

CHECKING THE *STAATS*: HOW LONG IS TOO LONG TO GIVE ADEQUATE PUBLIC NOTICE IN BROADENING REISSUE PATENT APPLICATIONS?

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ABSTRACT

A classic property rights question looms large in the field of patent law: where do the rights of inventors end and the rights of the public begin? The right of inventors to modify the scope of their claimed inventions, even after the patent issues, is in direct tension with the concepts of public notice and the public domain. The Patent Act currently permits broadening of claims so long as a reissue application demonstrating intent to broaden is filed within two years of the original patent issue. Over the years, however, this relatively straightforward statutory provision has sparked numerous disputes over its meaning and application.

*On September 8, 2011, the Court of Appeals for the Federal Circuit heard oral arguments for *In re Staats*. In this case, *Apple Computer, Inc.* appeals the rejection of a continuation reissue patent application. The U.S. Patent & Trademark Office and the Board of Patent Appeals and Interferences rejected the application on the grounds that *Apple* attempted to broaden the scope of its patent claims in a manner not “foreseeable” more than eight years after the patent first issued. *Apple* contends that the language of the statute and prior case law permit its interpretation, and the*

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application should be allowed in the interest of innovation. This issue is hardly a new one—this submission highlights nearly 140 years of case law, legislative history, and statutory shaping pertaining to broadening reissues. We analyze the issues raised in the briefs from Staats, as well as the oral arguments. Finally, we discuss from a practitioner’s perspective what the Federal Circuit could do—and should do—in the field of broadening reissues.

INTRODUCTION

¶1 From its grounding in the U.S. Constitution² to its staggeringly complex application in modern society and business, intellectual property—and in particular, patent law—has always required a reasonable balance between adequate public notice and providing enforceable rights. One question looms large in the field of patent law: where do the rights of inventors end and the rights of the public begin? Analyzing this question poses significant difficulties, even after the grant of a patent, as demonstrated by the explosive growth in post-grant adjudication both at the U.S. Patent & Trademark Office (USPTO) and in the courts.³ Portions of the recent Leahy-Smith America Invents Act appear to reinforce that the scope

² See U.S. CONST. art. I, § 8, cl. 8 (“The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”)

³ The year 2010 saw more grants of reissue patents and more applications for *inter partes* and *ex parte* reexamination than in any prior year. See UNITED STATES PATENT AND TRADEMARK OFFICE, U.S. PATENT STATISTICS, CALENDAR YEARS 1963–2010 (Mar. 2011), http://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.pdf (The USPTO granted 847 reissue patents in 2010, a record number more than 46% higher than the previous record year); UNITED STATES PATENT AND TRADEMARK OFFICE, *EX PARTE* REEXAMINATION FILING DATA (June 30, 2011), http://www.uspto.gov/patents/EP_quarterly_report_June_2011.pdf (2010 saw a record 780 applications for *ex parte* reexamination, more than 20% more than in 2009); UNITED STATES PATENT AND TRADEMARK OFFICE, *INTER PARTES* REEXAMINATION FILING DATA (June 30, 2011), http://www.uspto.gov/patents/IP_quarterly_report_June_2011.pdf (The number of *inter partes* reexamination applications has increased every year since the inception of the proceeding in 1999).

of property rights accorded by the “limited monopoly” of a patent may shift during the life of the patent.⁴

¶2 One of the most straightforward ways patent owners can expand the limited monopoly of a patent is by seeking increased claim scope via one or more broadening reissue patent applications. While patent owners may *narrow* the scope of patent claims at any time during the life of the patent, they may only *broaden* claim scope for a limited period of time after issuance of the patent.⁵ Despite this relatively straightforward statutory provision in 35 U.S.C. § 251, however, an expansive body of case law has construed the provision, dating back well over a century.⁶ The statute clearly requires notice of the intent to broaden, and current jurisprudence specifies that manifestation of such intent should have been “foreseeable” within two years from the issue date of the patent.⁷ Under what circumstances, if any, should a patent owner be allowed to broaden claim scope beyond the statutory window of two years after issuance of the patent?

⁴ See, e.g., Leahy-Smith America Invents Act, H.R. 1249, 112th Cong. § 6, chs. 31–32 (signed into law by President Obama on Sept. 16, 2011) (addressing post-grant review procedures).

⁵ See U.S. PATENT AND TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE (MPEP) § 1412.03 (8th ed. Rev. 8, July 2010) (discussing implementation of 35 U.S.C. § 251 (2006) (“No reissue patent shall be granted enlarging the scope of the original patent unless applied for within two years from the grant of the original patent.”)).

⁶ Although 35 U.S.C. § 251 (2006) has only been codified in its current form for fifty-nine years (see Patent Act of July 19, 1952, Pub. L. No. 82-593, 66 Stat. 792 (codified as amended at 35 U.S.C. §§ 1–318 (2006)), the concept of patent reissue dates back much further. See, e.g., *Miller v. Brass Co.*, 104 U.S. 350 (1881); see also Part I, *infra*.

⁷ See *Ex parte Staats*, No. 2009-007162, 2010 WL 1725728, at *8 (B.P.A.I. Apr. 26, 2010) (emphasis in original) (internal citations and footnotes omitted):

Simply put, the broadening in the present reissue application is in a manner that was completely *unforeseeable* by the public within the two-year period following the original patent’s issuance—a fact likewise admitted at the oral hearing. Despite Appellants’ arguments to the contrary, permitting such an unforeseeable broadening nearly *eight years* after Appellants’ original patent issued simply runs counter to the underlying public notice function of § 251—notice that must be timely to ensure meaningful reliance on the finality and certainty of patent rights.

¶3 Patent applications are notoriously complicated legal documents, difficult to draft in a manner that accurately captures the full scope of the invention without unnecessary limitations. All too often, the task of drafting their disclosures is in inexperienced hands. The current patent system provides little incentive for patentees or the USPTO to spend sufficient time and money to prosecute a high-quality patent;⁸ the result is a kudzu-like thicket of low-quality, under-descriptive patents.⁹ Almost 120 years ago in *Topliff v. Topliff*, the Supreme Court demonstrated remarkable foresight about today's reissue dilemma.

To hold that a patent can never be reissued for an enlarged claim would be not only to override the obvious intent of the statute, but would operate in many cases with great hardship upon the patentee. The specification and claims of a patent, particularly if the invention be at all complicated, constitute one of the most difficult legal instruments to draw with accuracy, and in view of the fact that valuable inventions are often placed in the hands of inexperienced persons to prepare such specifications and claims, it is no matter of surprise that the latter frequently fail to describe with requisite certainty the exact invention of the patentee, and err either in claiming that which the patentee had not in fact invented, or in omitting some element which was a valuable or essential part of his actual invention. Under such circumstances, it would be manifestly unjust to deny him the benefit of a reissue to secure to him his actual invention, provided it is evident that there has been a mistake and he has been guilty of no want of reasonable diligence in discovering it”¹⁰

⁸ See generally Mark A. Lemley, *Rational Ignorance at the Patent Office*, 95 NW. U. L. REV. 1495 (2001) (weighing incentives of patentees and the USPTO, and finding that both parties benefit from the filing of a higher volume of patent applications that are of lower quality: “In short, the PTO doesn’t do a very detailed job of examining patents, but we probably don’t want it to. It is ‘rationally ignorant’ of the objective validity of patents, in economics lingo, because it is too costly for the PTO to discover those facts.” *Id.* at 1497 (internal footnote omitted)).

⁹ See Robert P. Merges, *As Many as Six Impossible Patents before Breakfast: Property Rights for Business Concepts and Patent System Reform*, 14 BERKELEY TECH. L. J. 577, 577, 579, 588–91 (1999) (arguing that the increased volume of patent applications, particularly as patentable subject matter has expanded in the courts, has “pushed the patent system into crisis.”).

¹⁰ *Topliff v. Topliff*, 145 U.S. 156, 171 (1892); see also P. J. Federico, *Intervening Rights in Patent Reissues*, 30 GEO. WASH. L. REV. 603, 614–15 (1961–1962) (citing *Topliff* in the context of intervening rights provisions).

