

Challenging Your Competitors' Patents

By Benjamin Spehlmann | January 18, 2012



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Biofuel patents have grown significantly in recent years. A search of U.S. patents relating to developments in hydrocarbon synthesis from cellulosic and triglyceride sources reveals that about 90 percent were issued in the past 5 years, with many more applications pending. On occasion, a competitor's issued patent may cover a broader scope of products and/or methods than should have been rightfully claimed. This can cause unwarranted problems for biofuel process innovators in gaining commercialization clearance or facing a lawsuit. Increasingly, companies are resorting to the use of reexamination in the U.S. Patent and Trademark Office to challenge competitor patents with an apparent, excessive scope of coverage. According to recent data, 89 percent of the completed inter partes reexaminations resulted in the challenged claims of the reexamined patent being either completely canceled or otherwise confirmed but only in amended (i.e., narrowed) form. While the cost of reexamination is generally small compared to litigating patent rights, it is far from trivial. Companies considering whether to challenge apparently overly broad patent claims can therefore benefit from having a framework to assess their chances of success. The key determinative factors are as follows:

Strength of Prior Art: The scientists most familiar with the patented technology often have the best understanding of the state of the art as of the patent's priority date—the application filing date or possibly an earlier filing date of a related, domestic or foreign patent application to which priority is claimed. These technical experts are therefore a valuable resource, even though a separate search of the prior art is normally undertaken. Documents the USPTO can and often do consider in reexamination include “nonpatent literature” publications from conferences, journals or other sources of technical information. While such documents may be well known to researchers in the field, the patent examiner may not have been privy to their content during the initial examination leading to the patent in question. It is also important to consider the vast

amount of prior art in the conventional refining industry, teaching relevant aspects of technologies such as hydrotreating, catalytic cracking (hydrocracking and FCC), and isomerization that are similarly used in biofuel production. In the best circumstances for the challenger, sufficient prior art should be identified to provide a basis for invalidating all of the challenged claims on at least two separate grounds. This fortifies the challenger's position, in case the reexaminer is not inclined to agree with one proposed line of argument.

Treatment of Prior Art During Initial Examination: The documents considered during the initial patent examination are listed on the face of the patent under "References Cited." Generally only a fraction of these are actually applied in making claim rejections during the initial examination. Moreover, even if a prior art document were applied previously, this does not preclude its consideration in a new light upon reexamination (e.g., considered with respect to its teaching of an aromatic content of a finished product rather than the residence time of a pyrolysis reactor). Therefore, if one or more of the documents considered strongest prior art are among those listed on the face of the patent, the extent to which this prior art may have been treated during the initial examination should be reviewed. The prosecution history (file wrapper) of issued U.S. patents is available under the public PAIR link of the USPTO website.

Strength of Patent Specification: As a possible consequence of reexamination, the challenged claims may be upheld, but in an amended (narrowed) form. The amended claims may or may not be a concern for the challenger, depending on whether they still cover commercial activities of interest. The patent owner's ability to amend the claims during reexamination, for example in the face of newly applied prior art, is confined to the content of the patent specification. If an issued patent claim specifies that a biofuel component is present in an amount of "zero to 35 percent by volume" and no other range is described in the patent specification, then the patent owner may have difficulty narrowing this claim to require the presence of this component in any amount. Likewise, a claim directed to process steps of hydrotreating and isomerizing might be invalidated by prior art demonstrating that such reactions occur at least to some extent in a single reactor. If the patent specification lacks description of using separate reactors for the different steps, this could provide a significant barrier for the patent owner in making any necessary, distinguishing amendments.

An analysis of the key factors discussed above can provide potential challengers with increased confidence about the merits of their decision regarding reexamination of a competitor's patent. Importantly, this analysis of whether to move forward involves only a fraction of the time and expense required for requesting and carrying out the reexamination proceeding itself.

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