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The Ethics of Delaying Persecution

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The Ethics of Delaying Persecution

Keywords

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ARTICLE

THE ETHICS OF DELAYING PROSECUTION*

LISA A. DOLAK**

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INTRODUCTION

The art of patent prosecution is becoming more and more complicated, challenging, and risky. In recent years, patent practitioners have endeavored to master the implications and strategic opportunities resulting from the American Inventors Protection Act¹ and all of the associated rule changes.² In addition, recent decisions of the United States Court of Appeals for the Federal Circuit and U.S. Supreme Court have necessitated significant changes in how patent applications are drafted and prosecuted.³ The Federal Circuit's recent decision in *Symbol Technologies, Inc. v. Lemelson Medical*,⁴ holding that laches may "bar enforcement of patent claims issued after an unreasonable and unexplained delay in prosecution,"⁵ adds to the challenge by raising questions about the extent to which patent applicants can take advantage of strategic opportunities presented by the patent statute and administrative rules of the U.S. Patent and Trademark Office ("PTO") without jeopardizing their rights.⁶

Symbol Technologies also potentially implicates the ethical obligations of patent practitioners. This issue—whether practitioners may be subject to discipline for purposefully delaying the prosecution of their clients' patent applications—is considered below. Because the

1. Pub. L. No. 106-113, 113 Stat. 1501 (1999) (codified in scattered sections of 35 U.S.C.) (amending the patent law and reorganizing the United States Patent and Trademark Office ("PTO")).

2. See, e.g., 37 C.F.R. § 1.902-907 (2003) (permitting reexamination rights for third parties); 37 C.F.R. pts. 1 & 5 (2003) (providing for the public disclosure of patent applications after eighteen months); 37 C.F.R. §§ 1.701 & 1.702-705 (2003) (compensating patentees for delays in the application examination process by providing patent term adjustments).

3. These decisions include the Federal Circuit and Supreme Court decisions in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 234 F.3d 558 (Fed. Cir. 2000), vacated by 535 U.S. 722 (2002), and the Federal Circuit's recent *en banc* decision in *Johnson & Johnston Associates Inc. v. R.E. Service Co.*, 285 F.3d 1046 (Fed. Cir. 2002). The judgments in *Festo* concern the extent to which claim amendments made during prosecution impair a patentee's ability to assert infringement under the judicially-created doctrine of equivalents. See *Festo*, 535 U.S. at 737-40 (concluding that while an amendment is not an absolute bar to infringement claims, a patentee must prove the amendment did not relinquish the equivalent in question). In *Johnson & Johnston*, the Federal Circuit held that subject matter disclosed in a patent application, but not recited in the claims, is *per se* dedicated to the public. 285 F.3d at 1054.

4. 277 F.3d 1361, 61 U.S.P.Q.2d (BNA) 1515 (Fed. Cir. 2002), *cert. denied*, 537 U.S. 825 (2002).

5. *Id.* at 1363, 61 U.S.P.Q.2d (BNA) at 1516.

6. See generally Michael T. Hawkins, *Prosecution Laches in the Wake of Symbol Technologies: What is "Unreasonable and Unexplained" Delay?*, 87 MINN. L. REV. 1621, 1655-60 (2003) (analyzing factors for distinguishing between legitimate "commercial gamesmanship" and "unreasonable and unexplained delay" for purposes of prosecution laches).

issue requires consideration of the history and contours of the “prosecution laches” doctrine, the development of the doctrine is first reviewed.⁷ Specifically, Part I of this Article examines the history of prosecution laches in the Supreme Court and the lower federal courts. Part II then describes and analyzes the Federal Circuit’s decision in *Symbol Technologies*, and identifies questions it leaves unresolved. Finally, Part III considers the extent to which the decision implicates the ethical obligations of prosecution counsel.

I. PROSECUTION LACHES: A HISTORY OF AMBIGUITY AND AMBIVALENCE

A. *Prosecution Laches in the Supreme Court*

1. *Woodbridge and Webster*

Nearly eighty years ago, the Supreme Court had occasion to consider the effect of an applicant’s prosecution delays on its patent rights in a pair of cases. In *Woodbridge v. United States*,⁸ the Court upheld a decision of the U.S. Court of Claims refusing to compensate an inventor for the alleged use of his invention by the United States.⁹ The inventor filed his patent application, which involved rifle projectiles, in February 1852.¹⁰ The Patent Office examined the application and advised the inventor regarding allowable subject matter. Woodbridge then amended his claims accordingly and requested that the Patent Office delay the issuance of his patent for one year, as was then authorized by statute.¹¹ Neither the Patent Office nor the inventor took any action regarding the patent for the next nine and one-half years.¹² In December 1861, however, the inventor wrote to the Patent Office requesting issuance of the patent

7. “Prosecution laches” has alternatively been referred to as “continuing application laches” or “undue delay of prosecution.” See generally Thomas G. Eschweiler, Ford v. Lemelson and Continuing Application Laches, 79 J. PAT. & TRADEMARK OFF. SOC’Y 401, 403 (1997) (attempting to answer whether the “continuing application laches” defense is still a viable defense by analyzing the history and development of the relevant case law and legislative histories).

8. 263 U.S. 50 (1923).

9. *Id.* at 51, 63.

10. *Id.* at 51.

11. *Id.* at 52-53. According to the *Woodbridge* Court, this statute authorized a delay of up to one year to give the inventor time to prepare and submit a model. *Id.* at 58. The inventor had already submitted his model, but requested the delay to prevent publication of the patent from affecting the possibility of obtaining a patent in a foreign jurisdiction. See *id.* at 52, 58. The Court noted, though, that he never applied for a foreign patent. *Id.* at 58.

12. *Id.* at 53.

and noted that he had “allowed [the patent] to remain until the present time, it being only lately that any immediate opportunity of rendering it pecuniarily available has occurred.”¹³ At the same time, Woodbridge also requested certain broadening amendments.¹⁴

The Patent Office refused to issue the patent, with or without the amendments, on the ground of abandonment.¹⁵ According to the Patent Office, many inventors had obtained patents and made advancements in this field of invention while Woodbridge unjustifiably delayed the issuance of his patent until he could exploit its commercial value.¹⁶ Likewise, the Court of Claims refused the inventor’s request for compensation for the government’s alleged use of the invention on the ground that his deliberate delay in requesting issuance of the approved patent resulted in an unenforceable patent as a matter of equity.¹⁷

The Supreme Court affirmed, stating the legislative purpose behind the seventeen-year non-extendable term enacted in 1861 was to permit unencumbered public access to the invention following its expiration. The court stated that “[a]ny practice by the inventor . . . through which he deliberately and without excuse postpones beyond the date of the actual invention, the beginning of the term of his monopoly, . . . is an evasion of the statute.”¹⁸ The Court explained its decision that the inventor had forfeited his right to a patent as follows:

In this case we have a delay of 9 1/2 years in securing a patent that might have been had at any time in that period for the asking, and this for the admitted purpose of making the term of the monopoly square with the period when the commercial profit from it would be highest. Not until war or fear of war came was there likely to be a strong demand for rifled cannon and their improvement. Hence the inventor, having put his order for the issue of a patent into the secret archives of the Patent Office in 1852, sat down and waited until after the Civil War came on in 1861 before seeking to avail himself of the patent, thus postponing the time when the public could freely enjoy it for nearly 10 years. Meantime other inventors had been at work in the same field and had obtained patents without knowledge of the situation When [the inventor] conceived that the time . . . had

13. *Id.*

14. *Id.*

15. *See id.* at 54 (noting that the PTO informed Woodbridge that the “length of time he had allowed his invention to slumber was a bar to the issue of the patent”).

16. *Id.*

17. *Id.* at 55.

18. *Id.* at 56.

come to assert his monopoly, he became aware of the fact that in his specifications and claims, as allowed, he had not covered the real advance made by his unconscious competitors, [and] he applied for a change of specifications and claims, so that he might cover the patents of these subsequent inventors.¹⁹

In particular, the Court noted that had the inventor “succeeded in his illegal plan,” nearly ten years of “unconscionable postponement of the end of his monopoly” would have resulted.²⁰

The following year, in *Webster Electric Co. v. Splitdorf Electric Co.*,²¹ the Supreme Court again refused to enforce patent claims filed after what the Court regarded as an “unreasonable” delay.²² The patent at issue in *Webster* was a divisional of an application originally filed in February 1910.²³ A first divisional application was filed in 1914 for the purpose of provoking an interference with another party’s issued patent.²⁴ The divisional at issue in *Webster* was filed in 1915 to provoke yet another interference. However, the claims at issue, which were broader than those copied for purposes of the interference and were apparently filed after the applicant lost the interference, were not added until 1918.²⁵

In refusing to enforce the claims at issue, the Supreme Court noted that the inventor had no intention to assert claims to the subject matter in question until after that subject matter “was disclosed and in general use.”²⁶ According to the Court, the inventor “simply stood by and awaited developments” during the period of “unreasonable delay and neglect.”²⁷ That the inventor was engaged for several of the

19. *Id.*

20. *Id.* at 58-59.

21. 264 U.S. 463 (1924).

22. *Id.* at 466.

23. *Id.* at 464. A patent applicant may only receive one patent per invention. *See* 35 U.S.C. § 101 (2000). Accordingly, when an application presents claims to two or more independent and distinct inventions, the Commissioner may require the applicant to restrict its claims to a single invention for prosecution within that application. *See id.* § 121. The application carved out of the earlier application is a “divisional application.” Assuming proper compliance with Section 120, the divisional application is entitled to the same filing date as the parent application from which it arose. *See id.* (“If the other invention is made the subject of a divisional application which complies with the requirements of Section 120 of this title it shall be entitled to the benefit of the filing date of the original application.”).

24. *Webster*, 264 U.S. at 464.

25. *See id.* at 464-65 (characterizing the applicant as negligent for waiting eight years and four months after the initial filing to assert the broader claims).

26. *Id.* at 465.

27. *Id.* The Court distinguished the situation in *Webster* from “the simple case of a division of a single application for several independent inventions” by noting that the claims at issue were added after the conclusion of interferences involving narrower claims. *Id.* at 465-66.

eight years between the filing of the parent application and the amendment adding the claims at issue in separate interferences with different third parties “afford[ed] no just excuse for the failure to assert the broader claims.”²⁸ To the contrary, the Court regarded the “long delay” as evidence supporting the conclusion that the claims at issue were “an exigent afterthought, rather than a logical development of the original application.”²⁹

2. *Intervening adverse rights*

The other Supreme Court decisions relating to the effect of applicant delays on patent rights concern the definition and significance of “intervening adverse rights.” In *Overland Motor Co. v. Packard Motor Car Co.*,³⁰ the Court held that an infringement suit cannot be dismissed merely because the patentee repeatedly took advantage of the entire statutory period for responding to Patent Office actions and voluntarily filed a divisional application to obtain

28. See *id.* at 466. Although the claims at issue in *Webster* were broader than those involved in the interferences, they did not, according to the Court, embrace subject matter “of such complicated character that it might not have been readily described in the original applications.” *Id.*

29. *Id.* In holding the inventor’s patent rights forfeited, the *Webster* Court noted the importance of not interpreting the patent so narrowly as to discourage “creative genius,” but further observed that “it is no less important that the law shall not be so loosely construed and enforced as to subvert its limitations, and bring about an undue extension of the patent monopoly against private and public rights.” *Id.*

In an apparent effort to delineate the boundary between reasonable and unreasonable delay, the *Webster* Court devoted the remainder of its opinion to endorsing a two-year time limit on the filing of divisional applications “in cases involving laches, equitable estoppel or intervening private or public rights.” See *id.* at 466-71 (determining that two years is the presumptive limit for an unreasonable delay). According to the Court, the two-year limit, avoidable only “by proof of special circumstances justifying a longer delay,” was defended by way of analogy to the then-applicable, judge-made prohibition against enforcing reissue patents sought more than two years after original issuance. *Id.* The two-year reissue limit had itself been adopted by analogy to the various statutes in effect at the time that imposed a limit of two years for filing applications, including a two-year pre-filing public use grace period. *Id.* at 470-71.