Reading *Topliff* over a century later, it appears that some things never change.¹¹

¶4 Where reissue applications likely serve a valuable function in the patent system, how can we separate the wheat from the chaff so that patent owners may broaden claim scope after the statutory window of two years after issuance has closed, while still protecting the public's right to rely on the scope of the patent as originally issued? Recently, this question has again come under scrutiny in the courts. In 2010, the Board of Patent Appeals and Interferences (Board) denied Apple Computer, Inc. the right to broaden the claims of five of its patents on the grounds that it had failed to provide proper notice within the two-year statutory window.¹² Apple appealed one of the cases, *In re Staats*, to the Court of Appeals for the Federal Circuit (CAFC), and oral arguments were heard on September 8, 2011.¹³ The decision of the CAFC panel has the potential to become the most definitive statement in broadening reissue practice in almost twenty years, and will likely coincide with sweeping changes recently signed into law in the Leahy-Smith America Invents Act.¹⁴

¶5 Part I of this article will review pertinent case law in the realm of reissue patent practice. Part II will analyze the facts of the *Staats* case currently before the CAFC. Part III will critically review the

¹¹ See, e.g., 59 Off. Gaz. Pat. Office 1257–62 (1892) (summarizing *Topliff* and noting that claims could be broadened “provided it is evident that there has been a mistake and that the applicant has been guilty of no want of reasonable diligence in discovering it,” that there was a presumption that after two years from issuance anything not claimed had been “abandoned,” and further discussing the idea of undue delay and laches, all of which are at issue in *Staats*); see Part II, *infra*.

¹² *Staats*, No. 2009-007162, 2010 WL 1725728 (B.P.A.I. Apr. 26, 2010); *In re Kelly*, No. 2009-006496, 2010 WL 3454272 (B.P.A.I. Aug. 26, 2010); *Ex parte Riddle*, No. 2011-002276, 2011 WL 486246 (B.P.A.I. Feb. 10, 2011); *Ex parte Riddle*, No. 2011-002277, 2011 WL 486252 (B.P.A.I. Feb. 11, 2011); *Ex parte Riddle*, No. 2011-001749, 2011 WL 861732 (B.P.A.I. Mar. 10, 2011).

¹³ *Staats*, No. 2009-007162, 2010 WL 1725728 (B.P.A.I. Apr. 26, 2010), *appeal docketed*, *In re Staats*, No. 2010-1443 (Fed. Cir. Aug. 4, 2010), *argued*, Oral Argument, *In re Staats*, No. 2010-1443 (Fed. Cir. Sept. 8, 2011) *available at* <http://www.cafc.uscourts.gov/oral-argument-recordings/search/audio.html> (search for “2010-1443” in the field “Appeal Number”).

¹⁴ Leahy-Smith America Invents Act, H.R. 1249, 112th Cong. § 6, chs. 31–32 (signed into law by President Obama on Sept. 16, 2011) (addressing post-grant review procedures).

arguments presented by the parties in *Staats* to the CAFC, as well as larger public-policy themes relevant to resolution of the arguments. Finally, Part IV will offer concluding remarks, and explore the possible paths that the CAFC may take to reform broadening reissue patent practice.

I. REISSUE JURISPRUDENCE

*“These provisions [concerning patent reissue practice] have often been before the courts and there are sharply differing views concerning them.”*¹⁵

¶6 The concept of patent reissue in the United States dates back nearly as far as the concept of the patent itself. A reissue provision first appeared in the Patent Act of 1832,¹⁶ which Congress passed on July 3, 1832, largely in response to the Supreme Court case *Grant v. Raymond*,¹⁷ decided in January of the same year. The relevant provision of the Patent Act of 1832 read

[t]hat wherever any patent which has been heretofore, or shall be hereafter, granted to any inventor in pursuance of [the Patent Act of 1793], or of any of the acts supplementary thereto, shall be invalid or inoperative, by reason that any of the terms or conditions prescribed in the third section of the said first mentioned act, have not, by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, been complied with on the part of the said inventor, it shall be lawful for the Secretary of State, upon the surrender to him of such patent, to cause a new patent to be granted to the said inventor for the same invention for the residue of the period then unexpired, for which the original patent was granted, upon his compliance with the terms and conditions prescribed in the said third section of the said act.¹⁸

The general stipulations of this provision survive today,¹⁹ with minor changes in language and the formal codified addition of the two-year statutory period upon the passage of the Patent Act of 1952.²⁰

¹⁵ *Sontag Chain Stores Co., Ltd. v. Nat'l Nut Co. of Cal.*, 310 U.S. 281, 284 (1940).

¹⁶ An Act Concerning Patents for Useful Inventions, ch. 162, 4 Stat. 559 (1832).

¹⁷ 31 U.S. 218 (1832).

¹⁸ An Act Concerning Patents for Useful Inventions, ch. 162, 4 Stat. 559 (1832).

¹⁹ Compare with 35 U.S.C. § 251 (2006):

Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective

¶7 By the mid-nineteenth century, patentees were using—and abusing—the reissue statutes in the rapidly industrializing United States. Abuse of reissue statutes led to the landmark decision in *Miller v. Brass Co.*,²¹ where the Supreme Court stated the problem as follows:

[B]y a curious misapplication of the law [the reissue provision] has come to be principally resorted to for the purpose of enlarging and expanding patent claims. And the evils which have grown from the practice have assumed large proportions. Patents have been so expanded and idealized, years after their first issue, that hundreds and thousands of mechanics and manufactures, who had just reason to suppose that the field of action was open, have been obliged to discontinue their employments, or to pay an enormous tax for continuing them.²²

The Supreme Court reiterated that reissue was only available in the case of a mistake, and for the first time set the two-year deadline for broadening reissue.²³ This two-year window was consistently recognized by courts from that point forward, and it was formally written into the Patent Act upon its retooling in 1952.²⁴ *Miller v.*

specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Director shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

²⁰ Patent Act of July 19, 1952, Pub. L. No. 82-593, 66 Stat. 792 (1952) (codified as amended at 35 U.S.C. §§ 1–318 (2006) (“No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.”). As discussed *infra*, this statute was merely the codification of a common law rule that had been in use for decades.

²¹ 104 U.S. 350 (1881).

²² *Id.* at 355.

²³ *Id.* at 352 (“If two years’ public enjoyment of an invention with the consent and allowance of the inventor is evidence of abandonment, and a bar to an application for a patent, a public disclaimer in the patent itself should be construed equally favorable to the public.”).

²⁴ See LADAS & PERRY, LLP, A BRIEF HISTORY OF THE PATENT LAW OF THE UNITED STATES n.37, http://www.ladas.com/Patents/USPatentHistory_fn.html (last updated July 17, 2009) (“When the code was established prior laws had been compiled into it but nor [sic] re-enacted. Subsequently it was felt desirable

Brass Co. (also known as *Bridgeport Brass*) has been cited thirty-seven times by the Supreme Court since 1882 and remains good law today. An example of the consistent application of the two-year window can be seen in *In re Otto*, a 1919 decision from the Court of Appeals of the District of Columbia.²⁵ The court noted: “We must now regard the law as well settled by the Supreme Court of the United States that, after the lapse of two years after the issue of a patent, a reissue which seeks to enlarge the claims of the original patent will not be granted.”²⁶ The court went on to state that exceptions were possible, but diligence would certainly be required.²⁷

¶8 Other alterations and expansions of the reissue privilege have been comparatively recent.²⁸ An important decision came from the Court of Customs and Patent Appeals in the 1970 case *In re Doll*.²⁹ The USPTO issued the patent in question with nineteen claims on December 20, 1955. A reissue application containing twelve additional, broadened claims for the purpose of provoking an interference was properly filed on October 31, 1957—one year and ten months after the initial issue.³⁰ But during further *ex parte* proceedings and a second interference, the patentees added and amended additional claims as late as October 16, 1962, nearly seven years after issue.³¹ The USPTO rejected the claims that were added outside the two-year period, stating they were time-barred by 35 U.S.C. § 251, and the rejection was upheld by the Patent Office Board of Appeals.³² The patentee appealed, arguing that the plain

to clean up and re-enact each title of the code as positive law. In 1952 it was patents [sic] turn.”)

²⁵ 259 F. 985 (D.C. Cir. 1919).

²⁶ *Id.* at 986 (quoting *In re Starkey*, 21 App. D.C. 519, 525 (D.C. Cir. 1903)).

²⁷ *Id.*

²⁸ This article chiefly focuses on the major cases of the last forty years. For a detailed summary of the evolution of reissue jurisprudence prior to the 1970s, see Federico, *supra* note 10, at 605–24.

