

Patent Correction

Navigating the Confusing Terrain of Broadening Reissue

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There are times when a patent owner may discover that an issued patent does not claim everything that the patent should have covered. When such defects are discovered, one strategy a patent owner may wish to consider is filing a request with the U.S. Patent and Trademark Office ("USPTO") for a broadened reissue of a U.S. patent to enlarge the scope of the claims of the original patent. The patent statute permits many types of errors in an issued patent to be corrected by filing a reissue application. See 35 U.S.C. § 251. One type of error that is correctable by reissue application occurs when a patentee: "through error and without any deceptive intention ... claim[ed] ... more or less than he had a right to claim in the patent." *Id.* The statute thus permits reissue claims having a different scope (including a broader scope) than the original patent. However, a request for a broadening reissue that enlarges the scope of the claims must be filed within two years of the issue date of the original patent. *Id.*

THE RECAPTURE RULE

Although the patent statute only requires that the potential defect in the patent be made through error and without deceptive intent, the courts have placed some additional limits on the ability of a patentee to broaden a patent. One judicially created rule limiting a patent owner's ability to broaden an issued patent is referred to as the recapture rule. The recapture rule is based on principles of equity that come into play when a patent owner pursues reissue

claims that remove key claim limitations that were specifically added or argued during prosecution of the original patent to overcome prior art rejections. *Hester Indus., Inc., v. Stein, Inc.*, 142 F.3d 1472, 1480-81 (Fed. Cir. 1998). The recapture rule prevents a patentee from pursuing claims that are the same or broader in scope in all respects than those claims that were surrendered to obtain allowance of the original patent over the prior art. *Ball Corp. v. United States*, 729 F.2d 1429, 1436-37 (Fed. Cir. 1984); *In re Clement*, 131 F.3d 1464, 1468-70 (Fed. Cir. 1997).

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The Federal Circuit has developed a three-step process for applying the recapture rule. *Pannu v. Storz Instruments, Inc.*, 258 F.3d 1366, 1370-71 (Fed. Cir. 2001). The first step is to determine whether and in what aspects the reissued claims are broader than the issued patent claims. In particular, a reissue claim that does not include a limitation present in the original patent claims is broader in that aspect. The second step is to then determine whether the broader aspects of the reissue claims relate to subject matter that was surrendered in the original prosecution to obtain the issued claims. The subject matter that was surrendered is determined by looking at the prosecution history of the original patent for arguments and amendments that were made to overcome prior art rejections. The third step is to determine whether the reissue claims are materially narrower in other respects so as to avoid the recapture rule.

The Federal Circuit has repeatedly held that reissue claims are invalid if the patentee removes precisely the same limitation added or argued during prosecution of the original patent to overcome a prior art ref-

erence and the reissue claims are not narrowed in any other material respects. See, e.g., *Pannu*, 258 F.3d at 1371-72; *N. Am. Container, Inc. v. Plastipak Packaging, Inc.*, 415 F.3d 1335, 1349-50 (Fed. Cir. 2005); *MBO Labs., Inc. v. Becton, Dickinson & Co.*, ___ F.3d ___, 2010 WL 1427547, at *8-9 (Fed. Cir. Apr. 12, 2010). Thus, for example, if the claims in the original patent began as the combination of elements AB and were amended to add element C (invention ABC) to overcome the prior art, the patentee cannot retreat back to the combination AB during reissue proceedings. However, a patentee is permitted to recapture subject matter surrendered during prosecution of the original patent if the claims are "materially narrowed in other respects." See, e.g., *Pannu*, 258 F.3d at 1371-72.

How does a patent owner draft a reissue claim to be materially narrower in other respects such that a claim limitation added by amendment in the original prosecution may be removed from the reissue claims? The case law suggests two different approaches that can be taken. The reissue claims may be materially narrowed by including limitations for "overlooked aspects" of the invention not considered during the original prosecution. *Hester*, 142 F.3d at 1482-83. Additionally, the reissue claims may be materially narrowed by including limitations that are germane to the prior art rejection in the original prosecution. *Clement*, 131 F.3d at 1468, 1470-71.

MATERIAL NARROWING FOR OVERLOOKED ASPECTS

As an example of material narrowing for overlooked aspects, consider the situation where the issued patent has a claim with elements ABC and where arguments were presented to the USPTO during the prosecution of the original patent that element C distinguished the invention over the prior art. In this situation, element C is surrendered by argument and cannot be deleted in the reissue claims unless the reissue claims are narrowed in other respects. For

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illustration purposes, suppose that the invention is for a bicycle having two wheels (element A), a seat (element B), and a mountain bike frame (element C). Suppose that the patent also discloses a shock absorber (limitation D) that was not considered during prosecution of the original patent. Under *Hester*, the patentee would be able to pursue reissue claims for invention ABD, where D was overlooked during the original prosecution and materially narrows the reissue claims in other respects.

