expansion of the third party preissuance submission process, by which a third party can submit prior art references in a pending U.S. patent application for consideration by the examiner. The revised preissuance submission process is significantly more robust and accessible than its pre-AIA counterpart. Key features of the process such as low cost, anonymity, and preclusion from estoppel make it a potentially attractive tool for challenging pending applications. However, a third party’s participation in the patent prosecution process is still limited and the submitted references may even inadvertently strengthen the patent that the party is challenging.

During the first two years of the revised preissuance submission process there were 2116 preissuance submissions, or nearly three preissuance submissions per day. Approximately 1600 of those submissions were deemed proper by the USPTO, and of those approximately 1600 submissions, 5499 prior art references were cited by third parties—1567 patents, 1249 published U.S. applications, 988 foreign references, and 1695 non-patent literature documents. However, when it came time for examiners to issue Office Actions, only about 200 of the approximately 1600 proper preissuance submissions were relied upon by examiners in subsequently issued Office Actions.
In other words, preissuance submissions are relied upon by examiners less than 13% of the time they are properly submitted.

Accordingly, while third parties are using the preissuance submission process on a daily basis, the prior art being submitted is not being relied upon frequently by examiners. Thus, the question remains, are making preissuance submissions worthwhile? We evaluate this question by reviewing key features of the preissuance submission process and examining the potential uses and pitfalls of this potentially useful tool.

**Key Features of the Third Party Preissuance Submission Process**

Changes to the third party preissuance submissions process were aimed at improving the quality of U.S. patents by encouraging the public to submit useful information in pending patent applications. The changes make it easier and more appealing for a third party to participate in the process. Key features of the revised third party preissuance submissions process include:

- A third party is required to articulate why the submitted references are relevant to examination of an application. This is in contrast to pre-AIA rules, where a third party submitting references was barred from providing any explanation or even merely highlighting relevant portions of the submitted references. Now, the third party must provide “a concise description of the asserted relevance of each document submitted,” which can be a claim chart or in a narrative form.

- Submissions can be filed from the publication date until the later of six months after the publication or when the first Office Action on the merits is issued, unless the application already is allowed. In most instances, a third party will have more than six months after the publication to file a submission because the first Office Action on the merits is typically issued after this time period.

- A third party can remain anonymous. Unlike an *inter partes* review (IPR), the process does not require disclosure of the real party in interest. Thus, a party may hire a law firm to make a submission on its behalf, thereby remaining unidentified.

- The process applies to all pending patent applications, including those that were filed before the AIA came into effect, *i.e.*, before September 16, 2012.

- The fee for filing preissuance submissions is $180 for every ten references filed for a patent application or fractions thereof. This fee is waived for a first-time submission containing three or fewer references.

- Publications that can be submitted are not limited to prior art. A third party can submit any information that is relevant for patentability, including internal e-mails, dictionary definitions, and evidence of use that pre-dates the application filing date by over a year.

- Further, unlike an IPR, which limits the grounds to anticipation and non-obviousness based on printed publications, a third party may submit references relevant to patentability under any grounds, including definiteness and enablement.
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- Preissuance submissions do not have an estoppel effect. A third party who submits references is not precluded from presenting the same references or presenting different references to make the same arguments to challenge the patent in a future IPR or litigation. Thus, a third party may challenge a patent/application using the preissuance submissions process while the application is pending and using an IPR and/or lawsuit in a federal district court after the application issues as a patent.

- Filing of continuation or divisional applications by the applicant of a pending application does not prevent a third party from filing submissions as long as the submissions were made within the set time.

Potential Uses for the Submission Process

Compared to an IPR or lawsuit filed in a federal district court, the preissuance submission process offers a number of distinct advantages.

At $180 per submission (or free in instances that permit a fee waiver), the process is significantly more affordable than an IPR or lawsuit filing, making it feasible for virtually anyone to participate. This accessibility, combined with a relatively long time window for submissions, allows those without a large legal budget, such as individual inventors, researchers, and start-ups, to monitor and challenge competitors’ patent applications.