Several years later, the Supreme Court acknowledged that its pronouncements in *Webster* regarding a two-year limit on divisional applications were dicta. See *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 167 (1938) (asserting that the two-year limit pronouncements were made merely to clarify the lower court’s erroneous interpretation). In *Crown Cork*, however, the significance of intervening adverse rights, or more precisely the lack thereof, was placed squarely in issue by the intermediate appellate court’s ruling invalidating a patent granted on a divisional application filed more than two years after a patent issued on the original application. *Id.* The *Crown Cork* Court clarified the *Webster* two-year “rule,” holding that filing a divisional application more than two years after an original application was not subject to the *Webster* two-year limitation without intervening adverse rights. See *id.* at 161, 164, 167-68 (condoning delay where there was no adverse use of the previously disclosed but unclaimed invention prior to the filing date of the divisional application upon which the patent in dispute eventually issued).

30. 274 U.S. 417 (1927).

the claim at issue after it had been finally rejected in the parent application.³¹ Given the facts at issue in *Symbol Technologies*, discussed below,³² several aspects of *Overland Motor* are worth noting. First, it was undisputed that the patentee fully complied with all applicable statutory and Patent Office requirements.³³ Second, the patentee offered no excuse for the delay.³⁴ Third, in declining to act in equity to authorize dismissal of the infringement action, even when confronted with the infringement defendant's account of the potential for the perpetration of mischief via prosecution delay,³⁵ the Court pled infirmity, declaring that it was wholly within the realm of Congress, not the courts, to reduce the statutory time period.³⁶ However, as has been argued elsewhere,³⁷ the key to understanding the Court's refusal to intervene in equity appears to lie in its further observation that "[w]e do not know on what principle we could apply the equitable doctrine of abandonment by laches in a case where the measure of reasonable promptness is fixed by statute, and no other ground appears by reason of which laches could be imputed to the applicant."³⁸ The Court observed that there was no product on the United States market prior to the issuance of the patent involving the subject matter of the suit.³⁹ It also characterized *Woodbridge* as an "exceptional" case in which the patent applicant sought "to postpone the period of its monopoly until a national emergency might arise in which his invention, which was for rifling cannon, should be more in

31. *Id.* at 422-24. The applicant in *Overland Motor* had, on at least eight different occasions during prosecution of the parent and divisional applications, taken more than eleven months to respond to outstanding office actions. *Id.* at 419. The statutory period for response at the time was one year. *Id.* at 422-23.

32. See *infra* notes 117-129 and accompanying text.

33. *Overland Park*, 274 U.S. at 422-24.

34. See *id.* at 422 (conceding there is no requirement that applicant respond with utmost diligence provided such response is made within the time period allowed by statute).

35. The infringement defendant argued that:

[B]y waiting a year after each official action [an applicant can:] (1) keep his application pending so as to enable him to withhold, indefinitely, his invention from the public, (2) add claims to his application covering the independent intervening developments of others, and (3) postpone the time when the public may enjoy the free use of the invention—all contrary to sound public policy.

Id. at 423.

36. See *id.* (indicating that Congress reduced the time period from an indefinite time period in 1861, to two years in 1897, and to six months in 1927).

37. See David L. Marcus, *Is the Submarine Patent Torpedoed?*: Ford Motor Co. v. Lemelson and the Revival of Continuation Application Laches, 70 TEMP. L. REV. 521, 548 (1997) (suggesting that the Supreme Court's refusal to derail the infringement suit in *Overland Motor* was attributable to the absence of equitable justifications supporting such a result).

38. *Overland Motor*, 274 U.S. at 424 (emphasis added).

39. *Id.* at 420.

demand than it then was."⁴⁰ These aspects of the Court's analysis support interpreting *Overland Motor* to mean that even extended prosecution delay that postpones the expiration date of the patentee's right of exclusion does not justify equitable intervention in the absence of intervening adverse rights.

The Court's decision in *General Talking Pictures Corp. v. Western Electric Co.*⁴¹ further confirms that intervening adverse rights are essential to a challenge based on prosecution delay. The petitioner in *General Talking Pictures* based its challenge on the patentee's first presentation of claims in a voluntary divisional or "continuation" application⁴² more than two years after the patentee's own public use of the claimed invention.⁴³ Noting that the claims of both the continuation and original applications had the same effective dates, that the only public use of the invention at issue was the patentee's own, and that that public use did not precede the filing dates of the original applications by more than two years (so as not to run afoul of then-applicable statutory two-year pre-filing grace period), the Court rejected the challenge.⁴⁴

Taken together, the relevant Supreme Court decisions⁴⁵ thus illustrate that a patent challenger must establish that adverse rights arose, or at least existed, during the period of alleged prosecution delay.⁴⁶ In addition, *Woodbridge* and *Webster* suggest that a challenger can rely, for this purpose, on the intervening rights of third parties.⁴⁷

40. *Id.* at 426-27.

41. 304 U.S. 175 (1938). The Court decided *General Talking Pictures* on the same day as *Crown Cork*, discussed *supra* note 29.

42. A continuation application is a patent application filed during the pendency in the PTO of an original parent application that employs the identical disclosure. A continuation application may not include new additional material in the specification. See *Applied Materials, Inc. v. Advanced Semiconductor Materials America, Inc.*, 98 F.3d 1568, 40 U.S.P.Q.2d (BNA) 1481 (Fed. Cir. 1996), *cert. denied*, 117 S. Ct. 1822 (1997) (noting that a continuation application is based solely on the disclosure of the parent application).

43. *Gen. Talking Pictures*, 304 U.S. at 182; see also *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 167 (1938) (explaining further the *Webster* Court's rationale for the two-year "rule").

44. *Gen. Talking Pictures*, 304 U.S. at 183. Justice Black, dissenting, apparently doubted the legitimacy of divisional and continuation applications generally, and would have invalidated the claims in question because they were presented more than two years after the invention was in public use. See *id.* at 188-90 (noting that divisional and continuation applications were not then authorized by statute).

45. The Supreme Court has not had occasion to further refine the doctrine of prosecution laches since its decisions in *Crown Cork* and *General Talking Pictures*.

46. The decision in *General Talking Pictures* established that the patentee's public activities during the period of delay are irrelevant, as long as the claims in question are entitled to the benefit of a filing date within the statutory grace period. *Id.* at 182.

47. In *Woodbridge v. United States*, 263 U.S. 50, 56-57 (1923), the United States was the challenger, and the Supreme Court referred to "other inventors" and "many

However, several important questions were left unresolved by these decisions. First, what activities or events qualify as “adverse rights”? Second, is a challenge based on prosecution delay limited to claims that were first presented or broadened after the adverse rights arose, or is it enough that the claims in question issued after significant applicant delay?⁴⁸

With regard to the first of these questions, the Court in *Woodbridge* referred to the work of other inventors, including those who had obtained patents, and the government’s use of their “advances in the art.”⁴⁹ In *Webster*, the Court noted that the subject matter in question “was disclosed and in general use” prior to the presentation of the challenged claims,⁵⁰ but did not say where or how the subject matter had been disclosed or used. However, in ascribing no significance to the fact that the subject matter at issue had been disclosed in U.S. and foreign publications and actually used “abroad” during the pendency of the patentee’s U.S. patent applications,⁵¹ the Court in *Overland Motor* appears to have excluded U.S. and foreign publications, as well as use in foreign countries, from the definition of intervening adverse rights. Subject matter patented in the United States, though, appears to qualify,⁵² as does domestic use of the invention recited in the claims at issue.⁵³

inventors” who were working in the “same field” as that of the plaintiff and who had “obtained patents” and “made advances [that] the government had used” Similarly, the Court in *Webster Electric Co. v. Slidorf Electric Co.*, 264 U.S. 463, 465 (1924), noted that the subject matter in question “was disclosed and in general use.”

48. A related, arguably unresolved, question is whether forfeiture may be found in the absence of the filing of a second or subsequent patent application. Although no such application was filed in *Woodbridge*, the inventor unsuccessfully sought to amend his patent when he requested that it issue. *Woodbridge*, 263 U.S. at 54. The patent rights in question issued only after the inventor succeeded in procuring special congressional legislation. *Id.* at 51. The peculiar facts presented in *Woodbridge* are, therefore, arguably analogous to the procurement of patent rights by way of continuation application, as well as the other pertinent Supreme Court cases involving continuation or divisional applications.

49. *See id.* at 57 (discussing the repercussions that every patentee faces by withholding his inventiveness from the public).

50. *Webster*, 264 U.S. at 465.

51. *See Overland Motor Co. v. Packard Motor Car Co.*, 274 U.S. 417, 419-20 (1927) (holding that use of the subject matter abroad only implicated the original and divisional applications, but not the particular claims in suit).

52. From the context in which the *Woodbridge* Court refers to the “many patents [that] had issued for the same invention,” it appears that at least some of the patents in question were U.S. patents. *See Woodbridge*, 263 U.S. at 54 (noting that because the patent application in question was held for the nine and one-half year period of delay in the Patent Office’s “secret archives,” the application was “locked up, not merely beyond the reach of the public, but beyond even the cognizance of the examiners” and that, in the “meantime many patents had issued for the same invention”) (emphasis added).

53. *Overland Motor*, 274 U.S. at 420.

As to whether prosecution laches is limited to situations where claims are added or changed after adverse rights arose, the claims at issue in *Woodbridge* were those that were pending before the invention was used by others,⁵⁴ whereas those challenged in *Webster* had been introduced after the asserted intervening uses.⁵⁵ On the one hand, this may indicate that prosecution laches may be found even where the claims at issue were not added or broadened after the adverse use. However, the unusual circumstances of *Woodbridge* make drawing any conclusion regarding this issue difficult.

Overland Motor presented the Court with an opportunity to provide guidance. There, the applicant's claims to the "subject matter in suit" were apparently presented before, and were pending throughout, the period of delay.⁵⁶ However, by distinguishing *Woodbridge* without commenting on the significance of the late presentation of claims in that case, the Court left open the question of whether such action is an element of the defense.⁵⁷

B. *The Lower Federal Courts Struggle with Prosecution Laches*

Although the Supreme Court cases relating to prosecution laches left unanswered certain questions regarding the precise contours of the doctrine, they left no doubt that patent rights were, in some circumstances, subject to forfeiture based on applicant delay. In the years since the Supreme Court's last decision on the subject, the lower federal courts have disagreed regarding not only when forfeiture is appropriate, but whether a patent can ever be held invalid or unenforceable under a prosecution laches theory.

54. The opinion in *Woodbridge* states that the Patent Office refused to issue the patent with or without the requested amendment following the period of delay. *Woodbridge*, 263 U.S. at 54. Subsequently, however, the inventor in *Woodbridge* secured special legislation granting him patent rights subject to the condition that he satisfy the court that he had not forfeited his rights by delay. *Id.* at 51. See also *Overland Motor*, 274 U.S. at 418 (noting the particular legislation upon which the inventor in *Woodbridge* relied for the purpose of obtaining his patent). He was, however, apparently relegated to the claims that had been allowed before the delay. See *Woodbridge*, 263 U.S. at 63 (concluding that *Woodbridge*'s delay in requesting issuance constituted forfeiture of his right to a patent).

55. *Webster*, 264 U.S. at 464-65.

