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## ***Marine Polymer v. HemCon:* Intervening Rights Result From a Reexamination Only Where Claims are Added or Changes are Made to Claim Language**

By Peng Chen, Desmond P. O'Sullivan, and Erin I. Herlihy

### INTRODUCTION

On March 15, 2012, an *en banc* Federal Circuit held in *Marine Polymer Tech., Inc. v. HemCon, Inc.*<sup>1</sup> that statements made during reexamination are, without more substantial proof of claims, insufficient to generate “intervening rights” for an accused infringer. This is the case even if those statements narrow the scope of the claim and are accompanied by claim cancellations.

### BACKGROUND

#### Intervening Rights

Under 35 U.S.C. Section 307(b), accused infringers are granted intervening rights for any amended or new claims resulting from a reexamination proceeding.<sup>2</sup> Intervening rights allow third parties to use the patented invention of the amended or new claims if the third party used, or made substantial preparation to use, the invention of the amended or new claims before the issuance of the reexamination certificate.<sup>3</sup> There are two types of intervening rights in the reexamination context: *absolute intervening rights*, and *equitable intervening rights*. The doctrine of *absolute intervening rights* requires that claims of the reexamination that are not substantially identical to those of the original patent cannot lead to liability for any infringement pre-dating the newly added/amended claims of the reexamination. In this situation, the third parties are relieved from any liability on past damages. The doctrine of *equitable intervening rights* is judicially administered in accordance with the principles of equity to protect business investments made prior to the issuance of the newly added/amended claims. In this situation, the third parties may be relieved from any future infringement liability.

#### District Court and USPTO Proceedings

Marine Polymer sued HemCon for alleged infringement of certain claims of U.S. Patent No. 6,864,245 (the “’245 Patent”). The district court awarded summary judgment to Marine Polymer on the issue of literal infringement and found the ’245 Patent valid at trial. The district court awarded Marine Polymer damages of almost \$30 million.<sup>4</sup>

During the district court proceedings, HemCon filed a request for reexamination of the ’245 Patent. Initially, the USPTO adopted a broader construction than the district court and rejected all claims as invalid in light of the prior art. This

<sup>1</sup> *Marine Polymer Techs. v. HemCon, Inc.*, 2012 U.S. App. LEXIS 5567 (Fed. Cir. Mar. 15, 2012).

<sup>2</sup> 35 U.S.C. § 307(b).

<sup>3</sup> 35 U.S.C. § 252.

<sup>4</sup> See *Marine Polymer Techs.*, 2012 U.S. App. LEXIS 5567, at \*7-9.

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broader construction was based in part upon a number of dependent claims which the Examiner deemed inconsistent with the district court's construction. In response, Marine Polymer argued for a narrower construction and deleted the "inconsistent" dependent claims. The USPTO then issued a reexamination certification for the '245 Patent.<sup>5</sup>

## Decision of the Three-Judge Federal Circuit Panel

HemCon appealed the district court's decision, arguing that Marine Polymer had substantively narrowed the claims of the '245 Patent during reexamination by successfully arguing for the narrower construction and, thus, HemCon was entitled to intervening rights. A two-member majority of the panel agreed with HemCon.<sup>6</sup>

## DECISION OF THE *EN BANC* FEDERAL CIRCUIT

The ten-member panel divided evenly on the district court's summary judgment and finding of invalidity,<sup>7</sup> thereby reinstating the district court's decision to award Marine Polymer almost \$30 million in damages. As an "alternative ground for affirmance," a six-member majority held that "intervening rights do not apply to claims that have not been amended and are not new."<sup>8</sup>

The court held that HemCon was not entitled to intervening rights. A contrary finding would "disregard[] the plain and unambiguous language of § 307(b)," specifically, the requirement of "amended or new claims."<sup>9</sup> The Court held that the first question under § 307(b) is whether the claims at issue are amended or new; if the answer is neither, the inquiry is over.<sup>10</sup> In this case, Marine Polymer had cancelled claims on the '245 Patent and made statements regarding the remaining claims—no claim amendments or additions were made here and so the inquiry under § 307(b) ended.

In dissent, Judge Dyk argued that not every argument during reexamination should give rise to intervening rights, but where, as here, there was a clear disclaimer or disavowal of claim scope, intervening rights should be granted.<sup>11</sup>

## CONCLUSION

Patents with claims issued during reexamination may not result in intervening rights if there is no change in the claim language or claims added. This is good news for patent holders because it offers an initial reexamination strategy that preserves awards for pre-reexamination infringement. Thus, if an accused infringer files a request for reexamination, a patent holder may overcome problematic prior art without reducing the potential damages award. Only when arguments alone fail should claim amendments be made to overcome prior art.

For a patent holder, the claiming strategy of the original prosecution may have significant impact on the issue of intervening rights. For example, if a patent encompasses a broader embodiment and a narrower embodiment, the patent holder may obtain a patent with one independent claim that encompasses both the broader embodiment and the narrower

<sup>5</sup> See *id.* at \*9-11.

<sup>6</sup> See *id.* at \*12.

<sup>7</sup> Circuit Judges Moore and O'Malley did not participate in the decision. *Id.* at \*2 n.2.

<sup>8</sup> *Id.* at \*3.

<sup>9</sup> *Id.* at \*28-29.

<sup>10</sup> *Id.* at \*29.

<sup>11</sup> *Id.* at \*73-74 (Dyk, C.J., dissenting).

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embodiment. During a reexamination, if prior art is raised that invalidates the broader embodiment but not the narrower embodiment, the patent holder may narrow the independent claim to encompass the narrower embodiment only to overcome the prior art. However, by following such a strategy, the patent holder has amended the claim and such amendment may give intervening rights to a third party. Alternatively, the patent holder may obtain a patent with two independent claims, encompassing the broader embodiment and the narrower embodiment, respectively. During a reexamination, the patent holder can simply cancel the broader claim to overcome the prior art. By following such a strategy, the patent holder has not made any amendment to the narrow claim and would not give intervening rights to a third party. For a third party requester, if the goal of a reexamination is to achieve intervening rights, sufficient prior art must be raised to force amendment of all the relevant claims.

To view the Court's decision, click [here](#).

### Contact:

**Peng Chen**  
(858) 720-5117  
[pchen@mofo.com](mailto:pchen@mofo.com)

**Desmond P. O'Sullivan**  
(858) 314-7794  
[dosullivan@mofo.com](mailto:dosullivan@mofo.com)

**Erin I. Herlihy**  
(212) 336-4315  
[eherlihy@mofo.com](mailto:eherlihy@mofo.com)

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