²⁹ 419 F.2d 925 (C.C.P.A. 1970). The CCPA was the direct predecessor court of the CAFC. The CAFC was created in 1982. See *History of the Court*, THE FED. CIRCUIT HISTORICAL SOC’Y, <http://www.federalcircuithistoricalsociety.org/historyofcourt.html> (last visited Nov. 3, 2011).

³⁰ *In re Doll*, 419 F.2d at 926.

³¹ *Id.*

³² *Id.* The Patent Office Board of Appeals was the predecessor tribunal at the USPTO to the Board of Patent Appeals and Interferences. Under the Leahy-Smith America Invents Act, the Board of Patent Appeals and Interferences will

language of the statute “unless *applied for* within two years from the grant of the original patent”³³ meant exactly that: the application for reissue patent merely needed to be *applied for* within the two years, with the right to tinker thereafter with its scope preserved.³⁴ The court looked to the legislative history of the 1952 Patent Act, and in vacating the Board of Appeals’ decision, was “unable to ascertain . . . any intent similar to the interpretation placed on section 251 by the board. To the contrary, it appears clear that the language ‘applied for’ refers to filing of an application.”³⁵ The government argued that the “rights of the public” demanded the rejection of the expanded claims, but the court disagreed, stating that it was unnecessary to even reach the issue due to the plain-meaning interpretation of section 251.³⁶ The court did note, however, that “35 U.S.C. 252 provides safeguards for the public by virtue of its intervening rights provisions.”³⁷

¶9 Later decisions have further defined the softer contours of the blunt two-year restriction. In *In re Fotland*,³⁸ the CAFC affirmed the rejection of broadened claims introduced outside the two-year window when an application *had* been filed within two years.³⁹ The reissue application in question, however, was a so-called “no defect” reissue application filed under 37 C.F.R. § 1.175(a)(4).⁴⁰ During

be replaced by the Patent Trial and Appeal Board effective September 16, 2012. See Leahy-Smith America Invents Act, H.R. 1249, 112th Cong. § 3(j) (signed into law by President Obama on Sept. 16, 2011) (renaming tribunal due to elimination of interference proceedings).

³³ 35 U.S.C. § 271 (1966).

³⁴ *Doll*, 419 F.2d at 926–27.

³⁵ *Id.* at 928.

³⁶ *Id.*

³⁷ *Id.*

³⁸ 779 F.2d 31 (Fed. Cir. 1985).

³⁹ *Id.* at 32.

⁴⁰ *Id.* 37 C.F.R. § 1.175(a)(4) was repealed in 1982 as it was deemed to be redundant to the then-newly instituted *ex parte* reexamination process. See *id.* at 32 n.1 (citing 47 Fed. Reg. 21746, 21748–49, 21752 (May 19, 1982)). The provision in effect at the time of the events of *Fotland* read as follows:

(4) When the applicant is aware of prior art or other information relevant to patentability, not previously considered by the Office, which might cause the examiner to deem the original patent wholly or partly inoperative or invalid, particularly specifying such prior art or other information and requesting that if the examiner so deems, the applicant be permitted to amend the patent and be granted a reissue patent.

prosecution of the reissue application, the examiner deemed that there was no impact on the patent by the new references and rejected the application for reissue.⁴¹ The reissue applicants responded, then two years and three months after issue, by amending the claims and attempting to convert the reissue application to one under a different regulation that would have allowed broadening.⁴² The USPTO and the Board rejected the reissue claim amendments as being made outside the permissible two-year window. The applicants appealed to the CAFC, urging that a reissue application had been filed within two years of patent grant.⁴³ The CAFC affirmed, however, stating that *Doll* authorized later broadening only when a *broadening* reissue was filed within two years; a “no defect” reissue was not within the purview of the plain language of the statute.⁴⁴

¶10 Two cases in the next decade affirmed both *Fotland* and *Doll*, and provided more detail with regard to when broadening reissue applications were permissible. First, a Board decision in *Buell v. Beckestrom* held that *divisional* reissue applications that broadened claims outside the two-year window were permissible under 35 U.S.C. § 251, so long as an intervening reissue that demonstrated intent to broaden was filed *within* the two-year period.⁴⁵ Second, the CAFC later affirmed in *In re Graff* that both *divisional* and *continuation* reissues could include broadened claims more than two years after issuance, if, as in *Buell*, patentees filed a proper parent-broadening reissue application within two years of patent grant.⁴⁶ The particular reissue application in *Graff*, however, was held insufficient because the parent reissue application only sought to correct an error in a figure, not to broaden the claims.⁴⁷ The *Graff* court particularly focused on public notice:

37 C.F.R. § 1.175(a)(4) (1980). The provision essentially allowed a patent holder who found new prior art relevant to the invention post-issue to bring it to the USPTO and obtain re-review of the claims without amending the claims or the specification. See Robert W. Fieseler, Note, *Staying Litigation Pending Reexamination of Patents*, 14 LOY. U. CHI. L.J. 279, 285 (1983).

⁴¹ *Fotland*, 779 F.2d at 32–33.

⁴² *Id.* at 33.

⁴³ *Id.*

⁴⁴ *Id.* at 34.

⁴⁵ 22 U.S.P.Q.2d 1128, 1130 (B.P.A.I. 1992).

⁴⁶ 111 F.3d 874, 876–77 (Fed. Cir. 1997).

⁴⁷ *Id.* at 877 (citing *Fotland*).

The reissue statute balances the purpose of providing the patentee with an opportunity to correct errors of inadequate claim scope, with the public interest in finality and certainty of patent rights The interested public is entitled to rely on the absence of a broadening reissue application within two years of grant of the original patent.⁴⁸

¶11 In summary, if and only if a patentee properly files a broadening reissue application, based on an “error” within two years of patent issuance, would further broadening be possible for later-filed reissue applications claiming priority from an original (parent) reissue application. It is critical to note that an “error” under § 251 has also developed a standard definition in the case law—surrendering claims during prosecution of the application which led to an issued patent in order to gain allowance of other claims is *not* an “error” that justifies a reissue.⁴⁹ An attempt to pursue previously surrendered claims via reissue is known as “recapture,” which is generally not permitted to any real extent, is described in the MPEP, and was most recently discussed by the CAFC in *In re Mostafazadeh*.⁵⁰ There were few other ripples in the pool of reissue jurisprudence until the landmark year of 2010.

II. MULTIPLE BITES FROM “THE APPLE”—*KELLY, RIDDLE,* AND *STAATS*

¶12 A new dimension has evolved in the doctrine of broadening reissue over the last two years, begging a new question: what if a patentee properly files a broadening reissue application within the two-year window, but then attempts to broaden again, in a different manner from the original reissue application, via one or more continuation reissue applications filed outside the two-year window? This question arose from five rejected reissue applications directed towards computer-system architecture from Apple Computer, Inc. in 2010–2011. *Ex parte Kelly*,⁵¹ *Ex parte Staats*,⁵² and three different

⁴⁸ *Id.*

⁴⁹ *Ex parte Pagilagan*, 64 U.S.P.Q.2d 1629, 1633 (B.P.A.I. 2002).

⁵⁰ See MPEP § 1412.02; see also *In re Mostafazadeh*, 643 F.3d 1353, 1358 (Fed. Cir. 2011). The *Mostafazadeh* court held that a claim could be broadened in a reissue to incorporate surrendered subject matter if the claim is also materially narrowed with respect to the surrendered subject matter.

⁵¹ No. 2009-006496, 2010 WL 3454272 (B.P.A.I. Aug. 26, 2010).

⁵² No. 2009-007162, 2010 WL 1725728 (B.P.A.I. Apr. 26, 2010).

rejected reissue applications in *Ex parte Riddle*,⁵³ involved broadening reissue applications filed by Apple and rejected by various USPTO examiners under 35 U.S.C. § 251 for improper broadening outside the two-year window.

¶13 The facts of each case were essentially identical and were treated as such by the Board.⁵⁴ The Board did not dispute that Apple properly filed a broadening reissue application within the two-year statutory period, or that proper continuation reissue applications were later filed.⁵⁵ In all cases, Apple acknowledged filing all of the relevant rejected reissue applications (in some cases, as in *Staats*, the second or third continuation reissue claiming priority to the original, “qualifying” reissue application)⁵⁶ “to broaden the claims in different ways.”⁵⁷ The examiners in each case rejected the claims as impermissible attempts to broaden because the entirely different manner of broadening proposed in the latest reissue applications would deny the public sufficient notice.⁵⁸ Apple appealed each case and argued that while “an intent to broaden” must certainly be shown within the two-year period—and in each case, was shown—the “eventual scope” of the initial broadening need not be fully laid out in that first reissue application filing inside the two-year period.⁵⁹ Because the public was duly notified of “any intent” to broaden within two years of patent issuance, earlier case law such as *Doll*

⁵³ *Ex parte Riddle*, No. 2011-002276, 2011 WL 486246 (B.P.A.I. Feb. 10, 2011); *Ex parte Riddle*, No. 2011-002277, 2011 WL 486252 (B.P.A.I. Feb. 11, 2011); *Ex parte Riddle*, No. 2011-001749, 2011 WL 861732 (B.P.A.I. Mar. 10, 2011).