56. See *Overland Motor*, 274 U.S. at 419 (describing the particular facts relating to the petitioner's initial and subsequent patent applications).

57. If applicant delay plus intervening adverse rights plus the "late" introduction of new or broader claims is required to establish prosecution laches, other questions remain unanswered. For example, are claims that were pending before the delay began also tainted because they issue in the same patent with "late" claims (i.e., do all of the claims of a patent tainted by delay fall together)? And must adverse rights originate during the delay, as opposed to before it begins?

In several cases, patent challengers succeeded in invoking a prosecution laches-style defense. For example, in *Pratt & Whitney Co. v. United States*,⁵⁸ the U.S. Court of Claims dismissed a petition for compensation from the United States where the asserted claims were first presented in a divisional application filed nine years after the parent application was filed and six years after the accused device was “in public use and on sale.”⁵⁹ Similarly, in *Monsanto Co. v. Rohm & Haas Co.*,⁶⁰ the District Court for the Eastern District of Pennsylvania held invalid claims presented almost ten years after the application containing the supporting disclosure was filed, seven and a half years after the patentee learned of the defendant’s South African patent claiming the same chemical compound, approximately seven years after representatives of the patentee attended a conference where a U.S. government official described the compound’s herbicidal properties, and almost six years after the patentee learned that the defendant was selling the compound as a herbicide.⁶¹

Other courts were less hospitable to the defense. Several relied on the express provision in 35 U.S.C. § 120⁶² that claims supported by an earlier-filed disclosure in a parent application are entitled to the benefit of the parent’s filing date if the requirements of Section 120 are met.⁶³ According to one court:

58. 345 F.2d 838, 145 U.S.P.Q. (BNA) 429 (Ct. Cl. 1965).

59. *Id.* at 843-44, 145 U.S.P.Q. (BNA) at 432-33.

60. 312 F. Supp. 778, 164 U.S.P.Q. (BNA) 556 (E.D. Pa. 1970).

61. *Id.* at 783-85, 164 U.S.P.Q. (BNA) at 560-62. The original patent application disclosed a large class of compounds and stated that the compounds possessed herbicidal activity. The application also included claims to herbicidal compositions and method of use claims, but no claim to any compound *per se* was presented during its prosecution. *Id.* at 783-85, 164 U.S.P.Q. (BNA) at 560-61. The patentee filed a continuation-in-part application one month after the patentee learned of the defendant’s sales of the compound in question, but again did not include claims to that or any other compound *per se*. *Id.* at 784-85, 164 U.S.P.Q. (BNA) at 561-62. Several years later, after an interference involving that application was declared between the patentee and the eventual defendant in the infringement action, the patentee filed a motion to add a claim to the compound to the application. The motion was denied. *Id.* at 785, 164 U.S.P.Q. (BNA) at 562. The application that resulted in the patent in suit, including the claim at issue, was filed nearly three years after the attempt to amend the continuation-in-part application, almost six years after that application was filed. *Id.*, 164 U.S.P.Q. (BNA) at 562.

A divided panel of the U.S. Court of Appeals for the Third Circuit affirmed the district court’s judgment of invalidity, but confined its discussion to the district court’s ruling that the patent was procured by fraudulent misrepresentation. *See Monsanto Co. v. Rohm & Haas Co.*, 456 F.2d 592, 596, 600-01, 172 U.S.P.Q. (BNA) 323, 325-26, 329 (3d Cir. 1972) (holding that the patentee’s failure to disclose important information in his application was contrary to equitable standards of conduct owed to the public).

62. 35 U.S.C. § 120 (2000).

63. *See, e.g., Haney v. Timesavers, Inc.*, 900 F. Supp. 1378, 1382 (D. Or. 1995) (noting that “35 U.S.C. § 120 expressly permits [the patentee] to file additional applications to obtain additional claims”); *see also* Advanced Cardiovascular Sys., Inc.

By providing this relation back doctrine, Congress evidenced a clear intent to regulate the timing of continuation applications. Accordingly, only Congress can determine what constitutes unreasonable delay in the filing of such an application. It is not for this Court to decide that the prosecution of a patent according to the rules of the PTO is unreasonable and inequitable.⁶⁴

Another court distinguished *Woodbridge* as limited to situations where the patentee had delayed to achieve a postponement of the term of the patent.⁶⁵ The same court appeared to have more difficulty with *Webster*, where the term was not extended in the *Woodbridge* sense, since the claims at issue were presented in a divisional application that complied with the applicable law.⁶⁶ Although it regarded *Webster* as “closely analogous,” it nonetheless denied the patent challengers’ motion for summary judgment based on laches because the defendants had “little evidence” that the claims at issue were presented as a “mere afterthought.”⁶⁷ The court further

v. Medtronic, Inc., 41 U.S.P.Q.2d (BNA) 1770, 1774-75, No. C-96-0942 DLJ, 1996 WL 467273, at **4-5 (N.D. Cal. July 24, 1996) (striking with prejudice an affirmative defense reciting laches and estoppel due to prosecution delay “since there is no allegation that plaintiff violated any of the statutory or regulatory rules for prosecuting patents”); *Advanced Cardiovascular Sys., Inc. v. Medtronic, Inc.*, 40 U.S.P.Q.2d (BNA) 1291, 1295, No. C-95-3577 DLJ, 1996 WL 467293, at **11-12 (N.D. Cal. July 24, 1996) (dismissing with prejudice the defendant’s counterclaims based on laches and improper delay for the same reasons); *Advanced Cardiovascular Sys., Inc. v. SciMed Sys., Inc.*, 40 U.S.P.Q.2d (BNA) 1291, 1294-95, No. C-96-0950 DLJ, 1996 WL 467277, at **3-4 (N.D. Cal. July 24, 1996) (striking with prejudice the defendant’s patent misuse defense grounded on alleged unreasonable prosecution delay and late presentation of claims for the same reasons).

In all of the *Advanced Cardiovascular* opinions, the District Court for the Northern District of California delineated the boundaries of the defense of laches, observing that “the only delay that can form the basis of a laches defense is delay between the issuance of the patent and the filing of the infringement action.” *Medtronic*, 41 U.S.P.Q.2d (BNA) at 1774, 1996 WL 467273, at *4; *Medtronic*, 40 U.S.P.Q.2d (BNA) at 1294, 1996 WL 467293, at *11. See also *SciMed Sys.*, 40 U.S.P.Q.2d (BNA) at 1294, 1996 WL 467277, at *4 (holding that “defendant’s theory of laches based on delay in prosecution of the patent is not cognizable”).

64. *Medtronic*, 41 U.S.P.Q.2d (BNA) at 1775, 1996 WL 467273, at *5; *Medtronic*, 40 U.S.P.Q.2d (BNA) at 1295, 1996 WL 467293, at *12; *SciMed Sys.*, 40 U.S.P.Q.2d (BNA) at 1295, 1996 WL 467277, at *4.

65. See *Progressive Games, Inc. v. Amusements Extra, Inc.*, 83 F. Supp. 2d 1180, 1183, 51 U.S.P.Q.2d (BNA) 1849, 1852 (D. Colo. 1999) (noting that derivative patents at issue were subject to the same termination date as the original patent and therefore the plaintiff here had not postponed the date of its patent monopoly, making *Woodbridge* inapplicable).

66. See *id.* at 1184-85, 51 U.S.P.Q.2d (BNA) at 1852-53 (stating that the Supreme Court’s decision in *Crown Cork* limited the laches doctrine to cases involving both intervening adverse rights and proof of abandonment by the patentee).

67. *Id.* at 1184, 51 U.S.P.Q.2d (BNA) at 1852. In this regard, the court seemed to rely on the fact that the first claim of the parent patent, which, like the continuation patents in suit, related to electronic poker gaming was, in essence, a genus claim encompassing different types of jackpots. See *id.* at 1181, 1184, 51 U.S.P.Q.2d (BNA) at 1850, 1853 (describing the particular gaming device and concluding that the

professed its reluctance to apply laches to an alleged prosecution delay situation when the Federal Circuit had not done so.⁶⁸

These decisions generally reflect the lower courts' discomfort with abrogating patent rights obtained in compliance with the applicable statutory and regulatory provisions. This is particularly so in cases arising after the codification, in the 1952 Patent Act, of the principle that claims filed in continuing applications that comply with the law are entitled to the benefit of their respective priority dates.⁶⁹ The most public display of this ambivalence is found in the series of

plaintiff's delay may have been caused by circumstances beyond his control). According to the court, "it cannot be said that [the patentee] filed the three patents at issue in this case as an afterthought, when its original application allowed for the [specific] type of jackpot encompassed by those patents." *Id.* at 1184, 51 U.S.P.Q.2d (BNA) at 1852-53.

68. *See id.* at 1184-85, 51 U.S.P.Q.2d (BNA) at 1853 (confirming that while the Federal Circuit had recognized the possibility for equitable remedies in patent cases involving lack of diligence, it had yet to apply such remedies to continuation or continuation-in-part applications). Like others, this court also noted the absence of a legislative limit on the filing of continuation applications. *Id.* at 1185, 51 U.S.P.Q.2d (BNA) at 1853.

Notably, it appears that all of the court's observations relating to the applicability of prosecution laches precedent and the legitimacy of the defense in light of congressional silence were dicta, as the court indicated that the defendants had failed to establish that no genuine issue of material fact existed as to whether the patentee was even responsible for the alleged delay. *Id.*, 51 U.S.P.Q.2d (BNA) at 1853.

69. *See* 35 U.S.C. § 120 (2000) (providing the benefit of the filing date of a first patent application to a subsequent patent application as long as, inter alia, the prior application has not been abandoned, terminated, or patented as of when the subsequent application is filed). The effect of the enactment of Section 120 in 1952 on the defense of prosecution laches has been the subject of significant debate. *Compare* *Symbol Techs., Inc. v. Lemelson Med.*, 277 F.3d 1361, 1369-71, 61 U.S.P.Q.2d (BNA) 1515, 1520-23 (Fed. Cir. 2002) (Newman, J., dissenting) (expressing the view that Congress, in enacting Section 120 without limits on continuation applications, rejected the viability of prosecution laches as a defense), *Ricoh Co. v. Nashua Corp.*, 185 F.3d 884, No. 97-1344, 1999 WL 88969, at *3 (Fed. Cir. Feb. 18, 1999) (refusing to apply the doctrine of intervening rights to limit patent rights obtained via continuing applications, given the lack of any time limit in Section 120), *Bott v. Four Star Corp.*, 848 F.2d 1245, Nos. 88-1117, 88-1118, 1988 WL 54107, at *1 (Fed. Cir. May 26, 1988) (refusing to act in equity to limit patent rights procured via a series of seven continuation applications "when the Congress gave no indication that it intended to do so"), *and Ford Motor Co. v. Lemelson*, 42 U.S.P.Q.2d (BNA) 1706, 1709, Nos. CV-N-92-613-LDG, CV-N-92-545-LDG, 1997 WL 294430, at *1709 (D. Nev. Apr. 28, 1997) (interpreting the legislative history of Section 120 as reflecting congressional intent to impose no limits on continuation application practice), *with Symbol Techs.*, 277 F.3d at 1365-66, 61 U.S.P.Q.2d (BNA) at 1518-19 (rejecting the patentee's argument that Congress abrogated the defense of prosecution laches by passing Section 120). *See generally* Eschweiler, *supra* note 7, at 408-13 (tracing the legislative history of Section 120 and concluding that the defense of prosecution laches survived its enactment); Marcus, *supra* note 37, at 560-63 (arguing that Congress, when passing Section 120, intended to preserve the laches defense).

decisions issued by the federal district court for the District of Nevada in *Ford Motor Co. v. Lemelson*.⁷⁰

Jerome Lemelson procured hundreds of U.S. patents between 1953 and his death in 1997.⁷¹ The eleven patents at issue in *Ford Motor* related to "Auto-ID" and "machine vision" technology,⁷² and issued from continuing applications claiming priority back to an application filed in 1954.⁷³

In her report to the court recommending that Ford's motion for summary judgment of unenforceability for "continuing application laches" be granted,⁷⁴ the magistrate judge rejected Ford's argument that a statutory two-year limit on obtaining broadened claims via reissue also limits a patentee's efforts to obtain new claims via continuing applications.⁷⁵ However, the magistrate judge determined that prosecution laches can, and should, bar the enforcement of patent claims procured by unreasonably delaying the presentation of claims during prosecution where the delay results in prejudice to the patent challenger.⁷⁶

70. *Ford Motor Co. v. Lemelson*, Nos. CV-N-92-613-LDG, CV-N-92-545-LDG, 1995 WL 628330, at *15 (D. Nev. June 16, 1995) (recommending that "Ford's motion for summary judgment based upon Lemelson's undue delay in prosecuting his claims" be granted); *Ford Motor Co. v. Lemelson*, 40 U.S.P.Q.2d (BNA) 1349, No. CV-N-92-545-LDG, 1996 WL 673595 (D. Nev. Apr. 11, 1996) (adopting magistrate judge's recommendation); *Ford Motor Co. v. Lemelson*, 42 U.S.P.Q.2d (BNA) 1706, Nos. CV-N-92-613-LDG, CV-N-92-545-LDG, 1997 WL 294430 (D. Nev. Apr. 28, 1997) (vacating order adopting magistrate judge's recommendation and denying Ford's motion for summary judgment).

