

Argument-Based Estoppel in Reexamination and Reissue

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Their treatise titled *“Post-Grant Patent Practice: Review, Reexamination, Reissue and Supplemental Examination.”* will be available in 2012 from the Patent Resources Group. Their CLE course of the same name will be taught March 29-31 in Bonita Springs, Florida.

As every patent attorney knows well, arguments made during prosecution can affect how a court later construes the claims of a patent. The same is true when the arguments are made in reexamination or reissue. That should be neither surprising nor controversial. Until recently, arguments in reexamination or reissue were thought to have no more consequences than if the same arguments were made in original prosecution. However, a recent case gave greater effect to arguments in reexamination, applying intervening rights and the damages limitations of 35 U.S.C. § 252 on the basis of arguments made in reexamination. This article discusses the various consequences that flow from arguments made by a patent owner in reexamination or reissue.

TRADITIONAL ARGUMENT-BASED ESTOPPEL EFFECTS

The prosecution history during reexamination or reissue is relevant to claim construction and estoppel of the doctrine of equivalents, just as is the original prosecution history. Unlike with original prosecution, however, one at risk of infringement can influence the reexamination prosecution history by presenting prior art, framing a request, and, if the reexamination is

inter partes, participating in the proceeding. Indeed, someone with a practicing-the-prior-art “defense” to infringement, where that prior art is a printed publication, may be able to inexpensively establish or bolster that defense via reexamination, thereby setting up the patent owner to make a prosecution record on which the requester can more easily base its claim construction or noninfringement arguments.

Claim Construction

Just like original prosecution history, reexamination prosecution history is intrinsic evidence relevant to the construction of disputed claim terms. A powerful example of that principle is *Visto Corp. v. Research in Motion Ltd.*¹ The court had previously construed the term “smartphone” broadly to mean “a telephone device that integrates computing capabilities and telephone capabilities.”² However, the court later narrowed its construction of that term based on subsequent events in reexamination. In response to the defendant’s motion to revise the claim construction, the court said, “[T]he intrinsic record has developed such that this [original] construction is no longer tenable. Rather, the intrinsic record now dictates that this Court revisit its construction of the term ‘smartphone’ in advance of trial to reflect a specific definition of ‘smartphone’ urged by Visto during reexamination.”³ The court then entered the following construction for “smartphone”: “a device that is a thin client of limited computing power” where “[l]imited computer power means capabilities less than those provided by an Intel 486 processor, 6MB of RAM, and 35 MB of storage.”⁴ The change in scope of the construction of the same term as a result of the reexamination was considerable.

The reexamination need not be concluded for a court to look to its prosecution history for claim construction guidance. At least one district court has looked to incomplete reexamination proceedings during claim construction.⁵

Doctrine of Equivalents

Amendments and arguments made during reexamination prosecution also affect the availability of the doctrine of equivalents via the doctrine of prosecution history

estoppel. The seminal case on prosecution history estoppel, *Festo*, is, in fact, a case involving a reexamined patent.⁶ Thus, an argument or amendment in reexamination that surrenders claim scope provides a legal defense against an assertion that what was surrendered can be an equivalent under the doctrine of equivalents.

Victory by Defeat

For all of the foregoing reasons, a reexamination in which none of the claims of interest is canceled or narrowed may nonetheless put an accused infringer in a better position because the prosecution history in reexamination may be more favorable to the accused infringer. As one commentator put it:

[E]ven in apparently “losing” reexaminations, prosecution history statements made by the patent owner’s attorneys to obtain re-allowance of claims . . . may well create or greatly strengthen a third party’s non-infringement argument! Thus, a third party reexamination requestor will not necessarily be unhappy even if the patentability of one or more claims is confirmed, where, to gain that confirmation, the patent owner has made arguments limiting the scope of his claims or otherwise created prosecution history estoppel, so as to preclude infringement.⁷

In short, it is sometimes possible to win the overall dispute by losing the reexamination. If that is your strategy, it is advisable to inform your client in advance!

INTERVENING RIGHTS ARISING FROM ARGUMENTS

As we discussed in our February 2010 article “Claim Changes in Reexamination and Reissue,” claims that are substantively amended during reexamination or reissue give rise to intervening rights and avoid liability for past infringement.⁸

Intervening rights and absolution of past infringement liability are technically distinct, although often referred to together as “intervening rights.” Absolution of past infringement liability, before the date of a reexamination certificate or grant date of a reissue patent, is codified in 35 U.S.C. § 252, ¶ 1, whereas intervening rights arise from 35 U.S.C. § 252, ¶ 2, and are prospective after the date of the certificate or reissue grant.

35 U.S.C. § 252 applies by its very terms to reissue patents and applies to reexaminations via 35 U.S.C. § 307(b), which states in pertinent part, “Any proposed amended or new claim determined to be patentable and incorporated into a patent following a reexamination proceeding will have the same effect as that specified in section 252 of this title for reissued patents ...” Identically worded statutes will apply § 252 to the new review proceedings created by the America Invents Act.⁹

Our February 2010 article discussed the circumstances under which intervening patent rights are created in a reexamination. In a nutshell, those circumstances arise when (1) the words of the claim are changed in reissue or reexamination and (2) the amended claim has a scope different from any other original claim in the patent.

Marine Polymer v. HemCon

The recent case of *Marine Polymer Technologies, Inc. v. HemCon, Inc.* presents a new circumstance that can lead to the same result.¹⁰ That circumstance is when arguments during reexamination or reissue change the scope of the claims.

