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Having One's Cake And Eating It Too In Post-Grant Review

Law360, New York (October 16, 2012, 2:35 PM ET) -- In a noteworthy decision released Sept. 28, 2012, *In re Abbott Diabetes Care Inc.*, 11-1516, the Federal Circuit reversed a decision of the United States Patent and Trademark Office Board of Appeals on the grounds that the claim construction applied during re-examination was "unreasonable" and outside the boundaries of the "broadest reasonable interpretation" standard.

At issue in the case was the re-examination of two patents owned by Abbott dealing with methods and apparatus for monitoring glucose levels in diabetics. In particular, the USPTO's construction of the term "electrochemical sensor" during re-examination was in dispute.

The Board of Appeals found that the term "electrochemical sensor," when given its broadest reasonable interpretation in light of the specification, includes wires and cables for making an electrical connection with the monitoring unit, asserting that nothing in Abbott's patents specification explicitly disclaimed sensors that include electrical cables or wires.

The background section of the specification of the patents at issue criticized prior art electrochemical sensors, which included such wires and cables:

[T]he sensor guides or the sensors include cables or wires for connecting the sensor to the equipment to direct signals from the sensor to an analyzer. The size of the sensor guides and presence of cables and wires hinders the convenient use of these devices for everyday applications. There is a need for a small, compact device that can operate the sensor and provide signals to an analyzer without substantially restricting the movements and activities of a patient.

Abbott appealed arguing that the board's construction was unreasonable and inconsistent with the language of the claims and the specification. The Federal Circuit agreed, noting that the specification contained only disparaging remarks with respect to electrochemical sensors having cables or wires, that the primary purpose of the invention was to provide an electrochemical sensor that did not restrict the movements and activities of the patient unlike prior art electrochemical sensors having wires and cables, and that every embodiment disclosed in the specification shows an electrochemical sensor without external cables or wires. In addition, the Federal Circuit rejected the USPTO's argument that in this particular instance an explicit statement disclaiming electrochemical sensors with external cables or wires was necessary in order to apply the more restrictive claim construction.

Thus, the Federal Circuit remanded the case to the USPTO for further consideration, with instructions to construe the term "electrochemical sensor" as "a discrete electrochemical

sensor devoid of external connection cables or wires to connect a sensor control unit."

The potential implications of this case are particularly interesting when *In re Abbott* is considered in combination with the Federal Circuit's recent en banc decision in *Marine Polymer Technologies Inc. v. Hemcon Inc.*, 672 F.3d 1350 (Fed Cir. 2012).

In the *Marine Polymer* decision, the Federal Circuit held that an intervening rights defense can be triggered during re-examination proceedings only through textual amendment of the claims, or the addition of new claims.

For patent owners, the combination of these principles provides a potential pathway in post-grant challenges before the USPTO to argue that a more restrictive claim interpretation should be applied to the claims according to the holding of *In re Abbott*, one that would presumably avoid prior art being asserted against the patent claims. Since the reliance on *In re Abbott* to advocate a particular claim construction involves only argument, and not textual amendments or the addition of new claims, the *Marine Polymer* decision can be cited to rebut subsequent assertions of an intervening rights defense.

For validity challengers, especially those accused of infringement, it should be anticipated that the patent owner will attempt to pursue the strategy outlined above, and measures taken in order to attempt to circumvent the holdings of these two cases. For example, the specification of the target patent should be carefully reviewed, and any potential disclaimer of prior art subject matter identified. The bases for the validity challenge should be formulated keeping in mind the possibility that the claims would be interpreted to omit the disclaimed subject matter.

The bases for the validity challenge should include a position that anticipates or renders obvious the claims when interpreted in light of *In re Abbott*, thus increasing the odds that the patent owner will be forced into a textual amendment or new claim to preserve validity, thereby triggering intervening rights in the target patent.

While it should be noted that both the *In re Abbott* and *Marine Polymer* decisions were rendered in the context of pre-America Invents Act re-examination proceedings, there is no apparent reason why these decisions would not be equally applicable to, for example, inter partes review and post-grant review proceedings. Both are conducted under the same "broadest reasonable interpretation" standard at issue in these two cases.

This ups the ante with respect to claim construction arguments pursued during the course of post-grant review proceedings. When successful, the practical scope of the claim can be limited to help distinguish over the prior art, yet the patent owner can avoid the undesirable damages-limiting consequences of intervening rights.

Of course, the applicability of this precedent is highly fact-dependent, and the most appropriate strategy in any particular case will vary according to a number of different factors.

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