71. Nicholas Varchaver, *The Patent King*, FORTUNE, May 14, 2001, at 202, 204 (describing, in detail, Lemelson's aggressive and unprecedented campaign to acquire and license patents relating to a wide spectrum of industries, products, and licensing targets).

72. *Ford Motor*, 1995 WL 628330, at *1. "Auto-ID" is a type of bar code and "Machine vision" incorporates cameras to inspect items on an assembly line and compare the procured images with those stored in memory to detect defects. *Id.*

73. *See id.* at **10-12 (detailing the prosecution lineage of the claims in suit).

74. *See id.* at *2 (noting that summary judgment was appropriate because the availability of laches as a defense based on prosecution delay is a pure question of law and no relevant facts were in dispute).

75. *See id.* at **4-5 (explaining the procedures for continuation and continuation-in-part applications).

76. *See id.* at **5-14 (discussing the patentee's actions in delaying prosecution and evaluating whether such actions constituted unreasonable delay). The magistrate judge specifically identified "prejudice to Ford" as the second element (along with unreasonable applicant delay) of the defense of prosecution laches. *See id.* at *15 (confirming that Ford's proof that the products were either in development or on the market prior to the patentee's asserted claims demonstrated undue prejudice). In this brief portion of her opinion, however, the magistrate judge also stated that "Lemelson's continuing application practice imposes prejudice upon all manufacturers or users of related products because" it implicates "all technological advancement arguably related to his 1954 and 1956 applications." *Id.* She thus failed to clarify whether an accused infringer could prevail on a prosecution laches theory in the absence of personal prejudice.

To support this conclusion, the magistrate judge noted, by way of analogy to the doctrine of unenforceability based on inequitable conduct,⁷⁷ that equity can extinguish or limit patent rights based on applicant conduct.⁷⁸ She rejected the “extreme view” advanced by Lemelson, who argued that the statutory scheme immunizes a patentee from attack based on a theory of prosecution laches no matter how many continuing applications he employs or how long after filing the original disclosure he presents new claims.⁷⁹ She also rejected Lemelson’s characterization of the applicable precedent and his assignment of responsibility for the delay to the PTO.⁸⁰ The magistrate judge found the reason for the delay, namely Lemelson’s desire to wait for products to appear on the market before drafting claims to cover them, unreasonable.⁸¹ She further rejected Lemelson’s argument that the Federal Circuit supported the practice of delaying patent applications to incorporate new and competing technology as an accepted form of “commercial gamesmanship.”⁸²

77. As noted in the opinion, “inequitable conduct” is a distinct, specific, equitable defense based on a patentee’s alleged intent to deceive the PTO by either failing to disclose material information or submitting false material information, during the prosecution of the claims at issue. *Ford Motor*, 1995 WL 628330, at *6 n.12. See 35 U.S.C. § 282 (2000) (providing that, in suits for patent infringement, the defense of “[n]oninfringement, absence of liability for infringement or unenforceability” may be raised).

78. *Ford Motor*, 1995 WL 628330, at *6.

79. *Id.* at *6.

80. See *id.* at **6-10, 12 (holding that the courts have not yet addressed factual scenarios such as the one presented in *Ford Motor* and additionally noting that Lemelson’s focus on the PTO’s prosecution process was not relevant since the disputed delay pertained only to Lemelson’s actions during the claim application process).

81. See *id.* at **13-15 (noting that this practice frustrates the public policy surrounding patent protection). As evidence supporting her finding regarding the reason for the delay, the magistrate judge quoted from a letter written by Lemelson’s attorney on Lemelson’s behalf during license negotiations with a third party:

I pointed out that Mr. Lemelson currently has more than one hundred fifty issued and unexpired patents and more than fifty pending applications and that patents are being filed and issued at the rate of ten to fifteen per year. *The claims of the pending applications are all being carefully drawn to cover practices in widespread commercial use.* In this regard, we anticipate that more than one hundred fifty claims covering commercial bar coding practices will issue by mid-1992 with an effective 1956 filing date based on the disclosure of the Lemelson . . . patents.

Id. at *13 (emphasis added).

82. *Id.* at **13-15. As described in the magistrate judge’s opinion, this argument originates from a pair of Federal Circuit cases.

In *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 874, 9 U.S.P.Q.2d (BNA) 1384, 1390 (Fed. Cir. 1988), the court rejected an argument that amending or adding claims to a pending patent application for the purpose of covering another party’s product on the market constitutes inequitable conduct. Specifically, the Federal Circuit in *Kingsdown* stated:

[T]here is nothing improper, illegal or inequitable in filing a patent application for the purpose of obtaining a right to exclude a known

Nearly one year later, the district court adopted, without comment, the recommendation of the magistrate judge and entered summary judgment in favor of the accused infringer.⁸³ Another year later, upon reconsideration, the court vacated its order of adoption.⁸⁴ The court justified its action by noting that other courts had been reluctant to introduce considerations of equity into the statutorily-authorized scheme of continuation applications, and attributed that reluctance, with approval, to the absence of statutory limits on continuation practice.⁸⁵ The court distinguished the rationale of

competitor's product from the market; nor is it in any manner improper to amend to insert claims intended to cover a competitor's product the applicant's attorney has learned about during the prosecution of a patent application. Any such amendment or insertion must comply with all statutes and regulations, of course, but, if it does, its genesis in the marketplace is simply irrelevant and cannot of itself evidence deceitful intent.

Id. at 874, 9 U.S.P.Q.2d (BNA) at 1390.

In *State Industries, Inc. v. A.O. Smith Corp.*, 751 F.2d 1226, 1234-37, 224 U.S.P.Q. (BNA) 418, 423-26 (Fed. Cir. 1985), the court refused to regard a defendant's efforts to produce a competing non-infringing product, which were ultimately unsuccessful because the patentee later amended a pending application for the express purpose of covering the product, as willful infringement. There, the court stated that competitors often attempt to assimilate each other's new product concepts into their pending patent applications, justifying their actions by claiming the new improvement as part of their own invention. *State Indus.*, 751 F.2d at 1235, 224 U.S.P.Q. (BNA) at 424. "This is a classic commercial gamesmanship under the patent system but it is not the kind of behavior courts have categorized in the past as *willful infringement*, which requires knowledge of the patent." *Id.*, 224 U.S.P.Q. (BNA) at 424.

The magistrate judge in *Ford Motor* regarded these statements in *Kingsdown* and *State Industries* as inapposite, remarking that, in contrast to "Lemelson's seemingly infinite introduction of new claims after he has already obtained patents on the related technology," *Kingsdown* involved a six and a half year "complex prosecution, involving submission, rejection, amendment, renumbering, etc., of 118 claims, a continuation application, an appeal, a petition to make special, and citation and discussion of 44 references," and stands only for the proposition "that drawing claims to read on currently marketed technology is not *in itself* evidence of intent to act inequitably." *Ford Motor*, 1995 WL 628330, at *14 (quoting *Kingsdown*, 863 F.2d at 869, 9 U.S.P.Q.2d (BNA) at 1386). Further, in the view of the magistrate judge, the *State Industries* rationale applies to competing manufacturers designing around each other's patent rights, not to a non-manufacturing patentee who "designs his claims on top of existing inventions for the purpose of creating infringements. . . ." *Id.*

It should also be noted that neither *Kingsdown* nor *State Industries* involved allegations of unreasonable prosecution delay or the associated equitable concerns. In fact, the court in *State Industries* referred to the parties' thrust and parry-like conduct as a "fair fight." See *State Indus.*, 751 F.2d at 1236, 222 U.S.P.Q. (BNA) at 424 (noting that public policy dictates that inventors should be allowed to monitor new and competing products and to create equivalents unless the inventors do so in a wrongful manner).

83. *Ford Motor Co. v. Lemelson*, 40 U.S.P.Q.2d (BNA) 1349, No. CV-N-92-545 LDG, 1996 WL 673595 (D. Nev. Apr. 11, 1996).

84. *Ford Motor Co. v. Lemelson*, 42 U.S.P.Q.2d (BNA) 1706, No. CV-N-92-613 LDG, 1997 WL 294430 (D. Nev. Apr. 28, 1997).

85. See *Ford Motor Co.*, 1997 WL 294430, at **3-6 (emphasizing the "clear and unambiguous language" of 35 U.S.C. § 120 and its legislative history as evidence of congressional intent to permit continuation applications).

Webster as limited to cases involving interferences.⁸⁶ As to the specific facts present in the case before it, the court held that the application of laches inappropriately shifted the burden of establishing the defense to the patentee by requiring him to explain the delay when there was “no claim that [he] violated any statute or regulation.”⁸⁷ The court invoked the disclosure requirements of 35 U.S.C. § 112⁸⁸ as the only limits on an applicant’s ability to add or amend claims during prosecution.⁸⁹ Finally, although acknowledging Ford’s argument that the case at bar presented a prime example of facts justifying equitable intervention, the court reiterated its reluctance to limit patent rights obtained in reliance on the statute.⁹⁰

Even the relevant Federal Circuit decisions reflected disagreement regarding the viability of the defense of prosecution laches. In *Studiengesellschaft Kohle mbH v. Northern Petrochemical Co.*,⁹¹ the court affirmed the district court’s ruling refusing to invalidate patent rights based on alleged inequitable prosecution delay.⁹² The claims in question had been issued twenty-two years after the priority application was filed in the PTO.⁹³ Although they had apparently been pending throughout this period, their prosecution was suspended for over sixteen of the twenty-two years while several interferences involving the applicants’ related applications were resolved.⁹⁴ According to the court, the applicants requested the suspension only as a fallback to their request that the PTO issue the claims in question before resolving the interferences.⁹⁵ In addition, the court noted that the PTO did not act on the applicants’ first request to resume proceedings on the suspended application following the termination of some of the interferences, but rather, acted only after the applicants filed a second request.⁹⁶ On this record, the court credited the district court’s findings that the PTO’s

86. See *id.*, 1997 WL 294430, at **5-6.

87. *Id.*, 1997 WL 294430, at **5-6.