⁵⁴ *See, e.g., Kelly*, No. 2009-006496, 2010 WL 3454272, at *1 (“Since the present application pertains to substantially the same issue of law as in *Staats*, the reasoning in *Staats* applies largely to the issue before us in this appeal.”).

⁵⁵ *See, e.g., Staats*, No. 2009-007162, 2010 WL 1725728, at *2 (“The Examiner found that the present reissue application impermissibly broadens the patented claims beyond two years from the original patent’s issuance. The Examiner assumed that the present application is a proper continuation application . . . [and] that Appellants indicated an intent to broaden the patented claims within two years.”) (citations omitted).

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

should permit *any* broadening in a later—and properly filed—continuation or divisional reissue application.⁶⁰

¶14 Thus, Apple appealed a fairly concrete issue to the Board: “whether a continuing reissue application can broaden patented claims beyond the two-year statutory period in a manner unrelated to the broadening aspect that was identified within the two-year period.”⁶¹ As the Board admitted, “[t]his is a case of first impression.”⁶² The Board first looked to the statute and the case law, and noted the holding of *Graff* in particular, which neatly presented the issue of adequate public notice by stating that the “public is entitled to rely on the absence of a broadening reissue application within two years of grant of the original patent.”⁶³ Here, though, there *was* a relevant broadening reissue within two years—it was just intended to broaden a different aspect of the patent claims than that addressed in the rejected second reissue application. Apple’s patent at issue in *Staats*⁶⁴ contained claims directed to two embodiments.⁶⁵ The original reissue application, properly filed on the two-year anniversary of issue, sought to broaden claims directed to one embodiment. The claims in the rejected continuation reissue application, filed some six years later, sought to broaden claims directed to the other embodiment.⁶⁶ Apple was forthcoming about this fact, conceding it “absolutely” during oral argument before the Board.⁶⁷

¶15 In the end, the Board affirmed the USPTO and rejected all of the broadened claims in the continuation reissue applications.⁶⁸

⁶⁰ *See id.* (“According to Appellants, so long as the public is notified of *any* intent to broaden within two years, it is unnecessary to notify the public of the specific scope of broadening within that time period.”) (emphasis in original).

⁶¹ *Id.* at *3.

⁶² *Id.* at *7.

⁶³ *Id.* (quoting *In re Graff*, 111 F.3d 874, 877 (Fed. Cir. 1997)).

⁶⁴ U.S. Patent No. 5,940,600 (filed Apr. 1, 1996) (issued Aug. 17, 1999).

⁶⁵ *Staats*, No. 2009-007162, 2010 WL 1725728, at *7–8.

⁶⁶ *Id.* at *8.

⁶⁷ *See id.* at *8 nn.10–11. When asked by Administrative Patent Judge Jeffery whether the original broadening declaration was to a different embodiment than the present application and whether “no one could have foreseen” the second broadening based on the original declaration, Apple’s counsel responded “Absolutely” to both questions.

⁶⁸ *See, e.g., id.* at *15 (“For the foregoing reasons, Appellants have not persuaded us of error in the Examiner’s rejection of claims 12–32 under 35

Stating that such unforeseeable broadening would “run[] counter to the public notice function underpinning § 251,” the Board refused to allow the continuing reissue application in *Staats* because “[t]o hold otherwise would effectively give Appellants a license to unforeseeably shift from one invention to another via reissue well beyond the two-year statutory period.”⁶⁹ The Board soundly rejected Apple’s assertions that *Doll*, *Graff*, and even the MPEP permitted their actions.⁷⁰ The Board distinguished *Doll* and *Graff* because the broadening in those cases was directed toward the *same* embodiment, whereas, in the present case, multiple embodiments were at issue.⁷¹

¶16 Apple’s MPEP-based arguments are worth noting. Apple cited MPEP § 1412.03(IV) in its brief: “Where any intent to broaden is indicated in the reissue application within the two years from the patent grant, a broadened claim can subsequently be presented in the reissue after the two year period.”⁷² On appeal, the Board conceded that this passage of the MPEP seemed to indicate via “ambiguous expansive” language that the second broadening might be allowable.⁷³ But the Board noted that the July 2008 revision to the MPEP made an important change to this provision—it inserted the word “*unequivocally*” between “is” and “indicated.”⁷⁴ The provision now reads “[w]here any intent to broaden is *unequivocally* indicated in the reissue application within the two years from the patent grant, a broadened claim can subsequently be presented in the reissue after the two year period.”⁷⁵ One is left to wonder, however, whether Apple reasonably could have anticipated this new qualifying provision in the language of the MPEP. Curiously, Apple did not challenge this discrepancy, neither in its briefs nor at oral argument at any level of the appeals.

¶17 The Board finally rejected Apple’s claims in *Staats* in November 2007—almost eight months before the July 2008 MPEP

U.S.C. § 251. Therefore, we will sustain the Examiner’s rejection of those claims.”)

⁶⁹ *Id.* at *9.

⁷⁰ *See id.* at *9–13.

⁷¹ *Id.* at *10.

⁷² *Id.* at *11 & n.20.

⁷³ *Id.* at *11.

⁷⁴ *Id.* (citing MPEP § 1412.03 (8th ed. Rev. 7, July 2008)).

⁷⁵ *Id.*

revision came into effect.⁷⁶ Moreover, the claim rejections in *Kelly* also occurred before the MPEP revision,⁷⁷ and the rejections in *Riddle* would have taken place after the revision.⁷⁸ Nevertheless, the Board believed that the public-notice function of 35 U.S.C. § 251 trumped the MPEP taken alone.⁷⁹

¶18 The Board decided the *Kelly* and *Riddle* cases after *Staats*, applying virtually identical reasoning given the virtually identical facts of the interrelated appeals. Apple appealed the *Staats* decision to the Federal Circuit on June 24, 2010, soon after the release of the Board opinion on April 26, 2010.⁸⁰ The parties completed briefing in April 2011,⁸¹ and the CAFC heard oral arguments on September 8, 2011.⁸²

III. *STAATS*—“OVERLY BROAD”?

¶19 The *Staats* case presents a collision between two robust statutory interpretations and two equally weighty sets of policy considerations. On the one hand, the public-notice function cited by both the USPTO and the Board, and regarded as a hallmark of the

⁷⁶ *Id.* at *6.

⁷⁷ *In re Kelly*, No. 2009-006496, 2010 WL 3454272, at *6 (B.P.A.I. Aug. 26, 2010) (final rejection mailed Nov. 2007).

⁷⁸ *See, e.g., Ex parte Riddle*, No. 2011-002276, 2011 WL 486246, at *7 (B.P.A.I. Feb. 10, 2011) (final rejection mailed Dec. 2009).

⁷⁹ *Staats*, No. 2009-007162, 2010 WL 1725728, at *11 (“But even assuming, without deciding, that this is the case, we still are unconvinced that the law permits broadening in a *completely unforeseeable manner* after two years as Appellants have done here, particularly when considering the MPEP together with the reissue statute and its crucial public notice function.” (emphasis in original)).

⁸⁰ Petition for Review, *In re Staats*, No. 2010-1443 (Fed. Cir. June 24, 2010) (accessed on the USPTO Public PAIR system at <http://portal.uspto.gov/external/portal/pair> under application number 11/503,541).

⁸¹ *See* Brief of Appellant-Petitioner, *In re Staats*, No. 2010-1443 (Fed. Cir. Dec. 16, 2010), 2010 U.S. Fed. Cir. Briefs LEXIS 1111; Brief of Appellee-Respondent, *In re Staats*, No. 2010-1443 (Fed. Cir. Mar. 21, 2011), 2011 U.S. Fed. Cir. Briefs LEXIS 327; Reply Brief of Appellant-Petitioner, *In re Staats*, No. 2010-1443 (Fed. Cir. Apr. 18, 2011), 2011 U.S. Fed. Cir. Briefs LEXIS 403.

