

September 20, 2006

Kim v. ConAgra Foods, Inc.

Nos. 05-1414, -1420, Federal Circuit (Schall, Archer, Dyk)

[I]f the objective public observer can discern a surrender of subject matter during the prosecution of an original patent in order to overcome prior art and obtain the patent, then the recapture rule should prevent the reissuing of that patent to claim the surrendered subject matter.

On September 20, 2006, the Federal Circuit affirmed the district court's judgment that ConAgra did not infringe U.S. Patent No. Re. 36,355, which related to a potassium bromate replacer composition for breadmaking, and affirmed the district court's denial of ConAgra's motion for judgment as a matter of law of invalidity of the '355 patent based on the recapture rule. The Federal Circuit stated:

ConAgra argues that the asserted claims of the '355 patent are invalid because they improperly recapture material that Kim surrendered during prosecution of her original patent, and that the '355 patent is invalid as anticipated by, and obvious over, the prior art.

The reissue procedure allows a patentee to broaden the scope of an existing patent to include subject matter that had been erroneously excluded from that patent. This procedure, however, is not without its limitations. For example, the "recapture rule prevents a patentee from regaining through reissue the subject matter that he surrendered in an effort to obtain allowance of the original claims." [In] a three-step process for applying the recapture rule: The first step is to determine whether and in what aspect the reissue claims are broader than the patent claims. The second step is to determine whether the broader aspects of the reissued claim related to surrendered subject matter. Finally, the court must determine whether the reissued claims were materially narrowed in other respects to avoid the recapture rule. [T]he only issue [on appeal] is whether the broader aspects of the reissued claims relate to "surrendered" subject matter.

The challenger of the reissued patent, here ConAgra, must establish surrender of recaptured subject matter by clear and convincing evidence. A patentee can surrender subject matter either through arguments or amendments made during the prosecution of the original patent. Whether surrender of recaptured subject matter has occurred is a question of law, which we review de novo.

The district court here suggested that the patentee's subjective intent should be evaluated in determining whether the patentee surrendered subject matter. Some of our recapture decisions explain that "[e]rror under the reissue statute does not include a deliberate decision to surrender specific subject matter in order to overcome prior art," and that the prerequisite error for a reissue can exist if "there is no evidence that the [applicant] intentionally omitted or abandoned the claimed subject matter." But these cases do not suggest that the patentee's subjective intent is pertinent to the question of surrender. These decisions simply distinguish between a patentee's inadvertent "error" (for which the reissue statute provides a remedy), and a patentee's "surrender" (for which the recapture rule prevents a reissue).

It is clear that in determining whether "surrender" of subject matter has occurred, the proper inquiry is whether an objective observer viewing the prosecution history would conclude that the purpose of the patentee's amendment or argument was to overcome prior art and secure the patent. This is because the recapture rule is aimed at ensuring that the public can rely on a patentee's admission during prosecution of an original patent. "It is precisely because the patentee amended his claims to overcome prior art that a member of the public is entitled to occupy the space abandoned by the patent applicant. [T]he reissue statute cannot be construed in such a way that competitors, properly relying on prosecution history, become patent infringers when they do so." Thus, if the objective public observer can discern a surrender of subject matter during the prosecution of an original patent in order to overcome prior art and obtain the patent, then the recapture rule should prevent the reissuing of that patent to claim the surrendered subject matter.

For more information on these issues or other intellectual property law matters, please contact **Lawrence M. Sung, Ph.D.** at lsung@nixonpeabody.com or 202-585-8221.

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