88. See 35 U.S.C. § 112 (2000) (proscribing the required specificity standards for patent applications).

89. See *Ford Motor*, 42 U.S.P.Q.2d (BNA) at 1707-08, 1997 WL 294430, at **2-4 (noting that, in accordance with Section 120, new and amended claims must relate to a specification disclosed in the originally filed application).

90. *Id.* at 1711, 1997 WL 294430, at *6. The Federal Circuit denied Ford’s petition for permission to appeal the district court’s decision. *Ford Motor Co. v. Lemelson*, No. Misc. 516, 1997 WL 547905 (Fed. Cir. Aug. 20, 1997).

91. 784 F.2d 351, 228 U.S.P.Q. (BNA) 837 (Fed. Cir. 1986).

92. See *id.* at 356, 228 U.S.P.Q. (BNA) at 841 (examining the actions of the patent applicants in obtaining the patent at issue).

93. *Id.* at 352, 356, 228 U.S.P.Q. (BNA) at 838, 841.

94. *Id.* at 353, 356, 228 U.S.P.Q. (BNA) at 839, 841.

95. *Id.* at 356, 228 U.S.P.Q. (BNA) at 841.

96. *Id.*, 228 U.S.P.Q. (BNA) at 841.

failure to act on the applicant's first request caused the delay.⁹⁷ The court further noted that the "the applicants' actions in response . . . involved no deliberate or calculated delay on the part of the applicants or their attorneys."⁹⁸

The *Studiengesellschaft Kohle* Court affirmed the district court on the ground that the delay was the fault of the PTO.⁹⁹ It indicated no disapproval or doubt regarding the viability of the defense of prosecution laches. Two years later, however, in *Bott v. Four Star Corp.*,¹⁰⁰ a Federal Circuit panel, which included one member of the *Studiengesellschaft Kohle* panel,¹⁰¹ rejected an argument that a patentee should be equitably estopped from enforcing patent claims resulting from the seventh in a series of continuation applications.¹⁰² The court relied on the absence of a time limit in Section 120 and the presence of the two-year statutory limit on broadening reissues as evidence of congressional intent not to limit continuation practice.¹⁰³ It also expressly rejected the defendant's arguments that the requested equitable relief remained available after the enactment of the 1952 Patent Act.¹⁰⁴ In the same vein, three years ago in *Ricoh Co. v. Nashua Corp.*,¹⁰⁵ the court refused to apply the doctrine of intervening rights to limit patent rights obtained via continuing applications.¹⁰⁶

In summary, many of the relevant pre-*Symbol Technologies* lower court decisions manifested significant judicial reluctance to act in equity to abrogate patent rights on the ground of prosecution delay. While a number of decisions indicate that the doctrine has vitality, some of those demonstrate confusion regarding its outlines. For example, the opinion in *Pratt & Whitney* appears to describe a classic situation of prosecution laches by referencing the defendant's intervening rights, relying on *Webster*, and finding no reasonable cause for the patentee's delay in filing additional claims.¹⁰⁷ On the

97. *Id.*, 228 U.S.P.Q. (BNA) at 841.

98. *Id.*, 228 U.S.P.Q. (BNA) at 841.

99. *Id.*, 228 U.S.P.Q. (BNA) at 841.

100. Nos. 88-1117, 88-1118, 1988 WL 54107 (Fed. Cir. May 26, 1988).

101. Circuit Judge Bissell participated on both panels.

102. *See Bott*, 1988 WL 54107, at *1 (noting that the plaintiff, Four Star Corp., argued for a two-year time limit on broadened claims similar to the time limit imposed on proceedings under 35 U.S.C. § 251 (2000)).

103. *Bott*, 1988 WL 54107, at *1.

104. *See id.* (emphasizing the lack of evidence within the legislative history of the 1952 Patent Act to support the application of equitable considerations).

105. No. 97-1244, 1999 WL 88969 (Fed. Cir. Feb. 18, 1999).

106. *Id.* at **2-3 (declining to adopt "equitable safeguards" where Congress had imposed none, as evinced by its decision not to impose on continuation practice limits comparable to those imposed on reissue applications).

107. *See Pratt & Whitney Co. v. United States*, 345 F.2d 838, 843-44, 145 U.S.P.Q.

other hand, however, it appears that the claims in question simply may not have been entitled to the benefit of the patent's filing date.¹⁰⁸

Specifically, the *Pratt & Whitney* Court rejected as "not supported by the facts," the plaintiffs' argument that the claims in question were "not barred as a result of late claiming from claiming subject matter relating to the [accused device] because [the patentee] had been claiming in the patent application . . . the subject matter of the [patent in suit] before the advent of" the accused device.¹⁰⁹ Although this language is admittedly unclear, it appears to invoke the prosecution laches doctrine. However, the court also cited the Supreme Court's decision in *Muncie Gear Works, Inc. v. Outboard Marine & Manufacturing Co.*¹¹⁰ that, although itself ambiguous, has been interpreted widely as standing for the proposition that claims dependent upon "new matter" introduced into a patent application after its original filing date are invalid if the claimed subject matter was in public use or on sale for longer than the applicable statutory bar period before the new disclosure was added.¹¹¹ "New matter" concerns are entirely distinct from those that have motivated the application of prosecution laches, but the *Muncie Gear Works* decision is not the only decision evincing confusion between the doctrines.

The Minnesota district court's opinion in *Honeywell Inc. v. Sperry Rand Corp.*,¹¹² concerning the validity and enforceability of claims broadened after prosecution delays, similarly intersperses references evocative of the Supreme Court's prosecution laches decisions with references to new matter type concerns.¹¹³ The opinion further defies

(BNA) 429, 432-33 (Ct. Cl. 1965) (addressing whether the plaintiff's six-year delay in filing the patent claims was unreasonable).

108. Such claims do not implicate the equity and policy concerns that underlie the prosecution laches doctrine, because they are typically subject to statutory validity challenges based on a broader pool of prior art than if they were entitled to the benefit of a priority date.

109. See *id.*, 145 U.S.P.Q. (BNA) at 433 (noting that, at the earliest, the plaintiff introduced a claim that could cover the infringing device five years after the subject matter of the parent application had been exposed to the public).

110. 315 U.S. 759 (1942).

111. See, e.g., *Westphal v. Fawzi*, 666 F.2d 575, 577, 212 U.S.P.Q. (BNA) 321, 322-23 (C.C.P.A. 1981) (repudiating the theory, known as "late claiming," that claims presented during prosecution, but that are entitled to the benefit of an earlier filing date, could nonetheless be barred by intervening rights under 35 U.S.C. § 102(b) (2000)); *Jacquard Knitting Mach. Co. v. Ordnance Gauge Co.*, 95 F. Supp. 902, 906-07, 88 U.S.P.Q. (BNA) 348, 350-51 (E.D. Pa. 1951) (rejecting the patent challenger's argument proposing that claims supported by the disclosure of a domestic priority application were nonetheless barred by public use of the invention for longer than the statutory pre-filing bar period prior to their presentation in the Patent Office).

112. 180 U.S.P.Q. (BNA) 673, No. 4-67 Civ. 138, 1973 WL 903 (D. Minn. Oct. 19, 1973).

113. See *id.* at *7. The court found that an amendment filed sixteen years after the application filing date for the purpose of broadening the definition of a claim term

interpretation by holding the claims affected by the broadening amendment invalid for “late claiming” as a result of the “unreasonable delay” in presenting the amendment, while also finding that no undue or intentional delay in prosecution or issuance of the patent existed, apparently because the application “did not exceed any time limits provided either by court order, rule, or statute.”¹¹⁴ Ultimately, the court concluded that although the patentee did not “deliberately extend the expiration of a monopoly” to cause an undue delay, the patent was still unenforceable because of “inherent consequences of delay in issuance due to six years of inadequate presentation” on the part of the patentee and its legal counsel.¹¹⁵

This language is immediately followed with the following statement, compounding the confusion:

Where many persons were at work in the same field and had made advances in the art, and where the applicant learns of such work and is aware that his original claims might not cover the real advance made by his competitors, an intentional delay in the prosecution of the patent to enable later changes in the specification and claims so that the work of the other inventors might be covered, renders the patent invalid.¹¹⁶

Ultimately, the Federal Circuit’s recent decision in *Symbol Technologies*, and the ethics implications of that decision, must be considered in light of the ambivalence and ambiguity in the decisions that preceded it.

was an “exigent afterthought to capture the subsequent contributions of others already in the public domain.” *Id.* The court discussed the “prior rights intervening”—specifically, the “widespread manufacture, use and sale of computers” having the capability recited in the broadening amendment—between the application filing and amendment submission dates. *Id.* It observed that “late claims” are invalid where an applicant “stands by to await developments in the industry before asserting them,” but it also found, that “[w]here a late-filed amendment of the patent specification is important enough to constitute the basis for alleged patentability, the amendment constitutes new matter and cannot in fact be a basis for patentability.” *Id.*

114. *Id.*

115. *Id.*

116. *Id.*

II. *SYMBOL TECHNOLOGIES, INC. V. LEMELSON MEDICAL: A DIVIDED
FEDERAL CIRCUIT PANEL ROCKS THE BOAT (AND MUDDIES THE
WATERS)*

A. *A New Challenge*

A little over a year after the decision of the Nevada district court denying Ford's motion for summary judgment and holding that Lemelson's patents were not unenforceable for continuing application laches, several manufacturers of products incorporating bar code technology filed declaratory judgment actions against the Lemelson Medical, Education and Research Foundation (the "Foundation"), the for-profit assignee of Lemelson's patents.¹¹⁷ The manufacturers sought judgments that certain Foundation patents were "invalid, unenforceable and not infringed by" them or their customers.¹¹⁸ The district court granted the Foundation's motion to dismiss the plaintiff's prosecution laches cause of action on the ground that it failed to state a claim upon which relief could be granted.¹¹⁹

In its January 2002 decision on the plaintiffs' appeal, the Federal Circuit characterized the "sole issue" as whether the doctrine of prosecution laches is available as a defense to claims of patent infringement that commenced after unreasonable and unexplained delay despite the applicant's compliance with the relevant rules and regulations.¹²⁰ The panel majority answered in the affirmative, citing *Woodbridge*, *Webster*, and *General Talking Pictures*.¹²¹ It rejected the Foundation's arguments that *Webster* was limited to interferences¹²² and that the 1952 Patent Act abrogated the defense.¹²³ With regard to the latter, the majority, noted in particular, the specific enumeration

117. See *Symbol Techs., Inc. v. Lemelson Med.*, 277 F.3d 1361, 1363, 1368, 61 U.S.P.Q.2d (BNA) 1515, 1516, 1520 (Fed. Cir. 2002), *petition for reh'g and reh'g en banc denied*, No. 00-1583, 2002 U.S. App. LEXIS 7712 (Fed. Cir. Mar. 20, 2002); see also Neil Gross, *Bar-Code Patents May Go Before the Bar, Again*, BUS. WEEK, Nov. 2, 1998, at 131 (reporting the initiation of litigation by Cognex Corp.); Varchaver, *supra* note 71, at 216 (noting that seven other manufacturers followed suit).

118. *Symbol Techs.*, 277 F.3d at 1363, 61 U.S.P.Q.2d (BNA) at 1516.

119. *Id.*, 61 U.S.P.Q.2d (BNA) at 1516.

120. *Id.*, 61 U.S.P.Q.2d (BNA) at 1516.

121. *Id.* at 1363-65, 61 U.S.P.Q.2d (BNA) at 1516-18. The Court subsequently extended the *Symbol Technologies* principle, holding that the PTO has the authority to refuse to issue a patent where the applicant has "fail[ed] to advance prosecution of his application for an unreasonably long period." See *In re Bogese*, 303 F.3d 1362, 1367, 64 U.S.P.Q.2d (BNA) 1448, 1452 (Fed. Cir. 2002).