MATERIAL NARROWING IN GERMANE ASPECTS

As an example of material narrowing in germane aspects, consider the situation where the original patent has an issued claim ABC1 and element C1 was added by amendment to overcome the prior art. Under *Clement*, element C1 can be replaced by another element C2 that narrows the claim in an aspect germane to the same prior art rejection. For illustration purposes, consider that the invention is a child's bicycle having two wheels (element A) and a seat (element B). In response to a prior art rejection for the combination of a unicycle and a training wheel (the combination thus having two wheels and a seat), the original patent claims are amended to recite an additional limitation C1 for a boy's bike frame. In this example, the boy's bike frame includes a horizontal support bar, with the frame longitudinally separating the two wheels. Under *Clement*, element C1 (the boy's bike frame) may be replaced by another limitation germane to the prior art rejection. Suppose element C1 is replaced by an element C2 directed to a girl's bike frame having a different frame structure that does not have a horizontal support bar. The reissue claims are materially narrowed and should not be barred by recapture because element C2 longitudinally separates two wheels in a manner that narrows the canceled claim (elements AB) in a manner germane

to the prior art rejection over the unicycle.

The Federal Circuit has analyzed each broadened reissue case on its own facts and has not articulated a specific multi-factor test for determining a threshold level of material narrowing. However, the case law suggests that the material narrowing can result from a less specific form of a limitation added by amendment or by adding an additional limitation for an overlooked aspect, as long as either limitation significantly narrows the claims with respect to claims canceled in the original prosecution and renders the reissue claims patentable over the prior art. *In re Richman*, 409 F.2d 269, 274-76 (CCPA 1969); *Ball*, 729 F.2d at 1438; *Ex parte Eggert*, 67 U.S.P.Q. 2d 1716, 1723-26 (B.P.A.I. 2003); *Ex parte Lanier*, No. 2007-3925, 2009 WL 789925, at *20-21 (B.P.A.I. Mar. 23, 2009) (MacDonald, J., concurring).

NARROW INTERPRETATION OF PRECEDENT

Unfortunately, in recent years, the USPTO has generally grown more hostile to broadening reissues and has interpreted the Federal Circuit precedent quite narrowly. The USPTO has recently taken an extremely conservative interpretation on broadened reissue.

As one example, for a number of years the USPTO permitted reissue claims that included a partially broadened form of a limitation added during prosecution of the original patent based on the precedential Board of Patent Appeals and Interferences (the "Board") decision of *Ex parte Eggert*, 67 U.S.P.Q. 2d at 1727-29. For example, during prosecution of an original patent, the application might have been amended to include a limitation for an "orange peel." Under *Eggert*, it was permissible for a reissue claim to recite a broader form of the same limitation, such as "citrus peel." The Board has decided not to follow *Eggert* on the basis of dicta in *N. Am. Container* regarding reissue claims that completely removed a limitation added by amendment during prosecution of the original patent. *See, e.g., Lanier*, 2009 WL 789925, at *9-10. Yet

a recent district court decision analyzing the validity of a broadened reissue claim indicates that the holding of *Eggert* is consistent with Federal Circuit case law. *Varian Semiconductor Equip. Assocs., Inc. v. Axcelis Tech., Inc.*, No. 08-cv-10676-DPW, 2009 WL 189960 (D. Mass. Jan. 21, 2009). Thus, the Board's position to not follow *Eggert* is not supported by any specific holding in Federal Circuit case law and is also contrary to a holding of at least one federal district court.

As another example, the USPTO's guidelines limit a patentee's ability to pursue broadened reissue claims materially narrowed by including features directed to the same embodiment as the issued claims. While the USPTO's guidelines state that the overlooked aspects may be for an additional invention, the USPTO's safe harbor examples may limit that in practice to different embodiments, different species or separate inventions than those of the issued patent. MPEP § 1412.02(I)(C). Moreover, the USPTO's guidelines state that a limitation or any "similar" limitation that was prosecuted in the original application is not directed to "overlooked aspects." MPEP § 1412.02(V). Thus, a strict interpretation of the USPTO's guidelines for broadened reissue would prohibit the overlooked aspects arising from a previously unconsidered combination of limitations (and variations in limitations) based on those presented in the prosecution of the original issued patent. However, the USPTO's position contradicts earlier cases in which refinements to individual limitations directed to the same embodiment materially narrowed a claim to avoid the recapture rule. *Richman*, 409 F.2d at 274-76; *Ball*, 729 F.2d at 1437-38.