⁸² Oral Argument, *In re Staats*, No. 2010-1443 (Fed. Cir. Sept. 8, 2011), available at <http://www.cafc.uscourts.gov/oral-argument-recordings/search/audio.html> (search for “2010-1443” in the field “Appeal Number”).

protections in 35 U.S.C. § 251, is crucial.⁸³ The public has the right to know what is claimed and disclaimed in a patent, and patentees should not be able to reshape their inventions throughout the life of the patent simply by lodging a “placeholder” broadening reissue application within two years of patent issuance, from which any number of potentially disparate continuing reissue applications could be filed. Allowing such activity without adequate safeguards could result in a scenario in which a competitor could spend millions, perhaps billions, of dollars based on knowledge of the bounds of the limited monopoly granted by a particular patent, only to face an infringement action years later after the boundaries of the limited monopoly have shifted.

¶20 Abuse of reissue practice, particularly in the context of continuation reissue applications, is nothing new. Testimony before Congress in 1878 during consideration of Patent Act amendments reflected the serious concern of members of Congress and members of the patent bar regarding the potential for misconduct: “Scratch a reissue and you will find a fraud. In nine cases out of ten you will find a fraud upon the law, and in every instance a fraud in fact.”⁸⁴ These doomsday visions are akin to the parade of horrors frequently presented in arguments against “submarine”-type patents, so called because they surface after years submerged in prosecution pendency to “torpedo” mature industries and collect rents.⁸⁵ The chilling effect

⁸³ See generally Michael Risch, *The Failure of Public Notice in Patent Prosecution*, 21 HARV. J. L. & TECH. 179, 180 (2007) (noting that, at the expense of the public, neither patent applicants nor patent examiners have incentives in the present iteration of the U.S. patent prosecution system to create certain, definite claims); see also Gary C. Ganzi, Note, *Patent Continuation Practice and Public Notice: Can They Coexist?*, 89 J. PAT. & TRADEMARK OFF. SOC'Y 545, 592 (2007) (describing the tension between continuation practice and public notice, the major problem of abuse, and the undesirable ripple effects of potential solutions); see also J. Christopher Carraway, *The Uncertain Future of Enforcing Patents that Have Been Broadened Through Reissue*, 8 FED. CIR. B. J. 63, 70–75 (1998) (outlining the policy conflict between permitting broadening reissue for correction of errors in patent prosecution versus the need for public notice).

⁸⁴ ARGUMENTS BEFORE THE COMM. ON PATENTS OF THE S. AND H.R., S. MISC. DOC. NO. 45-50, at 362 (2d Sess. 1878) (statement of George Payson, Gen. Counsel, Western R.R. Ass'n); see also Federico, *supra* note 10, at 610.

⁸⁵ See generally, Timothy R. DeWitt, *Does Supreme Court Precedent Sink Submarine Patents?*, 38 IDEA 601 (1998) (citing *Miller v. Brass Co.*, 104 U.S. 350 (1881)) (outlining the dangers presented by patents that enlarge their scope

that such a similar system of ever-shifting scope through reissue applications would have on innovation is indisputable. With the possibility of ramping up R&D only to shut it down at or before production when a broadening reissue application changes the landscape, industry actors would experience a stifling effect from unbridled broadening reissue applications that would disrupt the market at large.

¶21 On the other hand, as argued by Apple in the *Staats* appeal to the Board, the CAFC in *Doll* held that the intervening rights provided by 35 U.S.C. § 252 are potentially sufficient to counterbalance the damage to public notice done by broadening reissues.⁸⁶ That is, there is a clear *quid pro quo*—in exchange for a reissued patent, the patentee must “surrender” the original patent.⁸⁷ Furthermore, given the recent transparency in publication and prosecution practice for pending applications and reissue applications at the USPTO, applicants already surrender a great deal of secrecy before issuance of a patent or reissue patent. Any broadening reissue patent would of course still have to be supported by its specification or other claims, which could have effectively been part of public knowledge for years

“many years” after issuance). See also Federico, *supra* note 10, at 636–637 (discussing in passing the concept of presenting “dominating” claims “sometime after the application has been filed” in the context of intervening rights, and calling for further study in the context of reissue patents).

⁸⁶ See *In re Staats*, No. 2009-007162, 2010 WL 1725728, at *9–10; see also *In re Doll*, 419 F.2d 925, 928 (C.C.P.A. 1970). 35 U.S.C. § 252 (2006) states

[a] reissued patent shall not abridge or affect the right of any person or that person’s successors in business who, prior to the grant of a reissue, made, purchased, offered to sell, or used within the United States, or imported into the United States, anything patented by the reissued patent, to continue the use of, to offer to sell, or to sell to others to be used, offered for sale, or sold, the specific thing so made, purchased, offered for sale, used, or imported unless the making, using, offering for sale, or selling of such thing infringes a valid claim of the reissued patent which was in the original patent.

⁸⁷ See 35 U.S.C. § 252 (2006) (“The surrender of the original patent shall take effect upon the issue of the reissued patent.”). “Surrender” in this context no longer means a physical surrender of the letters patent; this requirement was removed from the patent rules in 2004. See Changes To Support Implementation of the United States Patent and Trademark Office 21st Century Strategic Plan, 69 Fed. Reg. 56,482–01 (Sept. 21, 2004) (codified at 37 C.F.R. § 1.178 (2010)). The reissue patent automatically replaces the original patent in terms of property right at the time that the reissue patent is granted.

before the broadening. Therefore, one can argue that nothing would serve to hamper a competitor from developing a competing and noninfringing product with improvements in the years it would undoubtedly take for the USPTO to wade through applications, reissues, and continuations of those reissues.⁸⁸

¶22 The CAFC will need to tackle a number of outstanding issues in their consideration of the *Staats* appeal. For example, in considering broadening reissue applications, their publication, and their effect on competition, the court will need to define what is a “reasonable” delay for the purposes of bringing broadened reissue claims to the table. Given the language of the Board decision, the court must consider what is “foreseeable.” Finally, the court will need to draw a clear line in the sand with regard to whether a patent claim’s scope will be facially obvious from the original disclosure, or if future “tweaks” will be permissible.

A. *Apple’s Opening Brief*

¶23 The parties’ briefs provided a fascinating preview of the arguments they brought before the CAFC panel on September 8, 2011. For example, in its opening brief, Apple stated that, forty years ago, *Doll* established that as long as a broadening reissue is on file within the statutory two-year period, claims can be further broadened after that two-year period.⁸⁹ As reinforced over the years by *Fotland*, *Graff*, and the MPEP, this initial public notice within two years of patent issuance should adequately balance the needs of patentees and the public.⁹⁰ The public-notice policy rationale was the chief force behind the Board’s decision—but the CAFC and its predecessor court had rejected that rationale many times before.⁹¹ Apple argued that *Doll* and its progeny are still good law, and are binding on the CAFC and the USPTO.⁹² Furthermore, the USPTO has retained the “any

⁸⁸ *But see* Ganzi, *supra* note 83, at 594–95 (arguing that new publication regimes actually serve to undermine public notice by complicating intervening rights remedies).

⁸⁹ Brief of Appellant-Petitioner, *In re Staats*, No. 2010-1443 (Fed. Cir. Dec. 16, 2010), 2010 U.S. Fed. Cir. Briefs LEXIS 1111, at *9–11.

⁹⁰ *Id.* at *11 (quoting *In re Graff*, 111 F.3d 874, 877 (Fed. Cir. 1997)) (35 U.S.C. § 251 “balances the purpose of providing the patentee with an opportunity to correct errors of inadequate claim scope, with the public interest in finality and certainty.”).

⁹¹ *Id.* at *26–27.