122. See *id.* at 1365, 64 U.S.P.Q.2d (BNA) at 1450-51; see also Thomas Eschweiler, *supra* note 7, at 458 (taking issue with the *Ford Motor* Court's limitation of *Webster* to interferences).

123. *Symbol Techs.*, 277 F.3d at 1365-66, 61 U.S.P.Q.2d (BNA) at 1517-19.

of “unenforceability” among defenses available to a charge of infringement in 35 U.S.C. § 282(1),¹²⁴ and cited the comments of one of the drafters of the Act that Section 282 includes “equitable defenses such as laches, estoppel and unclean hands.”¹²⁵

In dissent, Judge Newman distinguished *Woodbridge* as involving an inventor who lost his right on statutory grounds and *Webster* as “directed to interference practice.”¹²⁶ The judge seemed persuaded that the 1952 Act at least reflected congressional intent that the courts should refrain from punishing conduct that complies with the statutes.¹²⁷ Emphasizing that a patent obtained “in accordance with law” is a statutory property right, Judge Newman also regarded as significant Congress’s decision to spare patents issued on applications filed before June 8, 1995 from the twenty-year term.¹²⁸ She also pointed out the practical consequences of the majority’s decision, noting that “[i]t simply adds to the uncertainties of the patent grant,” and “open[s] legally granted patents to a new source of satellite litigation of unforeseen scope, for the continuation practice is ubiquitous in patent prosecution.”¹²⁹

B. A Correct Decision

The Federal Circuit majority in *Symbol Technologies* correctly held that prosecution laches, recognized and applied in several Supreme Court decisions, survived the 1952 codification of the law relating to continuing applications. The Supreme Court’s application of prosecution laches¹³⁰ and its apparent ratification of the then-common law continuing application practice,¹³¹ the absence of any

124. 35 U.S.C. § 282(1) (2000).

125. *Symbol Techs.*, 277 F.3d at 1366, 61 U.S.P.Q.2d (BNA) at 1519 (quoting P.J. Federico, *Commentary on the New Patent Act*, 75 J. PAT. & TRADEMARK OFF. SOC’Y 161, 215 (1993)). The majority also rejected the Foundation’s argument that its opinions in *Bott* and *Ricoh* were binding on the court. *See id.* at 1366-68, 61 U.S.P.Q.2d (BNA) at 1518-20.

126. *See id.* at 1368-70, 61 U.S.P.Q.2d (BNA) at 1520-22 (Newman, J., dissenting).

127. Judge Newman repeatedly noted that Lemelson complied fully with all applicable statutes and regulations in procuring the patents at issue. *Id.* at 1368-71, 61 U.S.P.Q.2d (BNA) at 1520-23.

128. *See id.* at 1371, 61 U.S.P.Q.2d (BNA) at 1522.

129. *Id.* at 1369, 61 U.S.P.Q.2d (BNA) at 1521.

130. *See supra* notes 8-29 and accompanying text.

131. *See, e.g.,* *Crown Cork & Seal Co. v. Ferdinand Gutmann Co.*, 304 U.S. 159, 164-68 (1938) (holding that a nine and one-half year delay by a patent applicant in order to maximize his profits constituted unreasonable delay, making laches applicable); *Chapman v. Wintroath*, 252 U.S. 126, 137 (1920) (holding that, absent applicant wrongdoing, a patent applicant’s statutory rights may not be denied merely because a delay in exercising those rights may cause prejudice). *See also Godfrey v. Eames*, 68 U.S. (1 Wall.) 317, 325-26 (1864), where the Court stated:

[I]f a party choose to withdraw his application for a patent, and pay the

legislative history evidencing congressional intent to abrogate the defense,¹³² and the enumeration of the defense of “unenforceability” in 35 U.S.C. § 282(1)¹³³ compel this conclusion. Federal courts indisputably possess the authority to act in equity to limit rights—even statutory rights. For example, there is no basis for conceding that courts can abrogate or limit a statutory right to patent damages on account of pre-enforcement laches¹³⁴ while denying, or even advocating that they restrain from exercising, their power to declare forfeited the statutory right to enforce patent claims against an infringer.¹³⁵

Analogy to unenforceability for inequitable conduct is also appropriate. A determination of inequitable conduct results in the complete unenforceability of a patent’s claims, even those untainted by the deception.¹³⁶ Accordingly, that the PTO Rules of Practice in Patent Cases expressly impose a “duty of candor and good faith” on patent applicants does not undermine the parallelism.¹³⁷ This is because untainted claims—those obtained in compliance with statutory and regulatory requirements—are subject to abrogation. The Code of Federal Regulations Title 37, Section 1.56 states that “no patent will be granted on an application in connection with which fraud on the Office was practiced or attempted or the duty of

forfeit, intending at the time of such withdrawal to file a new petition, and he accordingly do so, the two petitions are to be considered as parts of the same transaction, and both as constituting one continuous application, within the meaning of the law.

132. See *Symbol Techs.*, 277 F.3d at 1365-66, 61 U.S.P.Q.2d (BNA) at 1517-18 (“The legislative history of Section 120 does not indicate any congressional intent to alter the Supreme Court’s interpretation of continuing application practices”) (quoting *Transco Prods. Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 556-57, 32 U.S.P.Q.2d (BNA) 1077, 1081 (Fed. Cir. 1994); see also *Eschweiler*, *supra* note 7, at 408-13 (discussing the impact of the passage of Section 120 on the defense of prosecution laches); *Marcus*, *supra* note 37, at 560-63 (discussing that the 1952 Act did not materially change existing law governing the defenses available to infringement, among which is laches).

133. 35 U.S.C. § 282(1) (2000).

134. See, e.g., *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1031, 22 U.S.P.Q.2d (BNA) 1232, 1327-28 (1992) (holding that the right to interpose the equitable defense of laches in patent litigation is still available).

135. See 35 U.S.C. § 281 (2000) (“A patentee shall have remedy by civil action for infringement of his patent.”).

136. See, e.g., *Kingsdown Med. Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 877, 9 U.S.P.Q.2d (BNA) 1384, 1392 (1998) (“When a court has finally determined that inequitable conduct occurred in relation to one or more claims during prosecution of the patent application, the *entire* patent is rendered unenforceable.”) (emphasis added).

137. 37 C.F.R. § 1.56(a) (2003). Furthermore, it has been argued that “Rule 56 is outside . . . the PTO’s rulemaking authority and even the Administrative Procedure Act.” See Carl M. Moy, *The Effect of Rule 56 on the Law of Inequitable Conduct*, 74 J. PAT. & TRADEMARK OFF. SOC’Y 257, 259 (1992). If so, the courts’ authority to declare patents unenforceable for inequitable conduct is entirely non-statutory.

disclosure was violated through bad faith or intentional misconduct.”¹³⁸ This statement does not provide a basis for distinguishing the court’s power to declare unenforceable patents procured via inequitable conduct from those procured in compliance with congressionally-authorized regulation, given the PTO’s 1988 proclamation that it would “no longer investigate . . . applications under 37 C.F.R. 1.56.”¹³⁹

C. *A Host of Questions*

Although the *Symbol Technologies*’ majority correctly applied the law of prosecution laches, Judge Newman’s assessment of the decision’s implications is undeniably accurate. Regardless of the resolution of this case,¹⁴⁰ the Federal Circuit’s ruling introduces new uncertainties for some patentees¹⁴¹ and will foster additional litigation.¹⁴² Unless the Federal Circuit repudiates its January 2002 decision,¹⁴³ or the Supreme Court ultimately rejects the viability of the doctrine,¹⁴⁴

138. 37 C.F.R. § 1.56 (2003); see also PTO Notice Regarding Implementation of 37 C.F.R. § 221.56, 1095 OFF. GAZ. PAT. OFF. 16 (Sept. 8, 1988).

139. *Id.*

140. On January 23, 2004, the district court held the asserted claims in the patents-in-suit in *Symbol Technologies* “unenforceable due to prosecution laches.” *Symbol Techs. Inc. v. Lemelson Med.*, 2004 WL 161331, at *5 (D. Nev. Jan. 23, 2004). The court noted that “[d]ecades of delay preceded the assertion of patent claims and Lemelson has offered no adequate explanation for that delay.” *Id.* at *5. The court further noted the “intervening private and public rights . . . evidenced by the use of products developed, manufactured and sold by [the declaratory judgment plaintiffs] as well as by third-party products, patents and articles” *Id.* at *6. The Federal Circuit may, therefore, have an opportunity shortly to confirm and further define the doctrine of prosecution laches.

141. Even the court in *Ford Motor* suggested that the *Lemelson* saga presents a situation unparalleled in its aggressive use of the patent system. *Ford Motor Co. v. Lemelson*, Nos. CV-N-92-613-LDG, CV-N-92-545-LDG, 1995 WL 628330 (D. Nev. June 16, 1995). As a consequence, a decision holding the patent rights at issue unenforceable may provide little guidance for other cases.

142. See *Symbol Techs. Inc. v. Lemelson Med.*, 277 F.3d 1361, 1368-70, 61 U.S.P.Q.2d (BNA) 1515, 1520-22 (Fed. Cir. 2002) (Newman, J., dissenting) (discussing the concern that the majority’s decision in *Symbol Technologies* will create a “new source of satellite litigation of unforeseen scope”); see, e.g., *Oxaal v. Internet Pictures Corp.*, No. 00CV1863, 2002 WL 485704, at *1 (N.D.N.Y. Mar. 27, 2002) (granting defendant’s motion seeking an order for leave to file and serve an amended answer asserting the defense of prosecution laches in light of the Federal Circuit’s decision in *Symbol Technologies*).

143. Three Federal Circuit judges voted to rehear the appeal in *Symbol Technologies* en banc, while another five did not participate in the vote. See *Symbol Techs. Inc. v. Lemelson Med.*, No. 00-1583, 2002 U.S. App. LEXIS 7712, at *2 (Fed. Cir. Mar. 20, 2002).

144. Such a result seems unlikely given the relative rarity of Supreme Court review and the Court’s own prior decisions on the subject. On the other hand, those decisions did precede all of the very significant legislative activity in the patent arena in the last fifty years. Additionally, Judge Newman’s description of a patent as a “property right,” *Symbol Technologies*, 277 F.3d at 1371, 61 U.S.P.Q.2d (BNA) at 1522, has added significance due to the Supreme Court’s incorporation of the same

attempts by litigants to explore the boundaries of the prosecution laches defense can be expected.

This litigation will likely involve all of the questions left open by the Supreme Court's prosecution laches jurisprudence,¹⁴⁵ in addition to those issues muddled by other courts that have encountered the doctrine.¹⁴⁶ The Federal Circuit's recent decision requires, appropriately, prejudice to intervening adverse rights.¹⁴⁷ The Federal Circuit's interpretation of the Supreme Court precedent also arguably suggests that the addition or expansion of claims following applicant delay is necessary to assert the defense of laches.¹⁴⁸ But definitive answers to these and many other questions await resolution of *Symbol Technologies* and other cases.

Among the most significant of the unresolved questions is whether the twenty-year term relegates the doctrine—just roused from slumber—to “flash in the pan” status. Patents issued on applications filed on or after June 8, 1995, have a maximum potential term of twenty years from the filing date of the first domestic priority application.¹⁴⁹ One view is that the issue of prosecution laches is, as a result, “going away.”¹⁵⁰ Another holds that where the patents at issue concern fast-developing technology, courts may be receptive to the defense of prosecution laches even when the twenty-year term

reference in its recent unanimous opinion vacating the Federal Circuit's decision circumscribing the doctrine of equivalents. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 730, 62 U.S.P.Q.2d (BNA) 1705, 1709 (2002).

