

The Limited Monopoly

Reexamination of the Peanut Butter and Jelly Sandwich

Reexamination- the short story

United States patent law provides for a process called **Reexamination** that allows for a third party or even the inventor to request that the United States Patent and Trademark Office reexamine a patent that has been issued if prior art consisting of patents or printed publications can be provided that has “a bearing on the patentability of any claim of a particular patent.”¹ To request reexamination, a “Request for Reexamination” is submitted along with a fee, the prior art cited, and an explanation of why the cited prior art has a bearing on the patentability of the patent in question. The reexamination request can even be done anonymously. The patent owner must also be notified that a reexamination request has been filed. The USPTO will then review the request, and if a “substantial new question of patentability”² is raised, the USPTO will then order a reexamination. Reexamination is similar to examination of a patent application the first time around - an examiner can reject the claims, the claims can be amended, and final rejections can be appealed. There are two types of reexamination proceedings: **ex parte reexaminations**, where once a third party files the Request, it no longer participates in the proceedings; and **inter partes reexamination** which allows for limited participation by the third party. It should be noted that reexaminations are done within the United States Patent Office, and not the court system, which can make them a cost effective alternative to litigation. They can also be used to augment litigation.

The story of the

“Sealed Crustless Sandwich”

In 1999, United States Patent 6,004,596 was issued to Len Kretchman and David Gesked. This patent disclosed an improved crustless peanut butter and jelly sandwich. What? This patent has been widely ridiculed in the media as an example of something that should never have been granted a patent. Nonetheless, The J.M. Smucker Company (“Smucker’s”) licensed the patent, and introduced the “Un crustables™” brand of frozen no crust sandwiches. The brand was an instant success, and Smucker’s, according to their website, invested close to \$20 million to start up a factory in Scottsville, Kentucky to produce the product. In 2005, Smucker’s sold \$60 million worth of “Un crustables™.” The trouble started when Smucker’s began

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sending out cease and desist letters to enforce their purported intellectual property rights. In 2001, Albie’s Food, Inc., a small grocery and caterer in Gaylord, Michigan, received such a cease and desist letter. Instead of rolling over on their crust, Albie’s took the matter to federal court and further filed a request for ex parte reexamination with the USPTO. After extensive reexamination proceedings where the claims of the PB&J patent were rejected, amended, rejected again and appealed to the Board of Patent Appeals and Interferences, the BPAI reversed the examiner’s rejections but found new reasons for rejection. A quick look at the public file history in Public PAIR



shows that a notice of intent to issue an ex parte reexamination certificate was mailed on December 8, 2006, and shows that all claims have been cancelled.

Build your sandwich with a good foundation

So are there lots of bad patents out there? The PB&J patent actually shows how well the current system works. Smucker’s made a sizeable investment in their “Un crustables™” product line and had hoped to exclude others from making crustless peanut butter and jelly sandwiches. Unfortunately they picked on the wrong grocer in Michigan, who knew that they were building their product with a weak foundation, and further knew how to go about using the United States Patent system for its intended purpose: filing an ex parte reexamination request that resulted in all claims being cancelled. According to Nathan

Myhrvold³ in his testimony before the U.S. Senate Committee on the Judiciary in May of 2006, there are very few bad patents. Only about 10% of reexaminations completely eliminate a patent, 26% come through reexamination unscathed, and the remaining 64% have some claims rejected or modified. So if a bad one happens to get through, it’s usually only a matter of time before it gets weeded out.

Fortify for the future

The importance of building a strong patent that can be **enforced** cannot be understated. Prior to preparing your patent application, if you do not seek out and find, and later present to the Examiner, prior art that could be relevant to your patent application, you are not fortifying your patent application with the strength that you may need later down the road. If you then build a business, product line, or factory based on your newly issued patent, your investments should be backed by a solid intellectual property foundation. If you find a piece of prior art that is similar to your issued patent, it may even make sense to request reexamination of your own patent in light of your findings. If you make it through reexamination unscathed, or amend your claims in view of this new piece of prior art, you have now fortified your patent against potential future attacks by competitors. The more you invest in your product, the more important a strong patent becomes. □

1. 35 U.S.C. 301.
2. Manual of Patent Examining Procedure § 2216.
3. CEO of Intellectual Ventures, former CTO of Microsoft.

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