⁹² *Id.* at *32–34.

intent to broaden” language in the MPEP as being sufficient for decades,⁹³ so a decision against Apple on appeal would overturn that precedent.⁹⁴

¶24 Another compelling argument in Apple’s opening brief was that the “embodiment” restriction imposed by the Board constituted an “extra-statutory limitation,” which the CAFC has consistently ruled impermissible.⁹⁵ After documenting a number of cases in which extra requirements on reissue applicants were rejected,⁹⁶ Apple declares that this scenario is anything but “a case of first impression.”⁹⁷ According to Apple, the Board’s allusion to prosecution laches is also misplaced and irrelevant, as six years should not be deemed an “unreasonable” delay, assuming the applicant demonstrated unequivocal intent to broaden in a broadening reissue application filing within two years of patent issuance, and prosecution of reissue application(s) was diligent during that time.⁹⁸

¶25 It would thus appear that in order to rule against Apple, the CAFC would have to expressly overrule *Doll* and *Graff*, or abrogate them substantially. Apple concluded its opening brief by addressing the public-notice policy concerns: to the extent that such a policy would be relevant, any panic is overblown. The public has plenty of notice via other existing mechanisms, such as publication and transparency of reissue prosecution, and intervening rights potentially would be available. Inventors’ rights must also be taken into account,

⁹³ But, practitioners have recently been receiving USPTO rejections on continuation reissue applications implicitly based on the reasoning in *Staats*. Consequently, the “any intent” language appears to be marginalized at the USPTO at present, pending the decision at the Federal Circuit.

⁹⁴ *Id.* at *34–37.

⁹⁵ *Id.* at *40–41.

⁹⁶ *Id.* at *41–45 (citing *Graff*, 111 F.3d at 876–77 (precluding multiple reissue patents was “beyond the strictures” of § 251 because the plain language of the statute contained no such limit); *In re Amos*, 953 F.2d 613 (Fed. Cir. 1991) (rejecting an “intent to claim” requirement); *In re Doyle*, 293 F.3d 1355, 1363 (Fed. Cir. 2002) (rejecting the preclusion of linking claims in a broadening reissue); *In re Bauman*, 683 F.2d 405, 407 (C.C.P.A. 1982) (rejecting a rule prohibiting regular utility applications from claiming the benefit of reissue applications for filing date purposes as being extra-statutory to 35 U.S.C. § 120); *In re Doll*, 419 F.2d 925, 928 (C.C.P.A. 1970) (ruling the requirement that *each* broadening claim be asserted within the two-year window rather than a broadening *application* was extra-statutory)).

⁹⁷ *Id.* at *43.

⁹⁸ *Id.* at *49.

and they should not be required up front to show all their cards at once when so much is at stake.⁹⁹

¶26 From the perspective of owners of intellectual property and many patent practitioners who represent large corporate clients, Apple's argument appears on its face to be quite compelling. As the USPTO prosecution process has become ever more transparent (and unfortunately, ever more backlogged), the public has plenty of time to gain notice of what pending applications intend to claim. Companies can still pay a fee to hide pending applications from public view by requesting nonpublication,¹⁰⁰ but doing so raises transaction costs and also sacrifices some rights to the nonpublished invention in overseas markets.¹⁰¹ The public can readily view the USPTO's Public PAIR¹⁰² database to find detailed and up-to-date information on any pending, published application. Other user-friendly services such as Google[®] Patents¹⁰³ and IP.com¹⁰⁴ also make searching patents and even creating active alert functions accessible at little or no cost. The variety in access points for this publicly available information weakens the Board's reliance on a public notice policy rationale.

B. The Government's Opening Brief

¶27 By contrast, the government's opening brief is heavy with historical and policy appeals, and understandably reinforces much of the language of the Board's decision. The government observed, as did the Board, that the statutory two-year limit is merely the codification of the equitable doctrine of laches applied to broadening

⁹⁹ *Id.* at *66–74.

¹⁰⁰ See 37 C.F.R. § 1.213(a) (2010) (“If the invention disclosed in an application has not been and will not be the subject of an application filed in another country, or under a multilateral international agreement, that requires publication of applications eighteen months after filing, the application will not be published,” provided certain formalities are met.).

¹⁰¹ See 37 C.F.R. § 1.213(a), (c). Failure to notify USPTO of subsequent filing in an international jurisdiction that requires publication will result in abandonment of the application in the United States.

¹⁰² UNITED STATES PATENT AND TRADEMARK OFFICE, PATENT APPLICATION INFORMATION RETRIEVAL, <http://portal.uspto.gov/external/portal/pair> (last visited Sept. 20, 2011).

¹⁰³ <http://www.google.com/patents> (last visited Sept. 20, 2011).

¹⁰⁴ <http://www.ip.com> (last visited Sept. 20, 2011).

reissues.¹⁰⁵ This tradition dates back to *Miller v. Brass Co.* and beyond, and clearly reflects the undisturbed intent of the Supreme Court.¹⁰⁶ The government then pointed to counsel's admissions at oral argument that Apple's broadening was directed to a different embodiment and that the broadening was thus not foreseen as evidence that Apple's reliance on *Doll*, *Graff*, and the MPEP were misplaced.¹⁰⁷ Allowing the *Staats* claims would not break from precedent as Apple asserts but instead would blaze significant new ground, because all relevant broadening reissues in *Doll* and *Graff* were directed at all times to the same embodiment, and thus the public at all times had notice of the nature of the broadening.¹⁰⁸

¶28 Looking back to the legislative history of the 1952 Patent Act, where §§ 251–252 were added largely in their present form, the government maintained that the two-year notice window and the intervening-rights provisions were added for different reasons.¹⁰⁹ Consequently, intervening rights cannot be a compelling enough safeguard to override the superior interests of the public.¹¹⁰ In closing, the government stated that when read as a whole, the Patent Act would not permit Apple's actions—to do so would open the door for the worst-case scenario of placeholder, submarine-type reissue patents for which claim scope could be altered throughout the entire patent term.¹¹¹

C. Apple's Reply Brief

¶29 Finally, in its reply brief, Apple essentially reiterated the points in its opening brief, but noted again that historical allusions to cases such as *Bridgeport Brass* were inapposite because that era preceded a time when there were clear statutory bounds for

¹⁰⁵ Brief of Appellee-Respondent, *In re Staats*, No. 2010-1443 (Fed. Cir. Mar. 21, 2011), 2011 U.S. Fed. Cir. Briefs LEXIS 327, at *11.

¹⁰⁶ *Id.* at *11–13 (citing *Miller v. Brass Co.*, 104 U.S. 350, 355 (1881)).

¹⁰⁷ *Id.* at *12–15.

¹⁰⁸ *See id.* at *17–18.

¹⁰⁹ *Id.* at *50 (citing *Seattle Box Co., Inc. v. Indus. Crating & Packing Inc.*, 756 F.2d 1574, 1579 (Fed. Cir. 1985)). Federico's *Commentary on the New Patent Act* set aside the intervening rights of § 252 as a personal defense to patent infringement for particular users who began use before the reissue was granted; § 251 rights are for the public at large.

¹¹⁰ *Id.* at *50–51.

¹¹¹ *Id.* at *61–63.

broadening reissues.¹¹² The policy arguments of the government simply did not justify an extra-statutory limitation.¹¹³ Apple also appealed to judicial efficiency, stating that the new USPTO rule arising from *Staats* would create a “new, confusing, and endlessly litigable ground for challenging reissue patents in district court.”¹¹⁴ Courts would be forced to navigate what even the USPTO admitted was a “fact-intensive inquiry” into relatedness between a patent and subsequent reissue patent applications.¹¹⁵

D. Oral Argument

¶30 The compelling arguments and skilled briefing by both parties set the stage for oral argument on September 8, 2011. The panel, comprised of Judges Dyk, O’Malley, and Reyna,¹¹⁶ quickly asked questions focusing on an interpretation of USPTO rules and prior court precedent. After Apple’s counsel John M. Whealan opened by stating that the proposed USPTO rule would go against the court’s prior holdings in *Doll*, *Fotland*, and *Graff*, Judge Dyk immediately asked, “Were those cases correctly decided?”¹¹⁷ Whealan responded in the affirmative.¹¹⁸ Judge Dyk later asked USPTO Associate Solicitor William Lamarca a similar question: “Doesn’t your argument lead you to say that *Doll* was wrongly decided?”¹¹⁹ When Lamarca demurred, stating, “*Doll* is precedent . . . [W]e understand that,”¹²⁰ Judge Dyk asked again, “Do you believe *Doll* was correctly decided?”¹²¹ Lamarca responded, “I personally think *Doll* could have been decided more strictly . . . [T]he PTO understands that it’s precedent . . . [I]f it was 1971 right now and we were arguing about the *Doll* situation, I, as a PTO representative, would have argued

¹¹² Reply Brief of Appellant-Petitioner, *In re Staats*, No. 2010-1443 (Fed. Cir. Apr. 18, 2011), 2011 U.S. Fed. Cir. Briefs LEXIS 403, at *17–20.

¹¹³ *Id.* at *35–40.

¹¹⁴ *Id.* at *39–40.