145. See *supra* notes 48-56 and accompanying text.

146. See *supra* notes 107-116 and accompanying text.

147. See *Symbol Techs.*, 277 F.3d at 1364-65, 61 U.S.P.Q.2d (BNA) at 1517-18.

148. See *id.*, 61 U.S.P.Q.2d (BNA) at 1517-18. The court in *Progressive Games v. Amusements Extra, Inc.*, 83 F. Supp. 2d 1180, 1184 n.1, 51 U.S.P.Q.2d (BNA) 1849, 1852 n.1 (D. Colo. 1999), purported that “adverse intervening rights” require the addition of broadened claims after the rise of third party rights. Such an interpretation appears necessary to any prosecution laches challenge to a patent, subject to the twenty-year term, especially if the application(s) in question were published during their pendency. Otherwise, the challenger could not establish the requisite prejudice. However, neither Supreme Court precedent nor policy considerations compel such an interpretation of patents procured via applications filed before the twenty-year term took effect. In such cases, prejudice could, for example, result simply from unreasonable delay in permitting claims pending before the adverse rights arose to issue, because the potential term of enforcement had, thereby, been extended.

149. See 35 U.S.C. § 154(a)(2) (2000). Had this been the law when the patents at issue in the *Ford Motor* and *Symbol Technologies* cases were procured, for example, the latest those patents would have been in force would have been 1976.

The publication of pending U.S. patent applications pursuant to the recently-enacted 35 U.S.C. § 122(b) (2000) should certainly impair the ability of patent challengers to establish prosecution laches, since presumably no prejudice as to the subject matter of published claims could be shown. Of course not all pending U.S. applications—even those filed on or after the effective date of the new eighteen-month publication requirements—are subject to publication. See *id.* § 122(b)(2)(B).

150. See Eschweiler, *supra* note 7, at 426.

applies.¹⁵¹ Litigants can certainly be expected to advance these and other, even more creative, positions.

III. PROSECUTION LACHES: IMPLICATIONS FOR PROSECUTION COUNSEL

As discussed above, the Federal Circuit's decision in *Symbol Technologies* is doctrinally sound. Others will, no doubt, explore its propriety as a matter of judicial policy. The focus of the present inquiry concerns the decision's ramifications regarding the ethical obligations of patent prosecution counsel. It is necessary to bear in mind the history of the prosecution laches doctrine when assessing those ramifications.

All patent practitioners, including patent agents,¹⁵² are obligated to observe the PTO's Code of Professional Responsibility ("PTO Code"),¹⁵³ and are subject to discipline for violations thereof.¹⁵⁴

151. See Edward T. Colbert & Kenneth R. Corsello, *Prosecution Laches*, NAT'L L.J., Feb. 25, 2002, at A19. The argument that a patent, subject to a twenty-year term, is *per se* immune from a prosecution laches challenge has been rejected in at least two rulings to date. See *Cummins-Allison Corp. v. Glory Ltd.*, No. 02C7008, 2003 WL 355470, at *41 (N.D. Ill. Feb. 12, 2003) (finding that prosecution laches can be asserted, as a matter of law, in defense of post-GATT patents); *Digital Control Inc. v. McLaughlin Mfg. Co.*, 225 F. Supp. 2d 1224, 1228, 64 U.S.P.Q.2d (BNA) 1786, 1790 (W.D. Wash. 2002) (noting that "the impact of delay is less" for a twenty year term limited patent, but refusing to adopt a bright-line rule sparing such patents scrutiny). The court in *Digital Control* further refused to limit prosecution laches to patents not subject to a terminal disclaimer. See *id.*, 64 U.S.P.Q.2d (BNA) at 1790. See also *Chiron Corp. v. Genentech, Inc.*, 268 F. Supp. 2d 1139, 1143 (E.D. Cal. 2002) (rejecting a "bright line rule" that prosecution laches does not apply to patents limited by a terminal disclaimer as "contrary to the principle that 'with its origin in equity, a determination of laches is not made upon the application of mechanical rules'" (quoting *A.C. Aukerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1032, 22 U.S.P.Q.2d (BNA) 1321, 1328 (Fed. Cir. 1992))).

Ultimately, the *Digital Control* Court granted the patentee's motion for partial summary judgment on the defense of prosecution laches. See *Digital Control Inc. v. McLaughlin Mfg. Co.*, 248 F. Supp. 2d 1015, 1017-19 (W.D. Wash. 2003). There, the challenged continuation patents issued over the span of a decade following the filing of the original application, apparently after the PTO restricted prosecution in the original application to one of several claimed inventions. See *id.* at 1017-19. According to the court, the patentee's delay was "reasonable and explained by the directives of the PTO." *Id.* at 1019.

The change in the length of the patent term does not, of course, directly affect the susceptibility, on prosecution laches grounds, of patents procured and patent applications filed before the twenty-year term took effect. As noted above, however, Judge Newman invoked Congress' decision to limit the applicability of the twenty-year term to patents issued on applications filed on or after June 8, 1995 as evidence of its intent to reject limits on earlier-filed continuation applications.

152. As to patent matters, the PTO defines "practitioner" as "an attorney or agent registered to practice before the Office" 37 C.F.R. § 10.1(r) (2003).

153. The PTO recently issued a comprehensive set of proposed rules relating to client representation, including new professional responsibility rules which would replace the current PTO Code. Changes to Representation of Others Before the United States Patent and Trademark Office, 68 Fed. Reg. 69442 (2003) (to be

Several provisions of the PTO Code¹⁵⁵ are potentially implicated by conduct that arguably constitutes or facilitates prosecution laches. A discussion of the appropriate interpretation of these provisions in the context of prosecution laches follows an identification of some of those provisions.¹⁵⁶

A. *Potentially Relevant PTO Rules*

1. *Signature and certification requirements*

The provisions of 37 C.F.R. § 10.18 correspond, in significant respect, to those of Federal Rule of Civil Procedure (“FRCP”) 11.¹⁵⁷ Section 10.18 requires that all documents filed in the PTO in patent matters, except those that require the applicant’s signature, be signed by the practitioner filing the document.¹⁵⁸ The section further provides that:

codified at 37 C.F.R. pts. 1, 2, 10, & 11) (proposed Dec. 12, 2003). The proposed rules carry forward, in large measure, the principles and provisions discussed in this Article. For example, proposed Section 11.18 and proposed Rule 11.804 maintain the signature and certification requirements of current Section 10.18 and the misconduct prohibitions current Rule 10.23, respectively, in material respect. Proposed Rule 11.302(b) corresponds in material respect to current Rule 10.85(a). Interestingly, however, proposed Rule 11.302(a) embodies essential ethical tension a practitioner faces when representing a client whose interests are served by delaying, stating “[a] practitioner shall make reasonable efforts to expedite proceedings before the [PTO] consistent with the interests of the client.”

The PTO recently extended the comment period for the proposed professional responsibility rules. Notice of Extension of Comment Period, 69 Fed. Reg. 4269 (Jan. 29, 2004). The period is now set to expire on April 12, 2004.

154. See *id.* § 10.130. Practitioners, licensed to practice by one or more attorney-licensing authorities, are also potentially subject to discipline for violations of state ethics rules. See *Kroll v. Finnerty*, 242 F.3d 1359, 1366, 58 U.S.P.Q.2d (BNA) 1097, 1102 (Fed. Cir. 2001) (holding that the PTO Rules do not preempt state law governing the practice of law). However, because this section concerns prosecution activities, it focuses on the PTO’s ethics requirements.

155. PTO Rule 10.18, discussed *infra* notes 157-158 and 176-179 and accompanying text, is codified apart from the rules—37 C.F.R. § 10.20-129—that constitute the PTO Code. As discussed *infra* note 159 and accompanying text, however, Rule 10.18 includes its own provision for disciplinary sanction for violations thereof.

156. The discussion that follows is intended merely to illustrate that prosecution laches, in the wake of the Federal Circuit’s decision in *Symbol Technologies* potentially implicates a practitioner’s ethical responsibilities. It is not intended as a comprehensive analysis of every PTO ethics rule that could conceivably be interpreted to apply to prosecution laches.

157. Compare 37 C.F.R. § 10.18 (2002) (explaining that documents filed with PTO must be signed, and that the signature denotes, among other things, that statements within document are true and are not presented for improper purpose), with FED. R. Civ. P. 11 (indicating that documents filed in federal court must be signed by an attorney and that the signature denotes, among other things, that documents are not presented for an improper purpose and that allegations within them are supported by evidence).

158. 37 C.F.R. § 10.18(a) (2002).

By presenting to the Office (whether by signing, filing, submitting, or later advocating) any paper, the party presenting such paper, whether a practitioner or non-practitioner, is certifying that . . . [t]o the best of the party's knowledge, information and belief, formed after an inquiry reasonable under the circumstances, . . . [t]he paper is not being presented for any improper purpose, such as to harass someone or to cause unnecessary delay or needless increase in the cost of prosecution before the Office¹⁵⁹

Violations of this provision "are, after notice and reasonable opportunity to respond, subject to such sanctions as deemed appropriate by the Commissioner, or the Commissioner's designee."¹⁶⁰ Furthermore, "[a]ny practitioner violating the provisions of this section may also be subject to disciplinary action."¹⁶¹

2. *PTO disciplinary rules*

The PTO Code, patterned in significant part after the American Bar Association's "Model Code of Professional Responsibility,"¹⁶² consists of nine "Canons" and numerous associated "Disciplinary Rules." Canons are defined as "statements of axiomatic norms, expressing in general terms the standards of professional conduct expected of practitioners in their relationships with the public, with the legal system, and with the legal profession."¹⁶³ Disciplinary Rules, however, are "mandatory in character and state the minimum level of conduct below which no practitioner can fall without being subjected to disciplinary action."¹⁶⁴ PTO regulations authorize the investigation of possible Disciplinary Rule violations, the initiation of and procedures for proceedings to resolve disciplinary charges, and the imposition of sanctions for violations.¹⁶⁵

159. *Id.* § 10.18(b)(2)(i).

160. *Id.* § 10.18(c). According to the rule, the potential sanctions for violating the "improper purpose" rule include, but are not limited to, any combination of:

- (1) Holding certain facts to have been established;
- (2) Returning papers;
- (3) Precluding a party from filing a paper, or presenting or contesting an issue;
- (4) Imposing a monetary sanction;
- (5) Requiring a terminal disclaimer for the period of the delay; or
- (6) Terminating the proceedings in the Patent and Trademark Office.

Id. § 10.18(c).

161. *Id.* § 10.18(d).

162. MODEL CODE OF PROF'L RESPONSIBILITY (1969).

163. 37 C.F.R. § 10.20(a) (2003).

164. *Id.* § 10.20(b).

165. *Id.* §§ 10.130-170.

a. Negative rules (prohibitions)

Several Disciplinary Rules are potentially implicated by conduct constituting prosecution laches. Rule 10.23(a) states that “[a] practitioner shall not engage in disreputable or gross misconduct.”¹⁶⁶ Rule 10.23(b) recites a list of “shall nots” for practitioners, including prohibitions against “[v]iolat[ing] a Disciplinary Rule,” and “[e]ngag[ing] in conduct that is prejudicial to the administration of justice.”¹⁶⁷ More particularly, Rule 10.23(c) provides that “[c]onduct which constitutes a violation of paragraphs (a) and (b) of this section includes, but is not limited to”¹⁶⁸ a long list of specifically enumerated offenses, including “[s]igning a paper filed in the Office in violation of the provisions of § 10.18.”¹⁶⁹ This provision therefore expressly brings violations of the signing and certifications provisions quoted above within the purview of the investigation and adjudication system established for PTO Code violations.