In that case, Marine Polymer sued HemCon for infringing U.S. Patent No. 6,864,245. Marine Polymer prevailed in the district court, which found infringement after construing the claim term “biocompatible” to mean, *inter alia*, that there is no detectable biological reactivity.

HemCon requested reexamination of the patent during the pendency of the litigation. During the reexamination, Marine Polymer successfully urged the PTO to adopt the district court’s construction of “biocompatible” and canceled some dependent claims that recited non-zero levels of biological reactivity. The independent claims, which included the term “biocompatible,” were not amended.


On appeal, the dispute focused on whether Marine Polymer’s arguments during reexamination should relieve HemCon from its infringement liability – an issue that the district court had not decided, as the reexamination concluded after the district court’s judgment. In a 2-1 split decision, the Federal Circuit held in HemCon’s favor. According to the majority, the patent was subject to absolute intervening rights and absolution for past infringement under 35 U.S.C. § 252 because of Marine

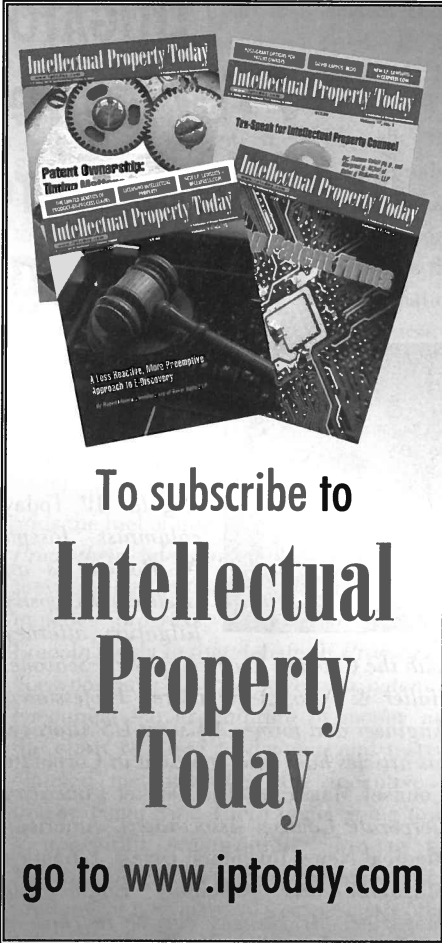
Polymer’s arguments during reexamination regarding the scope of the claims. The majority cared little that the claim language had not changed. The key for the majority was that the scope of the asserted independent claims was altered by Marine Polymer’s actions during reexamination.

Judge Alan D. Lourie dissented, pointing out that 35 U.S.C. § 307(b) by its very terms says that § 252 applies to – and thus the question of intervening rights arises only for – “new or amended claims” in a reexamination. Thus, according to Judge Lourie, the majority’s analysis was premised on an improper statutory interpretation.

Strategy Implications

If the decision in *Marine Polymer* stands,¹¹ then it makes reexamination even more attractive to accused infringers, as the decision enables almost every accused infringer to argue that the patentee amended its claims in effect, by argument, even when the original claim language survives reexamination without change. In essentially every case, the patentee must make arguments to convince the examiner that the claims are patentable (*e.g.*, to distinguish the prior art that is the basis for the reexamination). Even when no claim amendment is needed, the patentee must state arguments on the record. This is particularly so because prior art considered in reexamination is typically different from that considered during original prosecution and therefore requires new arguments to distinguish it. Using that record, an accused infringer could – under the court’s ruling in this case – always credibly contend that the patentee’s arguments altered the meaning of the claims. The panel decision will encourage parties to request even more reexaminations or new review proceedings and to make such contentions routinely as a means to enjoy intervening rights and avoid liability for past infringement.

Because the rule of *Marine Polymer* will also apply to reissues, patent owners should consider carefully whether filing for reissue is advisable. If a patent owner hopes to emerge with one or more original claims unamended and to enforce them retroactively, that objective may be stymied if arguments must be made during the reissue prosecution to get those claims allowed in their original form. Such arguments may give infringers intervening rights. 



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ENDNOTES

1. No. 2:06cv00181, 2008 WL 4355837 (E.D. Tex. July 2, 2008).
2. *Id.*
3. *Id.*
4. *Id.*
5. *Tesco Corp. v. Weatherford Int’l, Inc.*, 722 F. Supp. 2d 737, 741 (S.D. Tex. 2010).
6. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 728 (2002) (one of two patents at issue, Carroll patent, was reexamined, and pertinent prosecution history was in reexamination).
7. Paul Morgan & Bruce Stoner, *Reexamination vs. Litigation – Making Intelligent Decisions in Challenging Patent Validity*, 86 J. Pat. & Trademark Off. Soc’y 441, 443 (2004).
8. Matthew C. Phillips & Kevin B. Laurence, *Claim Changes in Reexamination and Reissue*, *Intell. Prop. Today* 24-26 (Feb. 2010).
9. 35 U.S.C. §§ 318(c), 328(c) (*inter partes* and post-grant review, respectively); *see also* AIA § 18, Pub. L. No. 112-29, 125 Stat. 284, 329 (same for transitional program for review of business method patents).
10. 659 F.3d 1084 (Fed. Cir. 2011).
11. At the time of this writing, a petition for rehearing is pending at the Federal Circuit. In the interest of full disclosure, it should be noted that one of the authors of this article, Matt Phillips, is counsel of record on an amicus brief in support of rehearing.