¹¹⁵ *Id.* at *38.

¹¹⁶ Senior Judge Clevenger was on the panel for all other cases heard on September 8, 2011, but apparently recused himself for the *Staats* hearing.

¹¹⁷ Oral Argument at 1:46, *In re Staats*, No. 2010-1443 (Fed. Cir. Sept. 8, 2011), available at <http://www.cafc.uscourts.gov/oral-argument-recordings/search/audio.html> (search for “2010-1443” in the field “Appeal Number”).

¹¹⁸ *Id.* at 1:48.

¹¹⁹ *Id.* at 20:26.

¹²⁰ *Id.* at 20:32.

¹²¹ *Id.* at 20:39.

against it being decided that way. But the PTO lost that argument. We lost. And we accept that.”¹²² Judge Dyk’s persistent interest in whether the C.C.P.A. wrongly decided *Doll* seems to suggest that *Doll* is critically relevant in this case and the resolution of this case might include some reevaluation of *Doll*’s precedential value.

¶31 The early Supreme Court decisions relating to broadening reissue applications, including *Miller v. Brass Co.*,¹²³ *Sontag Chain Stores Co., Ltd. v. National Nut Co. of California*,¹²⁴ and *Webster Electric Co. v. Splitdorf Electric Co.*,¹²⁵ were also pertinent to the discussion. One of the most heated exchanges of the argument arose in response to a question posed by Judge Dyk to Apple counsel John M. Whealan. In reference to the older precedent, Judge Dyk asked whether Apple’s proposed rule would hypothetically be permissible under those cases, and if it would have constituted laches.¹²⁶ For the next several minutes, Judge Dyk and Mr. Whealan sparred over the answer, with Whealan refusing to concede that the posed hypothetical was even valid, and Judge Dyk becoming increasingly frustrated. Judge Dyk finally concluded, “You can’t answer my question,”¹²⁷ and “you’re agreeing that under the *Miller Brass* regime this would not have been permissible.”¹²⁸

¶32 Judge Dyk also sparred with Lamarca on the old cases, stating: “I find it very difficult to find in those earlier Supreme Court cases any support whatsoever for the distinction the Board made

¹²² *Id.* at 20:42.

¹²³ 104 U.S. 350 (1881).

¹²⁴ 310 U.S. 281 (1940).

¹²⁵ 264 U.S. 463 (1924). *Webster Elec. Co.* was the chief foundation of the “laches” reasoning in the Board decision. See *Ex parte Staats*, No. 2009-007162, 2010 WL 1725728, at *13–14. In *Webster*, the Supreme Court held that a patentee applying for a broadening reissue eight years after the initial patent had issued had resulted in “a case of unreasonable delay and neglect on the part of the applicant and his assignee in bringing forward claims broader than those originally sought.” *Webster*, 264 U.S. at 465–66.

¹²⁶ Oral Argument, *supra* note 117, at 12:03.

¹²⁷ *Id.* at 13:47.

¹²⁸ *Id.* at 14:08. This exchange would not be the last time Judge Dyk and Mr. Whealan would be at loggerheads in the course of the oral argument. During rebuttal, when Whealan was discussing how the advent of intervening rights has made more liberal broadening reissue practice possible, Judge Dyk countered, “But those intervening rights are pretty limited.” *Id.* at 32:07. Whealan immediately interrupted, “That’s not true, Your Honor!” and Judge Dyk responded, “Don’t interrupt me.” *Id.* at 32:13.

here.”¹²⁹ Lamarca responded that the early cases supported the simple proposition that reissue was available only when a true “error” was found and that the cases would support the premise that Apple’s rule would “operate most unjustly against the public.”¹³⁰ Judge Dyk’s statements that the Supreme Court cases would seem to support a position that *Doll* was wrongly decided, but not support the Board’s decision, are intriguing.¹³¹ Could the panel rule in favor of Apple on this set of facts *and* still overturn *Doll*? While such an outcome appears unlikely based on the prior opinions and the briefs, oral argument appears to at least crack the door open to such a possibility.

¶33 The CAFC also appeared to struggle to define a rule to apply to broadening reissues going forward. Apple’s counsel noted that the USPTO’s legal argument had shifted throughout the course of the appeal process:¹³² the examiner was concerned with the reissue declaration, the Board was concerned with embodiments, and the briefs insisted that the test was “unforeseeable.” Thus, the test was totally “unworkable” and could never be pinned down.¹³³ The judges, particularly Judge O’Malley, seemed to seize on this point. Judge O’Malley criticized the USPTO’s argument in several instances, stating, “Your test is a bit of a moving target,”¹³⁴ “I still can’t understand what your test is, other than ‘I know it when I see it.’ What is your test?”¹³⁵ and “You’ve sort of avoided using words like ‘unforeseeable’ here . . . and yet you used them in your brief . . . are you moving away from that test?”¹³⁶ Lamarca responded that the examination was consistent because the embodiments at issue were “totally unrelated” to the subject matter in the original declaration and reissue application.¹³⁷ But Judge O’Malley, sounding somewhat exasperated, asked, “How is something totally unrelated to a subject matter if it comes out of the same specification?”¹³⁸ Lamarca merely

¹²⁹ *Id.* at 21:38 (referring to a “foreseeable” error correction reserved within the statutory time period versus any error).

¹³⁰ *Id.* at 22:28.

¹³¹ *Id.* at 21:30.

¹³² *Id.* at 9:07.

¹³³ *Id.* at 9:25.

¹³⁴ *Id.* at 16:57.

¹³⁵ *Id.* at 18:38.

¹³⁶ *Id.* at 24:13.

¹³⁷ *Id.* at 24:34.

¹³⁸ *Id.* at 24:42.

responded that he did not feel the statute could be read in this manner, suggesting that he understood the importance (and potential weakness) of defining terms like “unforeseeable” and “unrelated.”

¶34 Two other exchanges from the USPTO’s argument are worth highlighting. At the end of the respondent’s argument, Judge Reyna asked Lamarca a question about the effects of broadening reissue applications on innovation: “It seems to me though that [broadening reissue practice] advances innovation, and that encourages . . . creativity by the inventors. If we were to adopt the PTO’s determination, what would that do to innovation within the American patent system?”¹³⁹ Mr. Lamarca responded that the “opposite” would be true: adopting Apple’s determination would take away public notice, and “blurring” the lines of the patent would discourage innovation.¹⁴⁰ Given Apple’s history of innovation in the consumer-electronics field, it would have been interesting to hear Apple’s answer had it been presented with a similar question. Second, in response to a question by Judge O’Malley, Mr. Lamarca stated, “[Y]ou can’t take back what you’ve already given to the public . . .” with regard to clearly demarcating the lines of the patent property right.¹⁴¹ Although in a different intellectual property context, this position is an intriguing one for the government given the 2011 Fall Term Supreme Court case *Golan v. Holder*.¹⁴²

¶35 Although the points raised at oral argument generally followed those presented in the briefs, some interesting insights emerged as the argument proceeded. Apple maintained *stare decisis* principles dictated that the forty years of practice since *Doll* should

¹³⁹ *Id.* at 28:09 (responding to Mr. Lamarca’s contention that if Apple’s determination were upheld, “tomorrow” a deluge of inventors would go to the PTO and file broadening reissue applications).

¹⁴⁰ *Id.* at 28:25.

¹⁴¹ *Id.* at 23:25.

¹⁴² 609 F.3d 1076 (10th Cir. 2010), *cert. granted*, 131 S. Ct. 1600 (2011) (No. 10-545), *argued*, Oral Argument, *Golan v. Holder* (No. 10-545) (Oct. 5, 2011), *available at* http://www.supremecourt.gov/oral_arguments/argument_audio_detail.aspx?argument=10-545. In *Golan*, various interested parties are challenging the constitutionality of section 104A of the Copyright Act, which was added by way of the Uruguay Round Agreements Act. The provision restores copyright to a subset of foreign works that had previously been in the public domain; thus, it is interesting to hear a government attorney argue here that the public can never lose what intellectual property rights holders had given them.

support its arguments, while the USPTO claimed again that Apple's proposed practice was unsupportable under the statutes and rules, and denied proper notice to the public. While the overall tenor of the oral argument was cordial, there certainly were tense, heated moments, mostly between Judge Dyk and Apple's counsel Whealan. Judge O'Malley seemed to be the more aggressive interrogator of the USPTO's Lamarca, and Judge Reyna may be the critical vote on this panel. In addition, Judge Dyk's question "How often does this problem come up?"¹⁴³ suggests that the panel may wrestle with the question of just how broad or narrow real-world applications of any prospective holding might be. The court may choose to rule narrowly simply on the set of facts in *Staats*, or it may take the opportunity to make a more sweeping pronouncement on the boundaries of broadening reissue practice.