Rules 10.39 and 10.85 may also be relevant. Rule 10.39(a), for example, provides that:

A practitioner shall not accept employment on behalf of a person if the practitioner knows or it is obvious that such person wishes to:

(a) Bring a legal action, commence a proceeding before the Office, conduct a defense, assert a position in any proceeding pending before the Office, or otherwise have steps taken for the person, merely for the purpose of harassing or maliciously injuring any other person.¹⁷⁰

According to Rule 10.85(a), while representing a client, [a] practitioner shall not:

(1) Initiate or defend any proceeding before the Office, assert a position, conduct a defense, delay a trial or proceeding before the Office, or take other action on behalf of the practitioner’s client when the practitioner knows or when it is obvious that such action would serve merely to harass or maliciously injure another . . . [or]

(8) Knowingly engage in other illegal conduct or conduct contrary to a Disciplinary Rule.¹⁷¹

Furthermore, “[i]n appearing in a professional capacity before a tribunal, a practitioner shall not . . . [i]ntentionally or habitually violate any provision of this subchapter.”¹⁷²

166. *Id.* § 10.23(a).

167. *Id.* § 10.23(b)(1), (5).

168. *Id.* § 10.23(c).

169. *Id.* § 10.23(c)(15).

170. *Id.* § 10.39(a).

171. *Id.* § 10.85(a)(1), (8).

172. *Id.* § 10.89(c)(6). The rules define “tribunal” as including the PTO itself. *See*

b. Positive rules (obligations)

These prohibitions must be balanced against the affirmative obligations imposed by the PTO Code. These affirmative prohibitions include the requirement, set forth in Rule 10.84, entitled "Representing a client zealously," that "a practitioner shall not intentionally . . . [f]ail to seek the lawful objectives of a client through reasonably available means permitted by law and the Disciplinary Rules."¹⁷³ The same rule, however, permits a practitioner to "[r]efuse to aid or participate in conduct that the practitioner believes to be unlawful, even though there is some support for an argument that the conduct is legal."¹⁷⁴ A practitioner must also preserve his or her client's "confidence[s]" and "secret[s]."¹⁷⁵

B. A New Ethical Dilemma?

The rules identified above can be read to encompass conduct constituting or contributing to prosecution laches. Rule 10.18(b)(2)(i) expressly requires a practitioner to certify, each time she files a paper, that the paper is not being filed "to cause unnecessary delay."¹⁷⁶ Presumably, in a case justifying the exercise of equitable relief based on prosecution laches, attorneys filed several (perhaps numerous) papers including continuation applications, petitions for extensions of time to respond, and responses the practitioner knew would not advance the prosecution. As far as the accused infringer¹⁷⁷ and the PTO are concerned, such documents

id. § 10.1(z) (2003) (instructing that "tribunal" includes "the Office," which is defined in subsection (p) as "Patent and Trademark Office").

173. *Id.* § 10.84(a)(1) (2003). Although Rule 10.84 expresses its requirements as negative prohibitions (e.g., "shall not . . . fail"), Rule 10.84(a)(1) effectively obligates practitioner to "seek the lawful objectives" of their clients. *Id.*

174. *Id.* § 10.84(b)(2).

175. *Id.* § 10.57(b)(1). A "confidence" is "information protected by the attorney-client or agent-client privilege under applicable law." *Id.* § 10.57(a). A "secret" is "other information gained in the professional relationship that the client has requested be held inviolate or the disclosure of which would be embarrassing or would be likely to be detrimental to the client." *Id.*

In certain specified circumstances, Rule 10.57 authorizes, but does not require, the disclosure of client confidences and secrets. *See id.* § 10.57(c) (allowing disclosure with consent of client, when permitted or required by law or Disciplinary Rules, or as necessary to collect fees and defend against accusations of wrongful conduct).

176. *Id.* § 10.18(b)(2)(i).

177. Interestingly, at least one accused infringer supplemented its prosecution laches defense with an argument that the patent in question should not be enforced because Rule 10.18 was violated. *See Bott v. Four Star Corp.*, Nos. 88-1117, 88-1118, 1988 WL 54107, at *2 (Fed. Cir. May 26, 1988). Although Federal Circuit rules prohibit citation of the opinion in *Bott*, it is worth noting that the court did not dismiss this argument out-of-hand, stating only that the defendant had "alleged generally that this rule was violated but has not set forth facts to support any specific violation." *Bott*, 1988 WL 54107, at *2.

were produced to cause “unnecessary delay” and/or “needless increase in the cost of prosecution before the Office.”¹⁷⁸ Given the requirement that a party asserting prosecution laches demonstrate prejudice, it can even be argued that a late-filed amendment presenting claims calculated to cover the intervening products of that party was presented “to harass” it, in violation of Rule 10.18(b)(2)(i).¹⁷⁹

The latter interpretation would also arguably implicate Rule 10.39(a), to the extent “the practitioner knows or it is obvious that [his client] wishes,” for example, “to . . . assert a position . . . or otherwise have steps taken . . . merely for the purpose of harassing or maliciously injuring any other person.”¹⁸⁰ The elements of prosecution laches, unreasonable delay plus prejudice, possess considerable symmetry with the conduct prohibited by Rule 10.85(a)(1), namely that a practitioner shall not delay a proceeding in the PTO “when [he] knows or when it is obvious that such action would serve merely to harass or maliciously injure another.”¹⁸¹

However, a number of considerations counsel restraint, for the time being at least, in applying the disciplinary rules to prosecution laches situations. Principal among these is the fact that the Federal Circuit’s *Symbol Technologies*¹⁸² decision is very recent. Its procedural posture, a successful appeal from a dismissal for failure to state a claim, is also significant. All the Federal Circuit has said, thus far, is that it is possible to state a prosecution laches-based challenge.¹⁸³ Much about when such a challenge should be regarded as successful remains to be determined, both in any appeal from the remand determination in *Symbol Technologies* and in future cases. The decision is thus very preliminary, and when viewed against the background of its rather tortured history,¹⁸⁴ it is properly regarded as a significant departure from prior law.¹⁸⁵

178. 37 C.F.R. § 10.18(b)(2)(i) (2002).

179. *Id.* § 10.18(b)(2)(i). The same analysis would apply to Rule 10.23(c)(15), as it prohibits violations of Rule 10.18.

180. *Id.* § 10.39(a).

181. *Id.* § 10.85(a)(1).

182. *Symbol Techs., Inc. v. Lemelson Med.*, 277 F.3d 1361, 61 U.S.P.Q.2d (BNA) 1515 (Fed. Cir. 2002).

183. *See id.* at 1366, 61 U.S.P.Q.2d (BNA) at 1519 (reversing lower court decision that defense of prosecution laches was unavailable as a matter of law, thus allowing *Symbol Technologies* to assert defense on remand).

184. *See supra* discussion Part I (explaining the reluctance of many courts to employ prosecution laches doctrine, despite recognition by many that the doctrine is viable, because of confusion about the doctrine’s parameters).

185. The District Court for the Northern District of New York recently cited the significance of this change in its decision to grant an infringement defendant leave to amend its answer to assert prosecution laches. *See Oxaal v. Internet Pictures*

Furthermore, notwithstanding the magistrate judge's analysis in *Ford Motor*,¹⁸⁶ the Federal Circuit's *en banc* holding in *Kingsdown* that it is not "improper to amend or insert claims intended to cover a competitor's product the applicant's attorney has learned about during the prosecution of a patent application,"¹⁸⁷ cannot be readily dismissed, at least not in the context of considering potential ethical implications of prosecution laches. Admittedly, *Kingsdown* did not involve allegations of unreasonable prosecution delay.¹⁸⁸ However, it pertained to another, significantly analogous, basis for holding claims unenforceable on grounds of equity—inequitable conduct.¹⁸⁹ In addition, the language quoted from *Kingsdown* concerns the knowledge and conduct of the practitioner, and should, therefore, be given weighty consideration when evaluating past practitioner conduct.¹⁹⁰ In view of these considerations, at least as to conduct predating the decision in *Symbol Technologies* that is alleged or even adjudicated to constitute prosecution laches, no ethical violations should be found.

Even as to post-*Symbol Technologies* practitioner conduct, the many unresolved questions concerning prosecution laches, together with its legacy of confusion, should give the courts and disciplinary authorities pause in evaluating whether such conduct involves ethical violations. As noted above, practitioners are duty-bound to represent their clients zealously.¹⁹¹ This obligation, combined with the prevailing uncertainty surrounding the defense of prosecution laches, entitles practitioners to the benefit of the doubt.

On the other hand, practitioners are, as a result of the *Symbol Technologies* decision, "on notice." At a minimum, they have an obligation to monitor doctrinal developments, and be wary when they are instructed or when they suspect that their clients' objectives include maintaining application pendency for the purpose of awaiting and responding, with new or amended claims, to

Corp., Nos. 13, 15, 2002 WL 485704, at *2 (N.D. N.Y. Mar. 27, 2002).

186. *Ford Motor Co. v. Lemelson*, Nos. CV-N-92-545-613-LDG, CV-N-92-545-LDG, 1995 WL 628330 (D. Nev. June 16, 1995); see *supra* notes 74-82 and accompanying text (discussing the procedural history of the *Lemelson* cases).

187. *Kingsdown Med. Consultants, Ltd. v. Hollister, Inc.*, 863 F.2d 867, 874, 9 U.S.P.Q.2d (BNA) 1384, 1390 (Fed. Cir. 1988).

188. *Id.* at 869, 9 U.S.P.Q.2d (BNA) at 1386.

189. *Id.* at 877, 9 U.S.P.Q.2d (BNA) at 1392.

190. See *Chiron Corp. v. Genentech, Inc.*, 268 F. Supp. 2d 1139, 1143 (E.D. Cal. 2002) (noting that although *Kingsdown* "did not address the question of how a long period of delay affects the equities," its "discussion of what is and is not equitable behavior by patentees is relevant" to the issue of prosecution laches).

191. See 37 C.F.R. § 10.84 (2003).

marketplace developments.¹⁹² Practitioners should also re-familiarize themselves with the PTO's rules regarding withdrawal from employment, which is required, for example, in circumstances that would preclude the acceptance of employment under Rule 10.39(a), or where "continued employment will result in violation of a Disciplinary Rule."¹⁹³

CONCLUSION

Although the Federal Circuit's decision in *Symbol Technologies* opens a new avenue of defense for some accused infringers, declarations of unenforceability based on prosecution laches are likely to be reserved for the most extreme cases. Disciplinary consequences for practitioners should be commensurably rare, even for post-*Symbol Technologies* conduct. As discussed in the Article, the patent statute and rules of practice authorize, or at least do not proscribe, the conduct at issue, and the applicable ethics rules exert somewhat conflicting tensions upon practitioners. However, while *Symbol Technologies* provides reason enough for practitioners to counsel their clients against unreasonable tactical delays, practitioners must recognize that their clients are not the only ones who risk severe consequences for such conduct.

192. See *Brasseler, U.S.A. I, L.P. v. Stryker Sales Corp.*, 267 F.3d 1370, 60 U.S.P.Q.2d (BNA) 1482 (Fed. Cir. 2001) (upholding an award of attorneys' fee in an on-sale bar case where Brasseler withheld information about sale from its attorneys and attorneys purposefully did not investigate matter). *Brasseler* is relevant considering the PTO Code provisions requiring that practitioner conduct a reasonable investigation before submitting papers and imposing ethical obligations when the practitioner either knows or "it is obvious" that his client wishes to engage in proscribed conduct.

193. See 37 C.F.R. § 10.40(b) (2003); see also *id.* § 10.40(a), (c) (imposing limitations on a practitioner's ability to withdraw from a proceeding before the PTO).