The risks of taking an aggressive position in broadened reissue proceedings are manageable if the

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patentee pursues a range of reissue claims that includes the original patent claims and broadened reissue claims of different scope. The Federal Circuit in *MBO* has indicated that only those specific claims in a reissue patent that violate the recap-

ture rule are invalid. *MBO*, 2010 WL 1427547, at *10-11 (overturning a district court ruling invalidating an entire reissue patent, including the original issued claims). Thus, taking an aggressive position in a broadened reissue application, by itself, does not jeopardize the validity of the original claims. However, fighting the USPTO on its current inter-

pretation of the recapture rule may result in additional costs and delays. Additionally, the patentee may have to be prepared to appeal and take a risk of losing those specific reissue claims that are broader than what is permitted by current USPTO guidelines. But for some patents, it may be worth the fight.

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including those involving software, signal processing and business methods, as well as the patentability of medical processes in the biotech industry.

While the Court's opinion does not definitively answer all of the questions raised by the prior Federal Circuit ruling, it may give some comfort to those concerned that Information Age inventions would fall outside of the scope of patentable processes defined by an exclusive Machine or Transformation test. Many of the concerns, as expressed in amicus briefs, were directed to how the Machine or Transformation test would be applied to emerging technologies, and that potentially narrow interpretations of the test might exclude patents on inventions that otherwise appear to lie within the core purposes of the patent statute. The Court's citation of the broad language of the statute, and its conclusion that there is no exclusive test, suggest that there may be ample room to establish that emerging Information Age inventions are within the scope of patentable subject matter.

However, given the limited guidance provided by the Supreme Court, and its rejection of an exclusive (and thus more definitive) test as authored by the Federal Circuit, there remains substantial uncertainty as to how the PTO and the courts will analyze process claims, and what further tests may be developed to assist such analysis. A key factor in analyzing whether method claims are patent-eligible is likely to be whether the claimed invention pre-empts all practical use of an idea

or concept. Idea pre-emption was central to the outcome of unpatentability in the prior Supreme Court rulings in *Benson* and *Flook*, and also in the recent *Bilski* decision. Similarly, the result of patentability in *Diehr* followed from an analysis showing the claimed invention was directed to a practical application of a formula and did not pre-empt all uses of the formula.

The Machine or Transformation test may continue to be an important part of the analysis for patentability of method claims, at least in the near term. The Court's discussion found the test to be a "useful and important clue" to finding a process patent-eligible, *Bilski*, slip op. at 8. That said, given the suggestion that the courts are free to develop other tests for determining whether a process is patent-eligible subject matter, *Bilski*, slip op. at 16, the Machine or Transformation test may become less important for considering future innovations.

Some may interpret *Bilski* as supporting a rule that any claim satisfying the Machine or Transformation test will be patent eligible under § 101. However, there is no guarantee of such a result. Indeed, *Benson* shows the possibility that a claim meeting the Machine or Transformation test might not satisfy § 101. The algorithm for converting binary-coded decimals to binary code in *Benson* operated (in claim 8) using a shift register, clearly part of a digital computing apparatus, so the claim might very well have met the Machine or Transformation test. Yet the invention was held unpatentable because it was so broad and abstract as to effectively pre-empt all uses

of the algorithm, both known and unknown, on any digital computer (with no practical application except for use on a digital computer). *Benson*, 409 U.S. at 255, 257.

Given the Supreme Court's ruling and the disagreement over patentability of business methods, it remains to be seen how the PTO and the courts will respond to inventions directed to methods of conducting business. Indeed, in rejecting *Bilski*'s claimed invention, the Supreme Court may have signaled that claims to business methods may be particularly susceptible to attack as directed to mere (and unpatentable) abstract ideas.

PTO REACTION

Note that while the PTO has not yet issued new examination guidelines for process claims in light of the Supreme Court's *Bilski* ruling, it has issued a memo with interim guidance for examiners to follow when examining process claims under § 101. According to the PTO memo, as reported by several bloggers, examiners are instructed to examine applications for compliance with § 101, using the Machine or Transformation test as a tool:

- If the claimed method meets the Machine or Transformation test, it is likely patent-eligible under § 101 "unless there is a clear indication that the method is directed to an abstract idea."
- If the claimed method does not meet the Machine or Transformation test, the examiner should issue a rejection under § 101 "unless there is a clear indication that the

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