

**SHAM REEXAMINATION REQUEST:
NO STATE LAW REMEDIES FOR THE PATENT HOLDER**

Lockwood v. Sheppard Mullin

Decided: November 15, 2010

In *Lockwood v. Sheppard Mullin*, the U.S. District Court for the Central District of California (District Court) initially considered whether a patent holder may seek state law remedies for the harm resulting from unwarranted reexamination proceedings in the U.S. Patent and Trademark Office (USPTO).

In this case, although the USPTO confirmed the validity of the patents for the patent holder, the patent holder brought state law claims alleging that the parties who initiated the reexamination proceedings, as well as their law firm, should be held liable for malicious prosecution, intentional interference with prospective economic relations, and fraudulent misrepresentation in their reexamination request.

The District Court held that there is no federal cause of action in court against a sham reexamination request filed by a third party because the Federal Patent Laws preempt such state law claims. The District Court's holding was recently affirmed by the U.S. Court of Appeals for the Federal Circuit (Federal Circuit) without opinion under Rule 36.¹

Presently, the USPTO's Office of Enrollment & Discipline (OED) may sanction the patent attorneys who file sham requests, and the Central Reexamination Unit (CRU) of the USPTO has been attempting to minimize the non-compliant reexamination requests.²

However, the Federal Circuit's decision would leave no state law remedies available for the patent holders to seek against the third party filing a sham reexamination request, and, for now, there are no enforceable criminal or civil disciplinary actions against an anonymous third party sham examination requester.

¹ Federal Circuit Rule 36 (stating that "[t]he court may enter a judgment of affirmance without opinion ... when it determines that ... an opinion would have no precedential value.")

² Historical USPTO Reexamination Statistics, The Reexamination Center, <http://reexamcenter.com/2010/02/historical-uspto-reexamination-statistics-and-milestones-for-calculating-pendency/>