In addition, the process can be strategically used in conjunction with an IPR or lawsuit because it allows a third party to remain anonymous and does not preclude the party from later challenging any patent that issues on the same grounds.

Lastly, the process can be useful for alerting an examiner to particularly relevant prior art that is already on the record to ensure that the examiner does not overlook that particular prior art. For example, a third party may submit prior art that is already cited in the International Search Report of an application along with accompanying comments that specifically point out why the prior art is relevant to examination of the application.

Potential Pitfalls of the Submission Process

Although the current submission process is an improvement over its pre-AIA counterpart, it is far from a full-strength alternative to IPRs or lawsuit filing. A third party should carefully consider the process’s limitations and risks before filing a submission.

First, a third party’s comments accompanying the submission must discuss why the submitted references are relevant to examination of the patent application but the comments cannot contain actual arguments. If the third party’s comments contain such arguments, the submission will be rejected due to improper comments. Examples of proper and improper comments are shown below:

Proper comment
Improper comment

Claim 1 recites a composition comprising A and B. Publication X teaches a composition comprising A and C. See claim 2 of publication X. Publication Y teaches B and discusses why B is an art-recognized equivalent of C. See page 4 of publication Y.

Claim 1 recites a composition comprising A and B. Publication X teaches a composition comprising A and C. See claim 2 of publication X. Publication Y teaches B and discusses why B is an art-recognized equivalent of C. See page 4 of publication Y. The composition of claim 1 is unpatentable in view of publication X and publication Y.

As of May 1, 2015, 22% of submissions were rejected by the USPTO, with the most common reason for rejection being improper accompanying comments.

Second, when a non-compliant submission is rejected, the USPTO will not set a time period for the third party to file a corrected submission. Thus, the third party is at risk of running out of time if the time window for submissions ends before or soon after the rejection is received by the third party.

Third, the process may inadvertently strengthen a patent. A third party’s participation in the patent prosecution ends with submission of references and comments. Accordingly, a patent applicant can present arguments to overcome the submitted references throughout the patent prosecution process while the third party remains on the sidelines. If the references submitted by the third party do not result in cancellation or narrowing of scope of the pending patent application, the resulting patent may be strengthened as the claims will be presumed valid over the references.

The patent may also be strengthened by the fact that a preissuance submission affords applicants an opportunity to amend the claims in view of the submitted prior art prior to the application issuing as a patent. Thus, the applicant can work around potential landmines without having the third party at the table and without being restricted from making amendments. Amending the claims in view of prior art after the patent issues is not a viable option. Notably, although permissible, rarely does the Patent Trial and Appeal Board permit claim amendments during post-patent proceedings such as IPRs; claim amendments are not permissible during litigation at the federal district court level. On the other hand, the amendments made as a result of the prior art submission may benefit the third party in that the amendments may alleviate concerns the third party may have had about infringement, or at the very least narrows the scope of the claims around which the third party may need to design around.

Lastly, the process generally cannot be used for patent applications filed with nonpublication requests or those that are expedited. For patent applications filed with nonpublication requests, a third party will not have a chance to file a submission because notices of allowance will issue without publication of the patent applications. Similarly, for expedited applications, such as those examined under the Track One Prioritized Patent Examination Program, notices of allowance will likely issue shortly after publication of the patent applications, limiting the time window for a third party to submit references.
Conclusion

The third party preissuance submissions process provides a potentially useful means for a third party to participate in a patent prosecution on a limited basis. The process is widely accessible to the public and offers certain advantages over IPRs and litigations. However, a party’s ability to challenge the patent application is fairly restricted. A party should carefully consider the limitations and risks associated with the process before filing a third party preissuance submission.

This article was written by attorneys Jack Penny and Rory Pheiffer with Doyon Won, a law student who was a summer associate at Nutter in 2015 and will join the firm as an associate upon graduation.

Tags: AIA, Patent Prosecution, Prior Art, Third Party Submissions