Acquiescence in Patent Applications

2003-12-23

Background: Patentee Acquiescence

It has long been the case that when a patent examiner makes a rejection, and the applicant responds by amending the claim or making a disclaimer, such actions may bar the applicant from later questioning the merits of the examiner's rejection.

The most common example of this occurs when an applicant, in order to overcome a rejection, presents to the examiner an argument or an amendment of the claims, which narrows the breadth of the patent, *i.e.* limits the claim scope.

But does the *failure* to make an argument during prosecution later bar patentees from making that or a similar argument to defend the validity of their patents?

Recently, a U.S. District Court found that statements made by a patentee during prosecution precluded that patentee from later presenting *other* arguments in support of the validity of the patent. In *TorPharm, Inc. v. Ranbaxy Pharmaceuticals, Inc.*, the U.S. Court of Appeals for the Federal Circuit, which hears appeals for patent prosecution and infringement cases, overturned the District Court decision. In doing so, however, the Federal Circuit recognized that "the public is entitled to equate an inventor's acquiescence to the examiner's narrow view of patentable subject matter with abandonment of the rest" and indicated that by amending a claim a patentee may have "acquiesced" to the proposition that a claim lacking the amendments would be invalid.

The TorPharm Case

In the case, Ranbaxy was accused of infringing TorPharm's U.S. Patent No. 5,670,671, which relates to a *process* of manufacturing a drug known as "improved Form 1 ranitidine." Ranitidine is used to treat ulcers. The improved drug produced by TorPharm was itself protected by claims to the composition in another patent, U.S. Patent No. 5,523,423.

Ranbaxy pointed out that, during prosecution of the '671 patent, the examiner originally disallowed the claims as being obvious. TorPharm had responded to the examiner's objections by arguing that the improved ranitidine product of the '423 patent had already been allowed, and that this evidenced

the nonobviousness of the '671 process and made the '671 patent allowable.

Some time after issuance of the '671 patent, a separate court had found the '423 patent invalid, and the improved ranitidine product to have been obvious.

Ranbaxy argued that the examiner allowed the '671 claims only because the '423 patent was valid and that TorPharm, by failing to make other patentability arguments, had acquiesced to the examiner's position that the process was not patentable for any other reason. Therefore, Ranbaxy maintained, TorPharm was precluded from later presenting in court arguments for patentability other than those presented to the Patent Office.

The District Court, which agreed with Ranbaxy, had stated, "It is clear that the claims of the '671 patent would not have been allowed but for the alleged novelty of Form 1 ranitidine .... Therefore, TorPharm cannot now argue that the nonobviousness of the '671 claims is supported by anything other than the novelty of Form 1 ranitidine."

The Federal Circuit disagreed. Although the Federal Circuit confirmed that a patentee may not adopt a position contrary to that presented before the Patent Office, a patentee in litigation is not restricted only to those arguments in support of patentability that previously were presented to the examiner during prosecution.

However, the Federal Circuit refused to hold that an acquiescence theory could never be invoked in the patentability inquiry.

Conclusion

In *TorPharm*, the Federal Circuit addressed the doctrine of acquiescence as it applies to arguments asserted and amendments made by the applicant during prosecution. In particular, the Federal Circuit stated that, "where the factual bases of an examiner's decision to allow a claim have been undermined ... a court's responsibility is not to speculate what a particular examiner would or would not have done in light of the new information, but rather to assess independently the validity of the claim." Furthermore, to make that validity assessment, any acquiescence rationale does "not suggest that a patentee may advance during litigation only those arguments in support of patentability that were made before the Patent Office, nor that the negation of an argument advanced during prosecution necessarily negates patentability as well."

But does this mean that prosecution acquiescence is dead? As the Federal Circuit concluded in TorPharm:

> Although Ranbaxy's acquiescence argument thus fails, we do not mean to say that an acquiescence theory may never be invoked in the patentability inquiry. The circumstances in which such a theory might succeed are not before us, and they better await another day for explication and decision.

Joshua Migliazzo
joshua.migliazzo@haledorr.com

James Lampert
james.lampert@haledorr.com

Authors

James B. Lampert

RETIRED PARTNER

james.lampert@comcast.net

+1 617 526 6000