IV. CONCLUSION

*"In . . . reissues more deviltry, if I may be permitted to use the phrase, creeps into the practice of patent law than everything else put together. Reissues ought to be guarded carefully . . ."*¹⁴⁴

¶36 In many ways, broadening reissue practice is a headache for patent attorneys today, just as it was in the 1870s. Considering the remarkable body of case law and commentary addressing the concept of broadening reissues and attempts to alter its implementation and practice, we have come full circle since the earliest efforts to rein in the potential for—and actual abuse of—reissue patent practice. The issue now before the CAFC is distilled down to a question of how long is too long to give adequate public notice in broadening reissue applications. And what must that "notice" entail? How much notice must be given when reissue applicants seek to pursue broader reissue patent claims directed to embodiments that may differ from those sought initially? In addition to the two-year statutory window for broadening reissues, and the "foreseeability" aspect applied in *Staats* and earlier cases, the authors believe that a reasonable balance must be achieved between providing adequate public notice in broadening reissue patent applications, while still providing enforceable rights for patent owners.

¹⁴³ Oral Argument, *supra* note 117, at 26:20.

¹⁴⁴ ARGUMENTS BEFORE THE COMM. ON PATENTS OF THE S. AND H.R., S. MISC. DOC. NO. 45-50, at 104–05 (2d Sess. 1878) (statement of M.D. Leggett, ex-Commissioner of Patents); *see also* Federico, *supra* note 10, at 610.

¶37 There is a need to rein in any unbounded¹⁴⁵ “shifting” of subject matter claimed in chains of continuation broadening reissue applications filed years after the initial two-year statutory window for filing a broadening reissue application. The CAFC should create a mechanism for the USPTO to implement that would limit excessive alteration of patent claim scope by reissue and the use of such applications solely as a means to capture previously unforeseen competitors and their equally unforeseen products.

¶38 The limiting mechanism must be calibrated to permit appropriate alterations of claim scope in reissue applications, and even in continuing broadening reissue applications, which can be beneficial to inventors and provide the necessary means to correct later-discovered mistakes in a patent.¹⁴⁶ In such legitimate circumstances, continuing broadening reissue applications should be permitted outside the two-year statutory window if unequivocal intent to broaden is demonstrated in an initial broadening reissue application. The devil is in the details, however, because it will be difficult to define reasonable bounds of permissibility (in time and in scope) for continuing broadening reissue applications. For example, what is an “unequivocal” intent to broaden, and how long is too long to permit broadening of any kind, especially in the context of continuations of broadening reissue applications?

¶39 One possible solution, though perhaps difficult to implement in practice, would be to require inventors to scour their patent and provide multiple examples of errors (assuming there are multiple errors) in the declaration accompanying an initial broadening reissue application. That is, inventors would explain in their declaration any number of possible “errors” and specify possible avenues for claiming subject matter not earlier claimed due to mistake, as well as a detailed explanation of why such errors do not constitute impermissible recapture of surrendered subject matter. Then, the inventors would be limited to pursuing families of broadening reissue applications (including continuations thereof) with claims limited to only those errors initially identified. This declaration could serve a

¹⁴⁵ Unbounded in terms of scope, while still clearly bounded by the term of the parent patent.

¹⁴⁶ See *Topliff v. Topliff*, 145 U.S. 156, 171 (1892) (“Under such circumstances, it would be manifestly unjust to deny him the benefit of a reissue to secure to him his actual invention, provided it is evident that there has been a mistake and he has been guilty of no want of reasonable diligence in discovering it . . .”).

public-notice function, by apprising the public of the possible scope of reissue applications stemming from a given patent vis-à-vis the declaration accompanying an initial broadening reissue application. The counterpoint to this proposal, of course, is that it may be difficult or impossible to recognize all possible errors at the time of filing an initial broadening reissue application, and that additional errors sometimes may not come to light until inventors are deeply involved in prosecution of the initial broadening reissue application.

¶40 Moreover, how should one define “unrelated” or “unforeseeable” embodiments? And how would these definitions affect patent owners’ rights? For example, in today’s white-hot “smartphone” market, product development is so rapid and the product lifecycle is so short (a fraction of the length of a patent term) that it may be impossible to predict all possible future variations that competitors might attempt to exploit in designing around a patent.

¶41 To take just one simple example: assume an inventor discloses a novel portable electronic device and has patent claims directed to its screen and user interface. The inventor has a robust disclosure of the device, its screen, its functionality, user interface, display, battery, software, etc. Along comes a competitor (within two years of patent grant) who intends to market a similar yet noninfringing device. Assume the competitor attempts a design-around to change the user interface and provide a remarkably long-lasting battery to power a similar device. Should the inventor be permitted to file a broadening reissue application within two years to pursue claims directed to the competitor’s user interface (assuming support from the patent disclosure and no attempt at recapture)? Probably yes. Now, assume the original inventor’s disclosure broadly describes the battery used in the claimed device, but the inventor never included any claims directed to the battery in either the patent or an initial broadening reissue application. Should the inventor be permitted to file a continuation of that broadening reissue application after two years to add claims to a battery for a portable electronic device? This question is more complicated. Would claims to a battery have been “foreseeable” to a competitor having knowledge of the original patent and its disclosure? Perhaps. Would claims to a battery be considered “unrelated” to the original device and user interface claims for the portable electronic device? Possibly. One can readily see that this is a gray area defying simple categorization.

¶42 There must be a balancing to promote competition while still protecting patent owners' rights, in order to allow patent owners to maintain the value of their patent by later claiming more broadly than which they were originally entitled to claim. Overall patent value may otherwise decrease if the potential scope of broadening reissues is curtailed. For example, in the smartphone market, patent value could diminish significantly after a short time, especially if a patent owner is not permitted to mine (within reason) a robust patent disclosure for unclaimed subject matter.

¶43 So where should we place the fulcrum in this balance? One possibility is for the CAFC to judicially implement a hard time limit on filing continuations of broadening reissue applications. For example, there could be a time limit requiring the filing of any continuing broadening reissue applications within three years after the initial two-year window for the first broadening reissue application. Thus, all broadening reissue patent applications (including any continuations) would have to be filed within five years of the initial patent grant, with expiration of any reissue patents still tied to the original patent's term. Five years is a long time in the smartphone market. For example, just after the iPhone[®] 4S release, one will notice that there are not many people carrying the original iPhone[®] from 2007. That being said, however, there are likely many patented features in the original iPhone[®] that are still aggressively being litigated today.

¶44 The problem for the CAFC, if it attempts to establish a bright-line rule for capping continuing broadening reissue applications, is that it is difficult to objectively and even-handedly apply such a rule to patents overall and across so many industries and technologies.¹⁴⁷

¹⁴⁷ For example, patents in the biopharmaceutical industry are particularly valuable towards the end of their term as they recoup time lost due to FDA approval and fend off generic competitors, whereas in industries such as semiconductors, patents may more quickly become obsolete before the end of their term. See Mark A. Lemley, *Empirical Study of the Twenty Year Patent Term*, 22 AIPLA Q.J. 369, 377 n.32 (1994) ("There is some evidence, however, that the value of patents over time may differ by industry. For example, because of regulatory delays, patents in the biotechnology and pharmaceutical industries may be more valuable at the end of their term than at the beginning."); see also Robert L. Risberg, Jr., Comment, *Five Years Without Infringement Litigation Under the Semiconductor Chip Protection Act; Unmasking the Spectre of Chip Piracy in an Era of Diverse and Incompatible Process Technologies*, 1990 WIS. L. REV. 241, 252 (1990) ("In addition, some companies neglect to patent facets

Sometimes, however, courts seem to favor bright-line rules. Other times, they prefer overly complicated or case-specific approaches with many corollaries that soon muddy even their most straightforward application.

¶45 Broadening reissue practice may remain a headache for patent attorneys regardless of the outcome in *Staats*. We must hope that the CAFC uses the occasion of the *Staats* case to impart a reasonable and fair balance between adequate public notice and enforceable rights for patent owners in broadening reissue patent applications.

of a chip that are eligible because the chip may be obsolete by the time the Patent and Trademark Office issues a patent.”).